

Multi-faceted likelihood of confusion: threshold under third limb of UDRP generally higher than under first limb **Cybersquatting Internet issues**
International - Hogan Lovells

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- **Panel refused to transfer 'xbet.bet' to owner of two 1XBET marks**
- **Degree of confusion under first limb may be insufficient to support finding of bad faith**
- **Small difference between mark and domain name sufficient to establish lack of confusing similarity under third limb**

In a [recent decision](#) under the Uniform Domain Name Dispute Resolution Policy (UDRP) before the World Intellectual Property Organisation, a panel has denied the transfer of a domain name as the complainant had failed to establish a likelihood of confusion under the third limb of the UDRP.

The complainant was Navasard Limited of Limassol, Cyprus, a company engaged in the sports betting industry. It was also the registrant of two EU trademarks (a design mark and a word mark) for 1XBET since 2015.

The respondent was Humberto DAbreu De Paulo, Duranbah Limited NV of Willemstad, Curaçao, a company engaged in online betting mainly through its website at 'www.xbet.ag' since 2014. Apart from the domain name 'xbet.ag', the respondent also held other domain names consisting of the term 'xbet', including but not limited to 'xbet.football', 'xbet.fr' and 'xbet.poker'.

The domain name 'xbet.bet' was registered on March 3 2016 and had been parked with pay-per-click links since its creation. Further to the filing of the complaint, the respondent redirected the domain name to its website at 'www.xbet.ag'.

To be successful in a complaint under the UDRP, a complainant must satisfy the following three requirements under Paragraph 4(a):

- (i) the domain name registered by the respondent is identical, or confusingly similar, to a trademark or service mark in which the complainant has rights;
- (ii) the respondent has no rights or legitimate interests in respect of the domain name; and
- (iii) the domain name has been registered and is being used in bad faith.

With regard to the first limb, the complainant contended that the domain name was a misspelling of '1xbet' and, therefore, was confusingly similar to its 1XBET trademark. The respondent, however, denied the existence of such confusion on the grounds that many gaming websites were centred on the term 'bet', such as 'www.x-bet.co', 'www.1bet.com' and 'www.vbet.com'. According to the respondent, internet users could be reasonably assumed to know the difference between the domain name and the complainant's trademark, notably when the distinctiveness of the complainant's trademark was inherently weak.

In the panel's view, the domain name and the complainant's trademark each comprised the readable word 'bet' preceded by one or two characters making no particular sense and which would be pronounced separately. Since the comparison under the first limb functions primarily as a standing requirement, the panel found that the domain name was confusingly similar to the complainant's trademark. The first limb was therefore satisfied.

Turning to the second limb, the complainant contended that the respondent had no rights or legitimate interests in respect of the domain name, while the respondent provided evidence showing that it had operated the website 'www.xbet.ag' for gaming and sports betting activities since at least as early as 2014 and therefore was commonly known as XBET or XBET.AG. The respondent further cited a number of other domain names consisting of the term 'xbet' and variously obtained by the respondent to provide additional websites, for redirection or defensive registration purposes.

The panel first pointed out that Paragraph 4(c)(i) of the UDRP did not necessarily require the use of the domain name itself to create a good-faith offering of goods or services, but also the use of a corresponding name. The respondent could therefore rely on its usage of a different domain name (ie, 'xbet.ag') to substantiate a good-faith offering of goods or services. On the basis of the respondent's evidence, it appeared that it had used a name corresponding to the domain name in connection with an offering of goods

or services, but whether that offering was in good faith or not was subject to the panel's findings under the third limb. It should be noted that the panel did not consider it necessary to determine whether the respondent would qualify as having been commonly known by the domain name within the meaning of Paragraph 4(c)(ii) of the UDRP.

As far as the third limb was concerned, the complainant submitted that the domain name had been registered and was being used in bad faith as the respondent was attempting to attract internet users to its own website for commercial gain by creating a likelihood of confusion with the complainant's trademark in accordance with Paragraph 4(b)(iv) of the UDRP. In response, the respondent first denied knowledge of the complainant's trademark prior to the complaint. It further denied any confusion between the domain name and the complainant's trademark given the existence of many other domain names consisting of the term 'bet' and the fact that clients in the business of gaming and betting were usually discerning enough to know the difference. Finally, the respondent argued that the generation of pay-per-click advertising revenue, while the domain name was parked, was not in itself illegitimate if the complainant's trademark was not specifically targeted.

The panel thus needed to assess the likelihood of confusion between the domain name and the complainant's trademark again, but this time for the purpose of the third limb, not the first. According to the panel, the standard required under the third limb was higher than that conventionally adopted under the first limb. In other words, if the domain name was found to be confusingly similar to the complainant's 1XBET trademark under the first limb, the degree of such confusion may not be sufficient to support a finding of bad faith under Paragraph 4(b)(iv) of the UDRP.

In this sense, the panel recalled, based on previous UDRP decisions, that when the trademark was a relatively weak, non-distinctive term, the scope of protection may be limited to the identical term and that the addition of other descriptive matter may avoid confusion. Since the panel found that the prefix '1X' in the complainant's trademark appeared to add little distinction to the generic, unoriginal word 'bet', the fact that the complainant's trademark differed from the domain name by only the digit '1' was sufficient to establish a lack of confusing similarity under the third limb. In the context of the narrow and competitive field of online gaming and in the absence of any contrary evidence provided by the complainant, the panel was not convinced that internet users were likely to be confused in navigating their way around the wide choice of '...bet...' websites.

The complainant therefore failed to establish the respondent's bad faith within the meaning of Paragraph 4(b)(iv) of the UDRP. For the sake of completeness, the panel underlined that the passive holding of the domain name by the respondent prior to the filing of the complaint could not amount to a finding of bad faith as this could be considered as a defensive registration aimed at protecting the respondent's related domain names.

This case is a good example of how the likelihood of confusion may be assessed differently under the UDRP to the extent that the threshold under the third limb with regard to bad faith is generally higher than that under the first limb, which simply constitutes a standing requirement. In the event that the trademark concerned is not a well-known distinctive one, the addition of a small generic or descriptive term may be sufficient to avoid confusion under Paragraph 4(b)(iv) of the UDRP and thus exclude a finding of bad faith.

Jane Seager and Ying Lou, Hogan Lovells, Paris

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