

UDRP panel finds RDNH; complainants should disclose all prior dealings with respondent
International - Hogan Lovells

**Cybersquatting
Internet issues
Domain names**

February 12 2018

- **UDRP panel denied transfer of 'modz.com' to the owner of the MODZ mark**
- **Respondent had consistently used domain name in connection with generic meaning**
- **It is important to disclose all prior dealings with respondent to avoid risk of damaging the case**

In a [recent decision](#) under the [Uniform Domain Name Dispute Resolution Policy](#) (UDRP) before the World Intellectual Property Organisation, a three-member panel has denied the transfer of a domain name identically reproducing a complainant's trademark for failure to show bad-faith registration. The panel also made a finding of reverse domain name hijacking (RDNH) for failure to disclose prior communications with the respondent.

The complainant was Modz, a French online fashion retailer. The complainant was the owner of French registered trademark No 3484351 for MODZ, which was registered on February 22 2007. The complainant's online store was available at 'www.modz.fr' (the domain name 'modz.fr' was created in May 2008).

The respondent was He Ming Huang, a professional poker player based in the United States.

The disputed domain name was 'modz.com'. It was originally registered on May 20 1998 but acquired by the respondent in 2008. At the time of filing of the complaint, the domain name was resolving to a website displaying pay-per-click (PPC) links in connection with gaming and computers.

To be successful in a complaint under the UDRP, a complainant must prove each of the following cumulative requirements:

- (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.

As far as the first requirement under the UDRP is concerned, the panel found that the complainant's MODZ trademark was identically reproduced in the domain name without adornment. Therefore, the panel found that the domain name was identical to the complainant's trademark.

As for the second requirement under the UDRP, and whether the respondent had rights or legitimate interests in the domain name, a complainant is required to make out a *prima facie* case showing that the respondent lacks rights or legitimate interests in the domain name. The complainant argued that the domain name was resolving to a parking page containing sponsored links, including links directing to the complainant's website, and that the respondent had never used the domain name for an offering of goods or services. The respondent, in turn, argued that the term 'modz' was a commonly used alternative to 'mods', a generic term used in the gaming and computer market to refer to aftermarket modifications. The respondent asserted that he had acquired the domain name for the purpose of establishing an online retail business relating to video gaming, but discontinued his retail operation in 2009 and parked the domain name in PPC monetisation, based on the value of 'modz' as a generic keyword.

The panel found that the respondent had rights or legitimate interests in the domain name. The panel accepted that the respondent had consistently used the domain name in connection with its generic meaning in connection with the "gaming and computer industry for an aftermarket modification": first, in 2008, to establish and operate an online retail store offering gaming accessories and, thereafter, to resolve to a website displaying PPC links, which is a permissible practice as long as the disputed domain name consists of a generic term and the links generally relate to the generic meaning of that term. Therefore, the panel found that the respondent had satisfied the second requirement under the UDRP.

As far as the third requirement under the UDRP is concerned, and whether the respondent registered and used the domain name in bad faith, the complainant argued that the respondent was aware of its rights at

the time of registration of the domain name, whereas the respondent denied having knowledge of the complainant at that time. The panel noted that, at the time the respondent acquired the domain name in 2008, the complainant had owned the MODZ trademark for approximately a year and owned the domain name 'modz.fr' for about two months. The panel noted that the complainant had failed to provide evidence of its reputation, in France and worldwide, or any other evidence indicating that the respondent had the complainant in mind at the time of registration.

The panel also pointed out that the only evidence of awareness put forward by the complainant was the fact that, for a brief period of time, one of the sponsored links on the respondent's parking page led to the complainant. The respondent argued that this was due to the purchase by the complainant of the term 'modz' as a "paid, geo-targeted search keyword, in order to appear among the search results generated by the advertising system". The panel was satisfied with the respondent's explanation and found that there was no reason for the panel to believe that the respondent was aware of the complainant or its rights at the time of registration of the domain name.

The panel also rejected the complainant's contention that the respondent had acquired the domain name for the purpose of selling it to the complainant for an amount in excess of its out-of-pockets expenses. The panel's decision was based on the respondent's use of the domain name for the purpose of operating an online retail store, as well as the complainant's "selective account of the complainant's prior dealings with the respondent". The complainant had made several attempts to purchase the domain name from the respondent and, although it had disclosed its attempt in 2016, it had failed to mention its offer for \$4,000 in 2009, as revealed by the respondent. The panel found that the complainant's failure to disclose this exchange was "unacceptable, as it demonstrates not only that the complainant's contention that the respondent acquired the disputed domain name for the sole purpose of reselling it is false, but also that the complainant was aware of this falsity and filed the complaint anyway". Therefore, the panel found that the respondent did not acquire the domain name in bad faith.

As far as the use of the domain name was concerned, the panel noted that the complainant's contentions that the respondent's use of the domain name was likely to cause confusion as to the source or sponsorship of the website, for commercial gain, and that it was intended to divert consumers or tarnish the complainant's trademark, were not supported by the evidence on record. The panel highlighted that the respondent had consistently used the domain name in connection with its generic meaning, without trading off the complainant's reputation, and also emphasised that the PPC links displayed on the associated website referred to products and services that related to the computer and gaming industry.

Accordingly, the panel found that the respondent was not using the domain name in bad faith and that the complainant did not satisfy the third requirement under the UDRP. Therefore, the panel denied the transfer of the domain name to the complainant.

Finally, the panel also considered whether a finding of RDNH was appropriate. RDNH is defined in Paragraph 1 of the UDRP Rules as "using the policy in bad faith to attempt to deprive a registered domain-name holder of a domain name". The respondent had not requested a finding of RDNH. However, a panel may make such a finding even when a respondent has not specifically requested it. In this case, the panel found that the complainant had committed RDNH. To support its decision, the panel took into account the fact that the complainant had omitted or misrepresented communications with the respondent that, in the panel's view, were key as they suggested that the complainant's filing of the complaint was "plan B" following several failed attempts to purchase the domain name, particularly as there was no evidence suggesting that the respondent was targeting the complainant at the time of registration of the domain name.

This decision highlights how having prior trademark rights does not necessarily mean that the trademark holder will succeed in obtaining the transfer of a domain name, even if it reproduces such trademark identically. A complainant must also demonstrate that the respondent had awareness of the complainant's rights and registered the disputed domain name to take advantage of such rights, which may prove difficult particularly where the name in question also has an arguably generic or descriptive meaning. This case therefore serves as a reminder that complainants owning trademarks that may also have a generic or descriptive meaning have a heavier burden to establish awareness of their rights and so complainants should provide as much evidence as possible in order to support their claims of bad-faith registration. The decision also highlights the importance of disclosing all prior dealings with a respondent to avoid the risk of damaging the case and a possible finding of RDNH.

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