

**UDRP complainants beware: careless attitude doesn't pay off
International - Hogan Lovells**

**Confusion
Cybersquatting
Domain names**

May 10 2018

- **WIPO panel refused to transfer 'leopay.com' to owner of LEUPAY mark**
- **Insufficient evidence that domain name was registered and used in bad faith to take advantage of mark**
- **Complainant's solicitation of respondent's offer undertaken in bad faith to obtain evidence in support of proceedings**

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 confusingly similar to the complainant's trademark as there was insufficient evidence that it was registered and used in bad faith to take advantage of the complainant's trademark. The panel also made a finding of reverse domain name hijacking (RDNH), in part because of the complainant's lack of diligence before the submission of the complaint.

The complainant was iCard AD of Sofia, Bulgaria, a provider of e-money services and prepaid payment cards in Europe under the word-and-device trademark LEUPAY. The complainant was the owner of registrations for the LEUPAY trademark in the European Union since 2015 and in Bulgaria since 2016, as well as the applicant for the registration of the LEUPAY trademark in the United States of America. Since 2017 the complainant was also the non-exclusive licensee of the EU registration for the word mark LEOPAY, registered in 2015 in the name of another company. The complainant also claimed to be the owner of the domain name 'leopay.eu' since 2014 and was the owner of the domain names 'leopay.eu', 'leopay.uk', 'leopay.fr', 'leopay.ch', 'leopay.nl' and 'leopay.us' registered on various dates in 2017.

The respondent was Mr Yongchang Zhang, an individual residing in Beijing, China.

The disputed domain name 'leopay.com' was registered on December 4 2008 and was mostly used as the respondent's personal blog.

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 disputed domain name was confusingly similar to the LEUPAY trademark and identical to the LEOPAY trademark. The respondent rebutted this statement by underlining that the complainant was not the owner of the LEOPAY trademark and that the complainant's licence to use the trademark was obtained maliciously and, therefore, should not have been recognised by the panel.

The panel made a clear distinction between the LEOPAY and the LEUPAY trademarks. The panel first focused on the LEOPAY mark, which, after discounting the top-level domain '.com', was identical to the disputed domain name. The panel found that the complainant, as a non-exclusive trademark licensee, would typically not have standing to file a UDRP complaint without providing evidence of its authorisation to file the complaint from the trademark owner, and therefore found that the LEOPAY trademark could not be included in the complaint.

On the other hand, when it came to the LEUPAY trademark, the panel reluctantly admitted that the only difference between the disputed domain name and this trademark was the third letter, 'o', instead of 'u'. In the panel's view, the disputed domain name did not comprise a common, obvious or intentional misspelling of the LEUPAY trademark. In support of this finding, the panel stated that the registration of the disputed domain name by the respondent significantly predated the complainant's registration and use of the trademark. Nevertheless, the panel found that the complainant had satisfied the first limb of the UDRP because the time of the registration of a domain name was not a relevant consideration for the purposes of

the first element of the test under Paragraph (4)(a) of the UDRP.

As far as the second requirement under the UDRP was concerned, the complainant pointed out that it had not authorised, licensed or permitted the respondent to register or use the disputed domain name or to use the LEUPAY trademark. The respondent, however, provided evidence to demonstrate his use of the disputed domain name from 2009 until 2017 in relation to his personal blog and for the purpose of development and testing of projects by Beijing Saint Technology Co Ltd, the respondent's company since 2016. Although the panel stated that the respondent had rebutted the complainant's *prima facie* case, it did not consider it necessary to make a finding with respect to the second limb in light of its considerations as to the third limb of the policy.

Turning to the third requirement, in order to prove the bad faith of the respondent, the complainant relied on the respondent's pre-complaint offer to sell the disputed domain name. The respondent underlined that, when he received an anonymous email with an offer to buy the disputed domain name for €1,000, he thought the offer may have been a joke and therefore he casually replied with a high counter-offer of €200,000 for interest's sake and in order to find out if the disputed domain name was popular. The panel agreed with the respondent that the complainant's solicitation of the respondent's offer was undertaken in bad faith in order to obtain evidence in support of the proceeding, particularly because the complainant did not possess any rights in the LEUPAY trademark at the time of registration of the disputed domain name.

Moreover, the complainant asserted that the LEUPAY trademark had a strong reputation and was well known in the European Union. However, as the complainant did not provide evidence of its use of this trademark outside of Europe and in particular in China, where the respondent was based, the panel decided not to make any findings as to whether or not the complainant's trademark was indeed well known in Europe at the time of filing of the complaint.

Furthermore, the complainant invoked the violation by the respondent of Paragraph 2(d) of the UDRP, according to which the respondent "[would] not knowingly use the domain name in violation of any applicable laws or regulations". In the panel's view, there was no evidence to support the conclusion that the respondent had violated any applicable laws or regulations at the time of registration of the disputed domain name or during its use. The panel also underlined that, if a complainant had acquired trademark rights after a respondent's registration of a disputed domain name, a complainant would be able to prove a respondent's bad faith only in exceptional cases.

Accordingly, the panel found that the respondent had not registered and used the disputed domain name in bad faith and so the complainant had not satisfied 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". In this case, the panel made a finding of RDNH because of the following factors:

1. The panel emphasised that the complainant was represented, unlike the respondent, and thus should be held to a higher standard.
2. The panel noted that the registration of the domain name significantly predated the complainant's registration and use of the LEUPAY trademark.
3. The panel criticised the complainant for a lack of reasonably diligent enquiries in relation to evidence of the respondent's rights and legitimate interests prior to the submission of the complaint.
4. The panel commented on the incoherent assertions of the complainant and the fact that it ignored established precedent under the UDRP, in particular in relation to "retroactive" bad-faith registration.
5. The panel condemned the anonymous manner in which the complainant's representative had solicited the respondent's offer prior to the proceedings.

This decision highlights how having a trademark by itself does not necessarily mean that the trademark holder will succeed in obtaining the transfer of a domain name even if it is confusingly similar to such trademark. This is particularly the case when a disputed domain name was registered before a complainant's registration and use of a trademark. The decision also serves as a reminder of the importance of a complainant's good faith and diligence prior to the submission of a complaint, especially if a complainant is represented.

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