World Trademark Review

10 May 2021

UDRP: targeting is crucial for bad faith

International - Hogan Lovells

- **The owners of numerous marks containing the term 'noo' sought the transfer of 'noo.com' under the UDRP**
- **The panel noted that the respondent had been using the domain name for 15 years without displaying any content related to the complainants' activity**
- **The mere fact that the respondent had considered selling the domain name for an amount of money that the complainants found excessive was not sufficient to prove bad faith**

In a recent **decision** under the **Uniform Domain Name Dispute Resolution Policy** (UDRP) before WIPO, a panel has refused to order the transfer of the domain name 'noo.com': it found that the complainants had failed to show any evidence of bad faith and had therefore engaged in reverse domain name hijacking (RDNH).

Background

The complainants were JHO Intellectual Property Holdings LLC and Elite IP Holdings LLC, companies affiliated with one of the largest producers of energy drinks in the world, Vital Pharmaceuticals Inc, which recorded sales of more than $1 billion in 2019. It held more than 1,200 registered and pending trademarks throughout the world, including registered trademarks for NOO FUZION and NOO-FUSION for use with energy drinks products and clothing.

The respondent was Mahad Taheri, an individual based in the United States. No further information was provided.

The disputed domain name, 'noo.com', was created on 10 September 1998 and purchased by the respondent in 2005. It resolved to a website with the phrase, "What's NOO?", as well as webpages linked to 'noo.com' subdomains.

The complainants initiated proceedings under the UDRP for a transfer of ownership of the domain name.

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

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

Decision

Paragraph 4(a)(i)

Under the first requirement, the panel recognised that the complainants had trademark rights in NOO at the date that the complaint was filed. Since the disputed domain name incorporated the term 'noo' in its entirety, the panel considered that it was identical, or confusingly similar, to the complainants' trademarks. The complainants therefore satisfied Paragraph 4(a)(i) of the UDRP.

Paragraphs 4(a)(ii) and (iii)

The panel held that the second requirement of the UDRP did not need to be addressed in light of the third requirement. Under the third requirement, the panel found that the respondent had not registered and used the disputed domain name in bad faith.

The complainants stated that the respondent was selling the domain name for twice its value and argued that asking for an excessive price for a domain name was considered evidence of bad faith under the UDRP. However, the panel noted that the practice of registering a domain name for subsequent resale could not be considered as bad faith *per se*, as indicated by the **WIPO Overview 3.0**, Section 3.1.1. The overview underlines that circumstances indicating that a domain name was registered for the bad faith purpose of selling it to a trademark owner can be highly fact-specific.

In this case, the facts were quite straightforward and the panel accepted the respondent's defence: the disputed domain name was acquired by the respondent in 2005, but the complainants' trademarks dated from 2020, nearly 15 years later. In such circumstances, the domain name could not have been registered primarily for the purpose of selling it to the complainants or their competitors. Moreover, the respondent had been using the domain name for 15 years without displaying any content related to the complainants' activity. There was no evidence that the respondent was targeting the complainant. The mere fact that the respondent had considered selling the domain name for an amount of money that the complainants found excessive was not sufficient to prove bad faith. The complaint was therefore denied.

RDNH

Given the above, the panel also made a finding of RDNH, which is defined in the UDRP Rules as "using the policy in bad faith to attempt to deprive a registered domain name holder of a domain name". First, the panel reiterated the fact that the registration of the disputed domain name predated the complainants' trademark rights by nearly 15 years and there was no evidence of any targeting by the respondent, which clearly precluded a finding of bad faith registration under any reasonable interpretation of the UDRP. In addition, the panel noted that the complainants' only evidence put forward in support of the respondent's bad faith was the fact that the respondent was unwilling to sell the domain name at the complainants' desired price. Hence, the panel concluded that the complaint should never have been brought and constituted an abuse of UDRP proceedings.

Comment

This decision underlines the fact that complainants should think seriously about filing a complaint under the UDRP when their trademark rights post-date the registration of the disputed domain name. The UDRP was intended to deal with clear-cut cases of cybersquatting, in other words domain name registrations made in bad faith with the intention of profiting from the goodwill and reputation of a brand owner. Panels will occasionally make transfer orders when a complainant's trademarks were registered after the domain name registration, as set out in the WIPO Overview, Section 3.8.2. However, such circumstances are clearly defined and quite rare.

With regard to domain names legitimately being offered for sale, it is also worth noting that, while it may be possible to assess "market value" based on previous similar sales, any price quoted that is significantly in excess of that is no indication of bad faith. Actual sale prices may depend on many other factors, not least the financial position of both buyer and seller.

Jane Seager

Hogan Lovells

Sophia de Almeida Martins

Hogan Lovells

TAGS

[Online](), [Internet and Online](), [International]()