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ITDC: 'inadequately-tailored and doomed complaint'?

International - [Hogan Lovells](#)

- The panel refused to transfer the domain name 'itdc.com' and found that the complainant had engaged in RDNH
- Basing the complaint on the barest of allegations without any supporting evidence on what was essentially a trademark infringement dispute was doomed to fail
- The complainant had withheld material facts from the panel, in particular correspondence between the parties

In a recent [decision](#) under the [Uniform Domain Name Dispute Resolution Policy](#) (UDRP) before WIPO, a three-member panel has refused to transfer the domain name 'itdc.com' and found that the complainant's claim constituted an abuse of the UDRP proceedings and that the complainant had engaged in reverse domain name hijacking (RDNH).

Background

Facts

The complainant was HBA Holdings LLC, an Arizona company formed in July 2020. The complainant was the owner, by assignment, of a trademark registration for the mark ITDC for "information technology consulting services" in the United States in Class 42, which was filed in July 2018 and issued to registration in March 2019. The complainant obtained the assignment of the ITDC registration and trademark in July 2020, from IT Data Consulting LLC, which was a Virginia-based company that presented its services using a website it owned and operated at the domain 'it-dc.com'. The website referred to IT Data Consulting LLC as ITDC.

The respondent was Internet Tool & Die Company and its employee William Sylvester. Internet Tool & Die Company was incorporated in Delaware in September 2018. Its parent company, Denuo Inc, also owned other businesses that brokered private-party and governmental-party IPv4 number block sales. The Internet Tool & Die Company was apparently in the process of developing an internet protocol number management software aiming to facilitate and assist in developing the transactions brokered by Denuo's other businesses.

The respondent purchased the domain name 'itdc.com' in November 2018, through William Sylvester, for \$14,987.98. The respondent was using the domain name in connection with a website providing information about itself.

In March 2019 IT Data Consulting, via its counsel, sent a demand letter to the respondent concerning its use of the mark and name ITDC and its registration of the domain name 'itdc.com', demanding that the respondent transfer the domain name and threatening to commence UDRP proceedings. Four days later, the respondent replied via its counsel rejecting the complainant's contentions and setting forth detailed reasons why it was not infringing any alleged rights in the name and mark ITDC.

No further communications occurred between the parties and, on 5 January 2021, the complainant initiated proceedings under the UDRP for a transfer of ownership of the domain name. The respondent requested that the panel make a finding that the complainant had engaged in RDNH.

To be successful under the UDRP, a complainant must satisfy the requirements of Paragraph 4(a) of the UDRP, namely that:

- the disputed domain name 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 the disputed domain name; and
- the disputed domain name was registered and is being used in bad faith.

Respondent's preliminary views

Before presenting its arguments on the complainant's contentions on each of the three elements of Paragraph 4(a) of the UDRP, the respondent provided preliminary views and background information.

The respondent noted that, whilst the complainant was an Arizona corporation formed in July 2020, the respondent was incorporated in September 2018 and was a wholly-owned subsidiary of Denuo Inc, and had been listed as such on Denuo's website at 'denuo.com' since January 2020. The respondent maintained that its business was to develop internet protocol number management software for commercial use, and it indicated that it had offices in Herndon, Virginia that it shared with the other Denuo affiliated companies.

The respondent asserted that it had purchased the domain name in November 2018 for \$14,987.98 and had done so as an acronym for its company name Internet Tool & Die Company. It also declared that it had filed a trademark application in the United States for INTERNET TOOL & DIE COMPANY in December 2018 for its software product in Class 9, and that it owned a corresponding international registration based on its US

application issued to registration in June 2019. In addition, William Sylvester indicated that he had no awareness of the complainant when he acquired the domain name in November 2018. The respondent confirmed that it had received the demand letter in March 2019, to which it had responded four days later via its counsel, rejecting the claims. Lastly, the respondent pointed out that the complainant was an entity named HBA Holding LLC and that it was not clear what the actual existing relationship between HBA Holding and IT Data Consulting LLC was.

Decision

Paragraph 4(a)(i)

The complainant argued that the domain name was identical to its trademark ITDC as it consisted of the exact ITDC trademark. The complainant also indicated that:

- it was the owner of rights in the ITDC trademark in connection with information technology consulting services on account of its US trademark registration; and
- it owned common law rights in ITDC that dated back to 2010.

The respondent did not dispute that the domain name was identical to the ITDC trademark.

The panel considered that, due to the fact that (i) the complainant had established it was the owner of the ITDC trademark in the United States and (ii) the domain name fully and solely incorporated the trademark, the domain name was identical to the trademark and the complainant had consequently satisfied the requirements of the first element of Paragraph 4(a) of the UDRP.

Paragraph 4(a)(ii)

The complainant claimed that the respondent had no rights in the domain name because the complainant had common law rights in the ITDC mark which existed before the respondent's registration of the domain name.

The respondent answered that it had rights and legitimate interests in the domain name because it:

- had a *bona fide* business that commenced operations in September 2018;
- had registered the domain name as an acronym for its corporate name;
- had filed trademark applications for its Internet Tool & Die Company name and mark;
- had used the domain name for a website advertising the software that the respondent had been developing since January 2019; and
- had used ITDC as part of its corporate identity and in its branding.

The panel did not judge it necessary to address the question of the respondent's rights and legitimate interests because it concluded that the complaint had failed on the third element.

Paragraph 4(a)(iii)

The complainant contended that the respondent had registered and used the domain name in bad faith in order to attract internet users to the respondent's website. The complainant explained that the bad-faith registration and use were characterised by the fact that:

- the respondent was not commonly known by the ITDC name and mark;
- it owned no trademark registrations for ITDC and it only used ITDC as an acronym for the Internet Tool & Die Company; and
- it registered the domain name after the complainant had secured rights for ITDC for the same services.

Further, the complainant argued that the respondent had acted in bad faith by:

- refusing to transfer the domain name after receiving the demand letter;
- using a privacy service for the domain name registration;
- acquiring the domain name to simply redirect internet traffic to the respondent's website or to those of businesses connected to the respondent; and
- not operating a *bona fide* business since using the domain name as the web address for Internet Tool & Die Company was not legitimate.

The respondent denied the allegation of bad-faith registration and explained that:

- the complainant's ITDC trademark was not famous or well known at the time the respondent registered the domain name;
- the respondent was not aware of the complainant at the time it purchased the domain name; and
- the four-letter combination 'itdc' stood for many different things and was not uniquely associated with the complainant.

The respondent also argued that there was no evidence that it had acted in bad faith as:

- the respondent had registered the domain name as an acronym for its legitimate business name and purpose;
- the respondent and the complainant were not competitors, they provided unrelated goods and services, and they did not conduct business in the same industries; and

- there was no evidence of any attempt by the respondent to disrupt the complainant's business, create consumer confusion, misdirect consumers to the complainant's website or to benefit in any way from any goodwill associated with the complainant's claimed ITDC mark.

The panel held that the complainant had failed to prove that the respondent had registered or used the domain name in bad faith.

The panel considered that, although the complainant owned a US trademark registration for ITDC in Class 42 for information technology consulting services, which claimed a first use date of 30 March 2010, the complainant had provided no evidence establishing that the ITDC mark was in fact in use, or had ever been used, by the complainant. Whilst the complainant made a passing reference to a website at 'it-dc.com', that website made no mention of the complainant: it was for the company IT Data Consulting LLC and included a copyright notice for this company. Therefore, it was not clear whether the complainant was actually using the ITDC mark in commerce. The panel also noted that the 'it-dc.com' domain name was registered using a privacy service and that the complainant had provided no evidence or explanation of the nature of the relationship between the complainant and IT Data Consulting LLC. The complainant only provided in a conclusory manner that "HBC Holdings LLC through its predecessor owns the ITDC United States federally protected trademark".

On the complainant's assertion that it had owned common law rights in ITDC prior to the trademark registration and the domain name acquisition by the respondent, the panel held that there was no evidence of such ownership and that the complainant had simply made unsubstantiated and conclusory allegations without providing the evidence that would be expected under Section 1.3 of the [WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Third Edition](#).

With respect to bad-faith use and registration, the panel considered that the complainant had failed to establish that it had broad rights in ITDC or that ITDC was even a known or established mark in November 2018 when the respondent acquired the domain name. The panel added that the respondent had established that it had owned a legitimate business known as Internet Tool & Die Company since September 2018 and that the parties were not competitors or in the same business since the respondent developed specific software for internet protocol number management, whereas the complainant or IT Data Consulting LLC appeared to provide various information technology services unrelated to internet protocol numbers. The panel additionally found there was evidence from the respondent that the four-letter combination 'itdc' was used by a number of other parties, thereby suggesting that the complainant did not enjoy broad rights in ITDC. With regard to the complainant's other assertions, the panel considered that the respondent had rebutted them with documentary evidence.

For instance, the complainant had not included its demand letter in its submissions and it had omitted to mention that the respondent had provided a detailed answer only a few days after receiving the letter. However, the respondent had provided the relevant evidence. With regard to the use of a privacy service, the panel pointed out that the complainant's claimed 'it-dc.com' domain name was likewise shielded by a privacy service and that, in any event, the use of a privacy service did not, in and of itself, establish that the respondent was acting in bad faith.

The panel continued its reasoning by pointing out that, whilst the complainant could not find a listing for the respondent on an office door in the building given as the respondent's physical address, the door of the alleged office showed the name of the respondent's parent company Denuo Inc and, in its response to the demand letter, the respondent specifically advised that it was "a wholly-owned subsidiary of Denuo Inc". The panel thus found it surprising that the complainant would claim with certainty that the respondent did not exist and that its sole reason for existence was to draw web traffic from the complainant, even though it found a listing for the respondent in the building directory and a sign on the door of the respondent's alleged office for the respondent's parent company Denuo Inc, a company that was readily found in an internet search. The panel found no evidence that the domain name was used specifically to redirect web traffic to the respondent's website or to other businesses affiliated with the respondent. It was satisfied that the respondent in fact had a legitimate business and was merely using the domain name, which was an acronym for its company, for a website connected to that business. The panel concluded that, although a trademark infringement or unfair competition case could be a possibility, there was no evidence of cybersquatting.

RDNH

With regard to the respondent's RDNH claim, the panel assessed whether the complaint constituted an abuse of the administrative proceeding under Paragraph 15(e) of the UDRP Rules. The panel found that the complainant had indeed engaged in RDNH in that, after over 20 years of UDRP jurisprudence, the complainant clearly ought to have known that it could not have succeeded under any fair interpretation of the facts reasonably available to it prior to the filing of the complaint, and that basing its complaint on the barest of allegations without any supporting evidence on what was essentially a trademark infringement dispute was doomed to fail and an abuse of the UDRP process.

The panel pointed out that the complainant had made numerous unsubstantiated allegations concerning its broad rights in ITDC with no evidence of a connection between the complainant and IT Data Consulting LLC, the previous owner of the ITDC trademark, but claimed common law rights going back to 2010 that were unsupported by any evidence,

In addition, the panel found that the complainant had withheld material facts from the panel, particularly the correspondence between the parties in 2019 which included the respondent's rejection of the complainant's claims. IT Data Consulting LLC claimed common law rights in the ITDC mark in March 2019, given that its trademark registration for ITDC had not issued, and the complainant had asserted that the respondent, by registering the domain name in November 2018, had violated the common law rights of IT Data Consulting LLC. Those claims were rejected by the respondent, but almost two years later the complainant initiated UDRP proceedings asserting common law rights in ITDC without any proof that such rights existed or were known to consumers or the relevant trade in November 2018 when the domain name was acquired by the respondent.

Finally, the panel noted that the complainant's allegation that the respondent was not a *bona fide* business and was simply "an internet company whose sole reason for existence is to draw web traffic from complainant" misleadingly failed to indicate that the response to the demand letter specifically advised that the respondent was a wholly-owned subsidiary of Denuo Inc and that the respondent was "engaged in the business of selling internet protocol number management software and services". The complainant had made no mention of this fact and simply claimed that the respondent offered "the exact or similar class of services" as the complainant, but did not actually provide any evidence that, in 2018, the complainant was offering or developing any software under the name and mark ITDC.

Comment

This decision shows the importance of disclosing all the evidence available to support a complaint. It also illustrates risks resulting from the withholding of information that is also held and likely to be used by the respondent, especially where both parties are represented by counsel.

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