

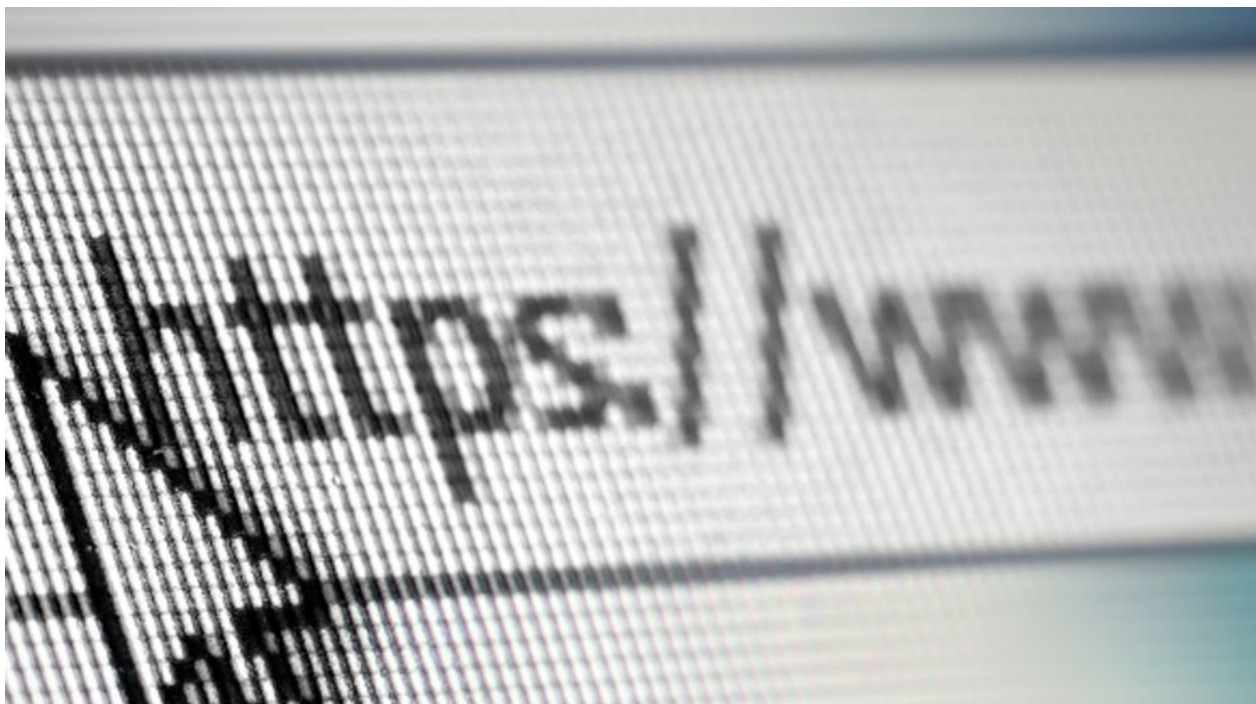


Raincheck on the recuperation of 'cloudfm.com'

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INTERNATIONAL

Legal updates: case law analysis and intelligence

- Cloudfm Group Limited sought the transfer of 'cloudfm.com' under the UDRP
- Although the respondent should have acknowledged that it was a domain name investor, this was not, in and of itself, evidence of bad faith
- The panel declined to make a finding of RDNH as both the complainant and the respondent had failed to disclose relevant information

In a recent [decision](#) under the [Uniform Domain Name Dispute Resolution Policy](#) (UDRP) before WIPO, a panel has refused to transfer the domain name 'cloudfm.com', finding that the complainant had failed to prove that the respondent had registered and used the domain name in bad faith.

Background

The complainant was Cloudfm Group Limited, a UK limited company providing facilities management services. The complainant owned several trademarks incorporating the term 'cloudfm' registered between 2014 and 2019.

The disputed domain name was registered on 8 February 2009, but was acquired by the respondent in 2020 during an aftermarket auction. The respondent also owned the domain names 'playfm.com' and 'rockfm.com', among others. In 2021 discussions were initiated between the respondent and the complainant regarding a potential sale of the domain name 'cloudfm'. Negotiations ensued, during which the respondent explained its purported plan for the domain name, but they failed due to a lack of agreement on price. At the time of the proceedings, the domain name resolved to a parking page.

The complainant initiated proceedings under the UDRP for a transfer of ownership of the domain name. The respondent submitted a response requesting the panel to enter a finding of reverse domain name hijacking (RDNH).

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

1. the disputed domain name is identical, or confusingly similar, to a trademark or service mark in which the complainant has rights;
2. the respondent has no rights or legitimate interests in the disputed domain name; and
3. the disputed domain name was registered and is being used in bad faith.

Decision

Identity or confusing similarity

Under the first element of Paragraph 4(a), the panel found that the complainant had established rights in the CLOUDFM trademark, and that the domain name incorporated the complainant's registered mark in its entirety.

Rights or legitimate interests

With regard to the second element of Paragraph 4(a), the complainant claimed that the respondent had no rights or legitimate interests in the domain name because:

1. the respondent's only purpose was to sell the domain name to the complainant at an unreasonable price;
2. the respondent provided no evidence supporting its claim that it would develop radio services in relation with the domain name; and
3. the respondent was not commonly known by the name 'Cloudfm', which was in any case an unusual combination of words.

The panel declined to comment on this issue, considering that it was unnecessary given its findings in relation to registration and use in bad faith.

Bad faith

Under the third element of Paragraph 4(a), the complainant claimed that the respondent had registered and used the domain name in bad faith for two main reasons. First, the complainant argued that the respondent must have been aware of the complainant's existence because it bought the domain name from one of the complainant's competitors. In view of this, the complainant argued that, at the very least, the respondent should have conducted searches to ensure that it was not infringing a third-party trademark. The complainant also argued that the respondent's knowledge of the complainant was further evidenced by the unusual combination of the words 'cloud' and 'fm' in the domain name. The second main point of the complainant's case was that the respondent must have registered and used the domain name in bad faith because it was linked to a company that had previously been a respondent in several other domain name disputes, thus establishing a pattern. The respondent countered by explaining that it had no knowledge of the complainant's existence and, in any case, it had a number of domain names including the term 'fm' for which it had plans to develop a radio service unrelated to the complainant's industry.

The panel rejected most of the complainant's arguments. Regarding the respondent's duty to investigate the previous registrant of the domain name, connect it to the complainant and then note that it was allegedly one of the complainant's competitors, the panel found that there was none in the present circumstances. The panel also found that nothing suggested that the respondent was effectively aware of the complainant's existence, as nothing on the website at the domain name indicated otherwise, and it was in fact the complainant who first reached out to the respondent to enquire about purchasing the domain name. Further, the existence of an existing domain name portfolio including the letters 'fm' - registered in all probability some time before the domain name - strengthened the respondent's argument that the domain name was registered in good faith. However, the panel pointed out that the respondent should have acknowledged that it was a domain name investor, but this was not, in and of itself, evidence of bad faith. Finally, the panel found that the respondent's relationship to a company involved in previous decisions finding bad faith did not evidence a pattern for the purpose of this case. As such, the complainant had not satisfied the third element of Paragraph 4(a) of the UDRP and the complaint was denied.

RDNH

The panel concluded by declining to enter a finding of RDNH, underlining that both the complainant and the respondent had not been entirely candid as they had both failed to disclose relevant information to the panel.

Comment

The decision is very detailed and underlines that experienced panels will take the time to thoroughly examine and reflect on both parties' contentions, rather than simply taking assertions at face value. Parties to UDRP complaints understandably have a tendency to present facts in way that strengthens their case, but panels will read their submissions in detail and piece together the true narrative before making their findings. Full disclosure is therefore crucial. The decision also highlights once again the risk of filing a so-called 'Plan B' case, whereby a party files a complaint after an unsuccessful purchase attempt when faced with too high a price.

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