



Liquid rubber doesn't guarantee a watertight case

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24 March 2022



SWEDEN

Legal updates: case law analysis and intelligence

- Liquid Rubber Sweden AG, the owner of the mark LIQUID RUBBER, sought the transfer of 'liquidrubber.se' under the '.se' Policy
- The arbitrator held that the conditions under the first element were satisfied because the domain name was similar to the petitioner's company name
- However, as the domain holder had rights to the LIQUID RUBBER mark, alone or alongside the petitioner, use of 'liquidrubber.se' could not be seen as use in bad faith

In a recent [decision](#) under the [Terms and Conditions of Registration of '.se' Domain Names](#) (the '.se' Policy) before WIPO, a '.se' arbitrator has declined to transfer the domain name 'liquidrubber.se' as the petitioner failed to demonstrate bad-faith registration or use, as well as the absence of rights or justified interest on the part of the domain holder.

Background

The petitioner was Liquid Rubber Sweden AG, a Swedish company registered in 2015 that owned the Swedish figurative trademark LIQUID RUBBER, registered on 5 November 2021 for goods and services in Classes 17 and 37. However, this trademark registration was opposed by the domain holder.

The domain holder was WH LRE Coatings BV, a Dutch company that registered the domain name 'liquidrubber.se' in 2010. The domain holder filed the Swedish figurative trademark LIQUID RUBBER on 12 November 2021 (with priority from the Benelux trademark registration dated 7 September 2021), which was registered on 1 December 2021 for goods and services in Classes 2 and 45.

The petitioner initiated proceedings under the '.se' Policy for a transfer of ownership of the domain name, indicating that it was active in the building and construction business, including import and export of building material, and that it had exclusive right to the company name Liquid Rubber Sweden AB.

The domain holder claimed to be the rightful owner of the domain name and argued that the petitioner had acted in bad faith in trying to register the trademark LIQUID RUBBER, in taking over the company name Liquid Rubber Sweden AB, and in initiating the proceedings under the '.se' Policy.

The domain holder further explained that, since 2014, it had acted under an exclusive distribution agreement with Liquid Rubber Worldwide Inc for the European region and that, with the trade name Liquid Rubber Europe, it had been the direct supplier of liquid rubber products in the Netherlands, Belgium, Germany and France, whereas it distributed the products in the United Kingdom, Ireland and Scandinavia via a main distributor in each region, with exclusive rights to sell the products in their respective region.

The domain holder added that, in 2014, it had entered into a distribution agreement with Finnish-based company Ruiskukumi and that, in 2015, Ruiskukumi had started collaborating with an individual in Sweden, and the company Liquid Rubber Sweden AB was then registered in order to take on the distribution of the liquid rubber products in Sweden, including the right to use the trademark LIQUID RUBBER.

The domain holder indicated that, in 2019, Ruiskukumi ended its collaboration with the Swedish individual/Liquid Rubber Sweden AB, and concluded an agreement with another distributor; although no longer a distributor of liquid rubber products, the individual had sold Liquid Rubber Sweden AB to the petitioner in late 2020. The domain holder further stated that the petitioner used the trademark LIQUID RUBBER for marketing its own services under another domain name, 'liquidrubbersweden.se', but that it did not offer original LIQUID RUBBER products via such domain name, as the petitioner was not an authorised distributor of the LIQUID RUBBER products. The domain holder added that, since the new owner of the petitioner took over the company, there had been no business activity.

To be successful under Paragraph 7.2 of the '.se' Policy, a petitioner must satisfy all three requirements, namely that:

1. the domain name is identical or similar to a trade symbol (trademark or service mark), or other name rights, which is legally recognised in Sweden and to which the party requesting dispute resolution can prove its rights;
2. the domain name has been registered or used in bad faith; and
3. the domain holder has no rights or justified interest in the domain name.

Decision

First element of the '.se' Policy

The petitioner claimed that the domain name 'liquidrubber.se' was identical to its company name Liquid Rubber Sweden AB, and was also identical to its registered trademark (not considering the figurative/graphic part). The petitioner consequently considered that the risk of confusion was obvious.

The domain holder argued that the petitioner held no rights in the name Liquid Rubber and that the trademark registration had been opposed based on prior right and bad faith. The domain holder considered that the petitioner used the trademark LIQUID RUBBER for marketing its own services under the domain name 'liquidrubbersweden.se' without the domain holder's authorisation.

The arbitrator held that the conditions under the first element were satisfied because the domain name was similar to the petitioner's company name Liquid Rubber Sweden AB. The arbitrator declined to consider the petitioner's trademark registration LIQUID RUBBER due to the fact it had been opposed by the domain holder and was therefore not in force.

Second element of the '.se' Policy

The petitioner argued that:

1. the domain holder was aware of the petitioner's business, company name and trademark;
2. the domain holder did not conduct business in Sweden; and
3. the domain name had only been used to harm the petitioner's business and reputation and to promote competitors of the petitioner.

The domain holder argued that the petitioner held no rights in the name Liquid Rubber and that the trademark registration had been opposed, and the petitioner had acquired the company name Liquid Rubber Sweden AB in bad faith, since the new owner and sole board member knew that the trademark LIQUID RUBBER belonged to the domain holder.

The arbitrator held that the conditions under the second element of the '.se' Policy were not met. The domain name had not been registered in bad faith as it was registered over four years before the registration of the company name Liquid Rubber Sweden AB.

As far as bad faith use was concerned, the arbitrator held that, based on the documentation provided by the domain holder, the domain name was used to sell liquid rubber products and services with the statement: "Liquid Rubber provides a durable quality for waterproofing, air barriers and surface protection". To the arbitrator, it seemed clear that the domain holder had the right to use and register LIQUID RUBBER in Europe, including Sweden.

The arbitrator also pointed out that the petitioner's company name was originally registered pursuant to a business agreement between the domain holder's Scandinavian distributor and a Swedish individual, as part of activities to market and sell the domain holder's goods and services in Sweden.

The arbitrator added that, although neither of the parties' Swedish trademarks were in force (one being opposed and the other in the formal opposition period), the domain holder's trademark had priority over the petitioner's.

The arbitrator concluded that the domain holder had the right to the LIQUID RUBBER trademark, alone or alongside the petitioner, and therefore the use of 'liquidrubber.se' could not be seen as use in bad faith.

In the arbitrator's opinion, the dispute did not look like cybersquatting, but more like a possible trademark infringement or unfair competition case. To the extent that the petitioner may have a claim against the domain name holder for trademark infringement or unfair competition, such a claim belonged in another forum and was beyond the scope of the '.se' Policy, which was limited to considering whether the domain name had been registered or used in bad faith.

Third element of the '.se' Policy

The petitioner claimed that the domain holder obviously had no justified interest in the domain name. In this regard, the domain holder argued that it was the European representative for the original provider of the products and trademark LIQUID RUBBER.

The arbitrator ruled that, as the domain holder had an exclusive distribution agreement with Liquid Rubber Worldwide Inc for the European region, including Sweden, since 2014 (ie, prior to the initial registration of Liquid Rubber Sweden AB), the domain holder had at least a justified interest in the domain name.

Comment

This decision acts as a reminder that, while the [Uniform Domain Name Dispute Resolution Policy](#) (UDRP) has been adopted by some country-code top-level domains, many operate their own procedures which, while similar to the UDRP, contain a number of subtle variations. For example, in this case under the first element the petitioner succeeded in proving a right on the basis of its company name. This would not have been possible under the UDRP, where a trademark right (either registered or at common law) is always necessary.

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