

UDRP: silence doesn't mean bad faith

Jane Seager and Maria Rozylo *Hogan Lovells* 25 April 2022



INTERNATIONAL

Legal updates: case law analysis and intelligence

- McCoy & Partners BV sought the transfer of 'mccoy.com' under the UDRP
- The panel noted that the domain name's registration date predated the complainant's trademark rights significantly
- The principle of passive holding did not apply here, as the domain name would need to have been registered in order to target the complainant

In a recent <u>decision</u> under the <u>Uniform Domain Name Dispute Resolution Policy</u> (UDRP) before WIPO, a panel has refused to order the transfer of a domain name because it found that the complainant had failed to prove that the respondent had acted in bad faith.

Background

The complainant was McCoy & Partners BV, a Dutch company providing information technology consultancy services. The respondent was Domain Vault LLC, an American company presumably in the domain name industry. It did not submit a response.

The domain name at issue, 'mccoy.com', was registered in 2001 and pointed to a website containing pay-per-click (PPC) links.

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

- 1. the domain name registered by the respondent 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 respect of the domain name; and
- 3. the domain name has been registered and is being used in bad faith.

Decision

Identity or confusing similarity

With regard to the first limb, the complainant contended that it had Benelux trademark rights in MCCOY since 2019. In addition, it argued that it had unregistered trademark rights in MCCOY due to its international activities using that name. The complainant also submitted that it operated its main website at 'www.mccoy-partners.com'.

The panel agreed with the complainant and found that the domain name was identical to the complainant's MCCOY trademark. The complainant had thus satisfied the first limb.

Rights or legitimate interests

The complainant asserted that the respondent had ignored all of its contact attempts. Such failure to respond was, according to the complainant, equivalent to the failure to respond to a UDRP complaint and therefore strongly suggested the respondent's lack of legitimate interests. The complainant also highlighted that, under the registration agreement, a domain owner was liable to lose its domain name if it did not respond to emails relating thereto. Moreover, it stated that, given the pointing of the domain name to a website containing PPC links, the respondent could not claim *bona fide* pre-complaint preparations to use the domain name. In addition, the complainant argued that there was no indication that the respondent was commonly known by the domain name, or of any legitimate non-commercial or fair use thereof.

In light of its findings under the third limb of the UDRP, the panel did not comment on the eventual existence of the respondent's rights or legitimate interests.

Bad faith

The complainant submitted that the domain name was passively held by the respondent for the following reasons:

- 1. the distinctiveness of the complainant's trademark;
- 2. the fact that the respondent had failed to acknowledge or reply to any communications from the complainant or its broker;
- 3. the concealment of the respondent's identity; and
- 4. the implausibility of any good-faith use to which the domain name may be put.

The complainant also suggested that the respondent had not owned the domain name since its creation in 2001, but became the registrant at a later date. Finally, the complainant underlined that the respondent had been the subject of at least 15 adverse UDRP cases, which constituted evidence of a pattern of bad-faith registration and use.

The panel first noted that the registration date of the domain name predated the complainant's trademark rights significantly. It then underlined that the complainant had provided no evidence of a later acquisition date by the respondent and, therefore, the panel had to proceed on the basis that the respondent acquired the domain name in 2001. As such, the panel found that the domain name could not have been registered in bad faith.

In view of such finding, the panel noted that it did not assist the complainant that the respondent had failed to reply to the complainant's communications or to submit evidence of preparations to use the domain name for an active website. Under such circumstances, the panel also decided that the fact that there were at least 15 negative UDRP decisions against the respondent was not of assistance. The panel also noted that, given that 'McCoy' was a common surname, it would have been challenging for the complainant to succeed, even if its trademark rights predated the registration date of the domain name.

Furthermore, the panel highlighted that the principle of passive holding did not apply in the present proceedings, given that the domain name would need to have been registered in order to target the complainant, which was not the case here.

In light of the above, the panel made a finding that the complainant had failed to demonstrate the requirements prescribed by the third limb of the UDRP, and so the panel refused the transfer of the domain name.

Comment

This decision once again illustrates that complainants should think seriously about bringing a complaint under the UDRP when the date that the respondent acquired the domain name pre-dates the complainant's trademark rights. In such circumstances, panels will generally find bad faith only in certain very limited circumstances indicating that the respondent's intent was to unfairly capitalise on the complainant's nascent (typically as yet unregistered) trademark rights, which was not the case here. In addition, this decision serves as a reminder that, while a panel may draw appropriate inferences from a respondent's default, such default is not necessarily an admission that the complainant's claims are true.

Jane Seager

Author | Partner

jane.seager@hoganlovells.com

Hogan Lovells

Maria Rozylo

Author | Associate maria.rozylo@hoganlovells.com

Hogan Lovells

Copyright © Law Business Research Company Number: 03281866 VAT: GB 160 7529 10