

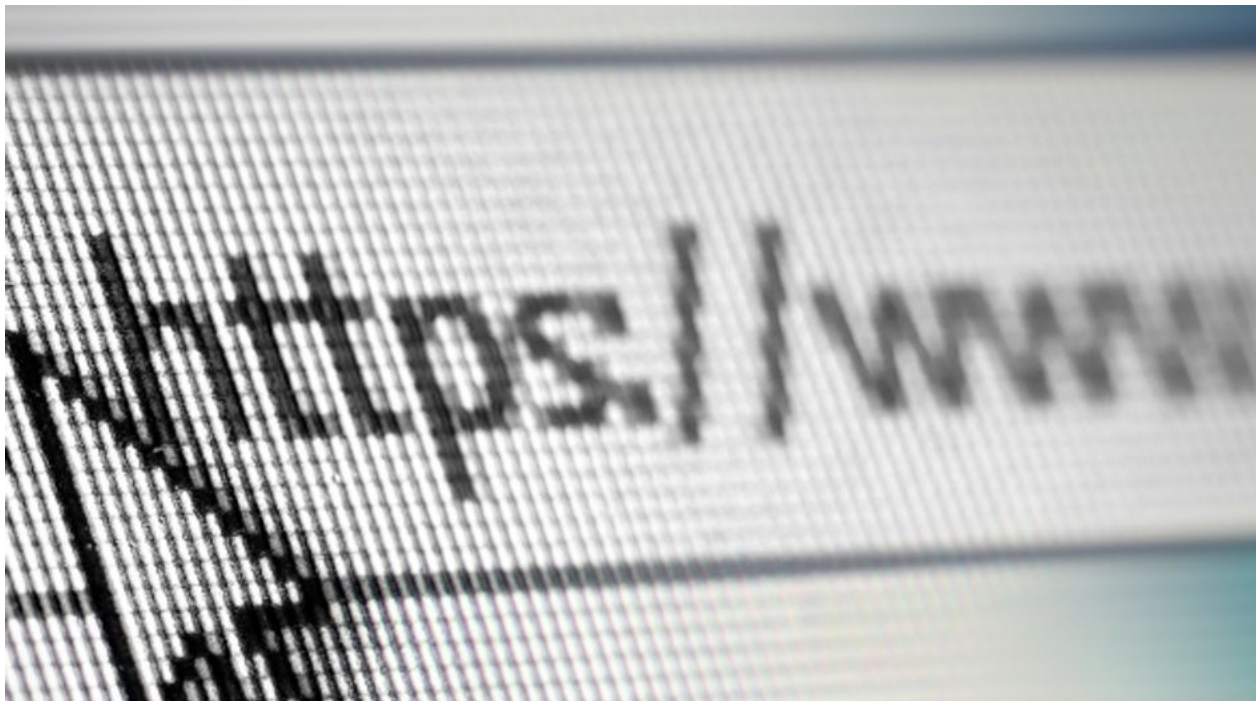


If the shoe doesn't fit... panel finds that UDRP did not apply on the facts

Jane Seager and Eliza Parr

Hogan Lovells

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INTERNATIONAL

Legal updates: case law analysis and intelligence

- The panel found that this was essentially a business dispute involving the insolvency of a corporate entity, rather than a case of cybersquatting
- The dispute would be more appropriately resolved in the courts
- The panel would have denied the complaint on the basis of the second element assessment if it had considered the case on the merits

In a recent [decision](#) under the [Uniform Domain Name Dispute Resolution Policy](#) (UDRP) before WIPO, a panel has denied the transfer of the domain name at issue, finding that the case was not suitable for determination under the UDRP. The panel found that the case was essentially a business dispute involving the insolvency of the respondent, rather than a typical case of cybersquatting of the kind which the UDRP was created to address.

Background

The complainant was Gido Ltd, a Bulgarian company based in Plovdiv, Bulgaria, which produces fashion retail goods including footwear. The complainant held an EU word mark for GIROTTI and an EU figurative mark for GIROTTI, registered in August 2014 and November 2015 respectively.

The respondent company was Girotti Srl, a company incorporated in Modena, Italy, on 11 October 2016. An entry from the Business Register of Modena dated 20 December 2021 indicated that the sole shareholder of the respondent company as of 19 June 2017 was an entity named Girotti Trade Bulgaria EOOD of Plovdiv, Bulgaria. The panel noted that, although this entity did not appear to be the same entity as the complainant and neither party explained the connection, the fact that the respondent company had a Bulgarian entity shareholder suggested that the parties were linked or had been linked at some point. The panel

also noted that, after filing the complaint (see below), the complainant made a supplemental filing disclosing a contract between the complainant and the respondent which conferred on the respondent company the right to use the GIROTTI trademark to sell products produced by the complainant only.

The domain name 'girottishoes.com' was registered on 9 June 2016 with the registrar GoDaddy.com LLC. To determine the registrant history, which was not provided by the parties, the panel consulted the historic WHOIS records, as per its general powers set out in Paragraphs 10 and 12 of the UDRP Rules (see Section 4.8 of the [WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Third Edition](#)). The panel found that the original registrant of the domain name was Heat Design, Georgi Anev, of Peshtera, Pazardjik, Bulgaria, which was partnered with the complainant and acting on the complainant's behalf.

The registrant history is complex; the registrant of the domain name changed many times between Heat Design Ltd and the respondent company from 2016 onwards.

On 15 December 2021 the Court of Moderna, Italy, declared the respondent company bankrupt and appointed Vincenzo Cuzzo (the respondent receiver) as the insolvency receiver. Shortly afterwards, on 27 December 2021 the court ordered the "persons who deal with the management of the [disputed domain name]" to allow the respondent receiver to manage the assets of the respondent company.

Although the exact dates are not clear, as part of its independent research, the panel found that, at some point between 22 October 2021 and 16 January 2022 the registrant of the domain name changed from the respondent company to Heat Design Ltd. Next, the panel found that the respondent receiver provided the registrar with a copy of a court order on 2 March 2022 (which the panel presumed was the order issued by the Court of Modena in December 2021) and required that the registrar transfer the domain name to the respondent company.

By 6 March 2022, the identity of the registrant of the domain name was concealed behind the registrar's privacy service. On 25 March 2022 the respondent company was listed in the domain name registrant organisation field and the respondent receiver was listed in the registrant name field (ie, the registrar had complied with the court order).

The complainant filed the complaint under the UDRP on 11 March 2022, alleging that it had authorised its partner, Heat Design Ltd, to register the domain name on its behalf and that the respondent company subsequently took the domain name illegally.

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

- (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;
- (b) The respondent has no rights or legitimate interests in respect of the domain name; and
- (c) The domain name has been registered and is being used in bad faith.

Parties' contentions

The complainant argued that:

1. it was the owner of the GIROTTI trademark which it used to sell shoes under the Girotti brand and that the domain name was registered two years after the trademark registrations;
2. the domain name was initially registered by Heat Design Ltd, its partner, on its behalf and with its permission but was subsequently taken by the respondent illegally; and
3. the respondent was selling the domain name at auction to competitors who would use it misleadingly to sell shoes under the GIROTTI brand.

The respondent company argued in the first instance that the complaint was filed against the respondent receiver personally, rather than the respondent company as holder of the domain name, and so should be dismissed. The respondent company also argued that the complainant did not satisfy the second and third elements because the respondent company did have rights or legitimate interests in the domain name; it had been using the trade name Girotti to sell shoes in Italy since it was incorporated in 2016 and provided extensive evidence, including sample invoices. The respondent company argued that it therefore had a legitimate trade name right and had acquired goodwill. In relation to the third element, the respondent company argued that there was no evidence that the domain name was registered and used in bad faith or that the domain name was being sold at auction. The respondent company also argued that none of the circumstances in Paragraph 4(b) of the UDRP applied to the respondent company's registration or use of the domain name.

Decision

The panel ultimately found that, on the basis of the facts, this case was not suitable for a determination under the UDRP because this was essentially a business dispute involving the insolvency of a corporate entity, rather than a case of cybersquatting of the kind that the UDRP was created to address. The panel noted that a court ordered the transfer of the domain name into the name of the respondent company and the registrar had implemented that order, removing the domain name from the complainant's control. The panel found that the dispute between the parties, which involved the interaction between the complainant's IP rights and the respondent company's insolvency, would be more appropriately resolved in the courts, whether that be the Court of Modena or an alternative forum.

The panel was mindful of the decision of a panel in *The Thread.com LLC v Poploff* ([WIPO Case No D2000-1470](#)), noting that panels under the UDRP are not a general domain name court and the UDRP is not designed to adjudicate all disputes of any kind that relate in any way to domain names.

For completeness, the panel gave a brief indication of how it would have decided the case if it had considered the case on the merits; it would have denied the complaint on the basis of the second element assessment because the panel found that the respondent company had successfully established that, at present, it had rights and legitimate interests in the domain name arising from the insolvency order of the Court of Modena.

The panel also considered whether the effect of other pending legal proceedings would have prevented it from proceeding to a decision under the UDRP and found that this was not the case. The domain name was not the subject of other pending legal proceedings because the proceedings at issue were insolvency proceedings. Even if that were not the case, the panel noted that it had discretion to suspend, terminate or continue a proceeding under the UDRP where a domain name dispute that was the subject of a complaint was also the subject of other pending legal proceedings, as per Paragraph 18(a) of the UDRP Rules.

Comment

This decision underlines that a panel under the UDRP is not a general domain name court and that the UDRP is narrowly crafted to apply to a particular type of abusive registration arising from cybersquatting, where the respondent does not have any rights or legitimate interests in the disputed domain name and the domain name has been registered and used by the respondent in bad faith.

Jane Seager

Author | Partner

jane.seager@hoganlovells.com

Hogan Lovells

Eliza Parr

Author | Associate

eliza.parr@hoganlovells.com

Hogan Lovells