

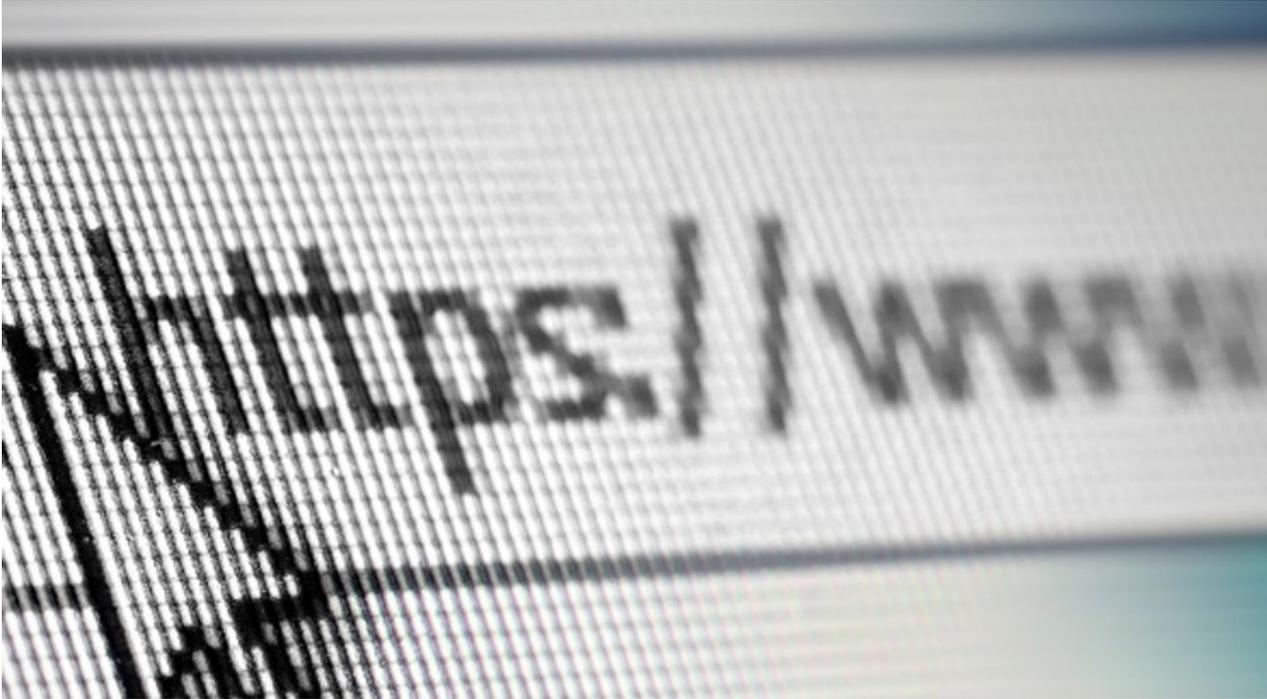


## UDRP panels should not “plug the information gap”

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### INTERNATIONAL

Legal updates: case law analysis and intelligence

- The complainant, which asserted that it held the US trademark MICROEDGE through its legal subsidiary, sought the transfer of ‘microedge.net’ under the UDRP
- The panel was unable to ascertain that the complainant had acquired its purported subsidiary based on the lengthy agreement submitted
- The panel was not obliged to review complicated agreements or conduct independent investigations to plug the information gap

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, in part due to the lack of clear evidence to support the complainant’s standing to file the complaint based on its purported subsidiary’s trademark rights.

### Background

The complainant was Blackbaud Inc, a cloud software company founded in 1981 and headquartered in the United States. The complainant asserted that it held a US trademark for MICROEDGE, registered on 24 February 2004, through its legal subsidiary.

The respondent was 李西美 (li ximei), an individual based in China. The domain name ‘microedge.net’ was registered on 18 March 2022 and did not resolve to any active website.

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

- (i) the domain name registered by the respondent is identical, or confusingly similar, to a trademark or service mark in which the complainant has rights;

(ii) the respondent has no rights or legitimate interests in respect of the domain name; and

(iii) the domain name has been registered and is being used in bad faith.

### Decision

With respect to the first limb, the complainant provided a 116-page purchase agreement to substantiate its relationship with the trademark owner. Based on its purported subsidiary's trademark rights, the complainant contended that the domain name was identical to its well-known MICROEDGE trademark.

As noted in the WIPO Overview 3.0, [Section 1.4](#), a trademark owner's affiliate is generally considered to have rights in such trademark under the UDRP for purposes of standing to file a complaint. In the present case, the complainant's trademark rights were however challenged by the panel, as it was unable to ascertain that the complainant had acquired its purported subsidiary, MicroEdge LLC, based on the lengthy agreement submitted by the complainant. The panel also noticed that the US trademark cited in the complaint was in fact owned by MicroEdge Inc, which seemed to be a different entity and was not mentioned as a target company in the preamble/recital of the said agreement.

The panel did refer to some factors identified through its own investigations, from which it could be inferred that the complainant was affiliated with the trademark owner. For example, the panel noted that the complainant's Wikipedia entry indicated “Blackbaud acquired MicroEdge in 2014” and that the domain name ‘microedge.com’ redirected to the complainant's official website at [www.blackbaud.com](http://www.blackbaud.com).

Despite the above, the panel found that the complainant had failed to submit clear and convincing evidence in relation to its trademark rights for MICROEDGE. The panel was not obliged to review complicated agreements or conduct independent investigations to plug the information gap. Given the failure to provide basic information to meet the minimum UDRP evidentiary threshold, the panel held that the complainant had not satisfied the requirements under the first limb, which would be sufficient to dispose of the complaint. However, for the sake of completeness, the panel continued to examine the second and third limbs.

Regarding the second limb, the complainant contended that the respondent had not provided any proof of preparations for *bona fide* use of the domain name. However, the respondent claimed in the response that she was interested in the topic of “edge computing” and intended to create a website to disseminate related information. In preparation for the launch of the website, she had registered various email addresses and domain names incorporating the term ‘edge’. In addition to the domain name, she had also acquired several other similarly-constructed domain names, such as ‘edgemicro.cn’ and ‘weiedge.com’ (the term ‘wei’ is the transliteration of the Chinese equivalent of ‘micro’).

Interestingly, the panel also highlighted that the respondent had failed to provide necessary evidence such as WHOIS records to prove her registration of the domain names mentioned in the response. Due to the lack of key evidence, the panel was satisfied that the complainant had made out a *prima facie* case showing the respondent's lack of rights and interests in the domain name. The second limb was therefore satisfied.

As far as the third limb was concerned, the complainant claimed that, given the nature of the domain name, which was identical to the MICROEDGE trademark, it was very likely that the respondent would put it to some eventual abusive use. Hence, the passive holding should not prevent a finding of bad faith. The respondent focused on her lack of prior knowledge of the complainant and its MICROEDGE trademark when registering the domain name, asserting that this trademark was not well known in China, where she was based.

In addition to the complainant's lack of clear evidence regarding its trademark rights for MICROEDGE, the panel also noted that this trademark had not been substantially used in commerce by the complainant (eg, it was not used on the main page of the complainant's official website) and, therefore, accepted the respondent's contention that the domain name was not registered to target the complainant's trademark. The third limb was therefore not satisfied.

### Comment

This decision provides a useful reminder to a parent/holding company intending to file a UDRP based on a subsidiary's trademark rights: although many panels are prepared to infer the existence of authorisation to file a complaint from the parent-subsidiary relationship, it is primordial that complainants provide clear and easily understandable evidence to substantiate their relationship with the trademark owner, as well as relevant evidence of authorisation. Adding the subsidiary as a co-complainant is also a possibility (transfer of the domain name to the parent company may be requested if necessary).

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