

## No rights or legitimate interests - but also no bad faith

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### AUSTRALIA

Legal updates: case law analysis and intelligence

- Liquor Marketing Group Ltd, owner of the Australian trademark LMG, sought the transfer of 'lmg.net.au' under the 'au' DRP
- The panel found that the respondent had not produced any evidence to establish that it had rights or legitimate interests in the domain name
- However, it was not bad faith for the respondent to have continued to own (but not use) the domain name after having been put on notice of the complainant's trademark rights

In a recent [decision](#) under the '[.au' Domain Name Dispute Resolution Policy](#) ('.au' DRP) before WIPO, a panel has refused to order the transfer of a domain name that fully incorporated the complainant's trademark because the complainant failed to prove that the respondent registered or used the domain name in bad faith. '.au' is the country-code top-level domain for Australia.

### Background

The complainant was Liquor Marketing Group Ltd, Australia, an alcohol marketing company that was incorporated in 1977. It had been operating its business under the 'lmg.com.au' domain name since October 2008. The complainant was also the owner of the Australian trademark LMG, which was filed on 11 April 2016.

The respondent was Leo Mark Grogan, an individual based in Australia.

The domain name was 'lmg.net.au'. The respondent appeared to have registered the domain name around 17 July 2011 as an acronym for "Leo Mark Grogan". At the time the complaint was filed, the domain name was not resolving to an active website.

To be successful in a complaint under the '.au' DRP, 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 name, 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 or subsequently used in bad faith.

## Decision

### **First limb**

The panel agreed with the complainant, considering that the domain name fully incorporated the complainant's LMG trademark and thus that the domain name was identical to the trademark. Therefore, the complainant satisfied the first element set out in Paragraph 4(a).

### **Second limb**

Under the second requirement, a complainant must prove that the respondent has no rights or legitimate interests in respect of the domain name in question. A complainant is normally required to make out a *prima facie* case and it is for the respondent to demonstrate otherwise. If the respondent fails to do so, then the complainant is deemed to satisfy Paragraph 4(a)(ii).

Paragraph 4(c) of the '.au' DRP lists three non-exhaustive examples of ways in which a respondent may establish rights or legitimate interests in a domain name, as follows:

“

1. *before any notice to you of the subject of the dispute, your bona fide use of, or demonstrable preparations to use, the domain name or a name corresponding to the domain name in connection with a bona fide offering of goods or services (not being the offering of domain names that you have acquired for the purpose of selling, renting or otherwise transferring); or*
2. *you (as an individual, business, or other organisation) have been commonly known by the domain name, even if you have acquired no trademark or service mark rights; or*
3. *you are making a legitimate non-commercial or fair use of the domain name, without intent for commercial gain to misleadingly divert consumers or to tarnish the name, the trademark or service mark at issue.*

”

In the case at hand, the panel found that the complainant had made a *prima facie* showing that the respondent lacked rights or legitimate interests in the domain name, given that the complainant had rights in a trademark which preceded the respondent's registration of the domain name. The domain name was not currently being used in connection with an active website created by the respondent, although the panel noted that the respondent was able to send emails from an email address using the domain name.

Concerning whether the respondent had been able to rebut the complainant's *prima facie* showing, the panel underlined that the respondent had not produced any evidence to establish that it had rights or legitimate interests in the domain name. It appeared from the file that:

1. the respondent's initials were LMG, standing for Leo Mark Grogan;
2. the respondent initially operated its business under the name LMG Training, subsequently renamed Real Estate Property Training Services; and
3. the respondent was a director of a business named LMG Commercial Property Services Pty Ltd, but this company was no longer registered.

The panel explained that the appropriate time to assess whether a respondent had rights or legitimate interests in a disputed domain name was the date it became aware of the relevant dispute. In this case, the date at issue was 9 November 2022, the date on which the complainant's solicitors wrote to the respondent. However, the panel also stressed that, if there were any prior rights or interests that no longer existed at the time that a respondent was made aware of the dispute, those “expired” rights or interests would not assist a respondent establish rights or legitimate interests in the domain name for the purposes of the '.au' DRP.

In this regard, the panel found that, before the respondent was made aware of the dispute, it had used the term 'LMG' as part of the business name LMG Training in connection with the provision of training services, but that use had ceased. In addition, it appeared from the Australian Securities and Investments Commission (ASIC) that the company LMG Commercial Property Services Pty Ltd ceased being registered more than two years before. According to ASIC records, the respondent was still the owner of the business name registration for LMG Training, but the panel found that the respondent's continued registration of a

business name which incorporated 'LMG' did not show *bona fide* use and did not mean the respondent was commonly known by this name where there was no evidence that a business now operated under it. Finally, there is no evidence before the panel that the respondent was commonly known by LMG, by its initials or by its former business names, and there was no evidence that its Twitter account (@LMGTraining) had been used since 2018.

The panel therefore found that the *prima facie* case established by the complainant had not been rebutted and so the complainant had succeeded in establishing that the respondent had no rights or legitimate interests in the domain name.

### **Third limb**

With regard to bad-faith registration, the panel noted that the complainant did not allege that the domain name had been registered in bad faith, presumably because, at the time the domain name was registered, the respondent was associated with the company LMG Commercial Property Services Pty Ltd.

Instead, the complainant relied on Paragraph 4(b)(ii), which stated that:

“

*[...] the following circumstances, in particular but without limitation, if found by the panel to be present, shall be evidence of the registration and use of a domain name in bad faith:*

*(ii) you have registered the domain name in order to prevent the owner of a name, trademark or service mark from reflecting that name or mark in a corresponding domain name; [...]*

”

The panel noted that the focus of Paragraph 4(b)(ii) was the time of registration, and it raised the issue of the respondent's motivation for registering the domain name. However, there was no evidence that the respondent had knowledge of the complainant in 2011 and, even if the respondent had such knowledge, there was no evidence that the respondent registered the domain name in order to prevent the complainant from using LMG in a corresponding domain name. In the panel's opinion, it was most likely that the respondent registered the domain name because it reflected its initials and the name of its company. Without more, it was not bad faith for the respondent to have continued to own (but not use) the domain name after having been put on notice of the complainant's trademark rights.

In conclusion, the panel found that the respondent had owned the domain name for over 10 years. There was no evidence that the respondent had tried to sell it at any time, or use it to disrupt the complainant's business (or in fact used it at all, other than in its email address). The respondent and the complainant were not in the same line of business and there was no suggestion of consumer confusion. In light of this, the panel found that there was no evidence that the domain name had been used in bad faith and the complaint was therefore denied.

### **Comment**

This decision is rather unusual because the panel found that the respondent had no rights or legitimate interests in the domain name, but that the domain name had *not* been registered or used in bad faith. More often than not, if a respondent has no rights or legitimate interests, a finding of bad faith will follow, and the two often go hand in hand. However, this is not always the case because panels will assess whether a respondent can be said to have rights or legitimate interests in the present - in other words, when the respondent became aware of the dispute or when the complaint was filed. While the respondent in this case may have previously had rights or legitimate interests in the domain name, the fact that the relevant use had ceased meant that they no longer existed. However, this had no bearing on the panel's finding in relation to bad faith, as bad faith is assessed on different grounds.

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