

Prior business relationship prevents dispute from being actionable under UDRP

Jane Seager and Eliza Parr Hogan Lovells 15 March 2023



INTERNATIONAL

Legal updates: case law analysis and intelligence

- The complainant sought the transfer of 'parisonstudio.com' under the UDRP, claiming unregistered or common law rights in the mark PARISON STUDIO
- The panel found that the evidence provided by the complainant was insufficient to support its claim of common law rights
- The case may be better suited to a contractual claim in a court with discovery/disclosure and cross-examination

In a recent <u>decision</u> under the <u>Uniform Domain Name Dispute Resolution Policy</u> (UDRP) before WIPO, a panel has denied a complaint for the disputed domain name 'parisonstudio.com'. The panel found that the dispute did not fall within the scope of cybersquatting which the UDRP was designed to resolve; rather, it was closer to a contractual dispute. In any event, the panel found that the complainant did not enjoy common law rights in the claimed trademark and so did not have standing to bring the complaint.

Background

The complainant, Shoreman's Daughter LLC dba Glass Eye Studio, was a US company that promoted and distributed hand-blown artisan glass. The complainant claimed to have promoted its services through various names including 'Parison Studio', 'Glass Eye Studio' and 'Idlewild Union Studio' since 2019, but did not own any registered trademarks for PARISON STUDIO.

The disputed domain name was registered on 20 April 2019. At the time of filing the complaint, the domain name resolved to a website that featured use of 'Parison Studio'. The decision does not provide any further details as to the pointing.

The respondent was a member of the complainant company between 2017 and September 2022. On or around September 2022, a business dispute arose between the complainant and the respondent and the other members of the company, evidenced by multiple letters from the complainant to the respondent in relation to a variety of business issues.

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.

The complainant argued that it enjoyed unregistered or common law rights in the trademark PARISON STUDIO by virtue of its use since 2019 in promoting the services and work product of both Glass Eye Studio and Idlewild Union Studio, and that the disputed domain name was identical, or confusingly similar, to its trademark rights. The complainant also submitted that the respondent had no rights or legitimate interests in respect of the domain name and that it registered and used the domain name in bad faith.

The respondent disputed the complainant's claims under each of the UDRP elements. It submitted that, if any party held trademark rights for PARISON STUDIO, it would be the respondent and, furthermore, such rights had been created with the complainant's knowledge (and tacit approval that such rights were independent of the complainant's business).

Decision

To establish common law trademark rights for the purpose of Paragraph 4(a)(i) of the UDRP, a complainant must show that its claimed trademark has become a distinctive identifier that consumers associate with its goods or services. To show this, a complainant must provide specific evidence on a range of factors, including:

- the duration and nature of its use of the trademark;
- the amount of sales it made under the trademark;
- the nature and extent of advertising; and
- the degree of actual public recognition enjoyed in relation to the trademark.

The panel found that the complainant had not presented sufficient evidence in support of its claimed common law rights in the trademark for the panel to conclude that it held such common law rights. Rather, the complainant had made only conclusory and unsupported assertions that it had used the trademark PARISON STUDIO in connection with its goods or services and had provided only "scant evidence" of use of the trademark.

The panel considered in some detail the reasons why the evidence provided by the complainant was insufficient to support its claim of common law rights, noting as follows:

- The complainant relied heavily on an email chain with a prospective customer in 2022 to show use of the trademark, yet nowhere in that chain was there reference to the trademark in relation to the provision of, or intention to provide, goods or services.
- The complainant argued that, in early 2021, it had a website located at the disputed domain name that promoted artists' creations under the name 'Parison Studio', but provided no evidence supporting this assertion. The panel consulted the Internet Archive in accordance with its general powers under the UDRP Rules. The only result was dated 10 December 2021, which showed that the disputed domain name resolved to a registrar parking page.
- The complainant asserted that a LinkedIn page had been set up in 2019 to promote its services under the PARISON STUDIO trademark. However, the panel found that the screen capture of the LinkedIn page provided by the complainant did not feature the trademark or mention the services in connection with which it was purportedly used. Moreover, the ownership of the LinkedIn page was disputed, as the respondent also claimed that it had created the page.

The panel rejected the respondent's claim that it had unregistered rights in the PARISON STUDIO trademark. The panel noted that the respondent relied on the same evidence of use of the trademark as the complainant and found that such evidence was insufficient to demonstrate the respondent's common law rights in the trademark.

The panel rejected the respondent's additional claim, which it found was unsupported by evidence, that the respondent's company EVI Studios LLC operated under the name 'Parison Studio'. The panel found that although at the time of filing the complaint, the website to which the disputed domain name resolved showed use of the term 'Parison Studio', there was nothing to suggest that this name had become a source identifier for the respondent or its company.

Before reaching its decision, the panel noted that it had not been provided with a copy of the operating agreement between the parties, which was referred to in *inter partes* correspondence. The panel noted that this agreement may have had a material impact on the parties' assertion of rights in the term 'Parison Studio'.

The panel denied the complaint and found that, on the facts, in particular the pre-existing relationship between the parties and the conflicting statements on the record, this case did not fall within the scope of cybersquatting which the UDRP was designed to resolve. Rather, the panel noted that this case may be better suited to a contractual claim in a court with discovery/disclosure and cross-examination.

Comment

This decision underlines that a UDRP panel 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. This decision also makes it clear that a complainant who seeks to rely on unregistered or common law trademark rights should adduce specific evidence on a range of factors, including, but not limited to, the duration and nature of use of the trademark and the amount of sales under the trademark, rather than simply relying on conclusory and unsupported assertions. If it fails to do so, a complainant seeking to rely on unregistered trademark rights will be unlikely to have standing to bring a complaint under Paragraph 4(a)(i) of the UDRP.

Jane Seager

Author | Partner jane.seager@hoganlovells.com

Hogan Lovells

Eliza Parr

Author | Associate eliza.parr@hoganlovells.com

Hogan Lovells

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