

In rare decision, three-member UDRP panel fails to agree on respondent's rights  
International - Hogan Lovells

Cybersquatting  
Internet issues  
Domain names

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- **Owner of ROLYN mark sought transfer of 'rolyn.com' under UDRP**
- **Complainant failed to establish that domain name was registered and used in bad faith**
- **Panellists did not agree on whether respondent had rights or legitimate interests in domain name**

In a [recent decision](#) under the [Uniform Domain Resolution Policy](#) (UDRP or the 'policy') before the World Intellectual Property Organisation (WIPO), a three-member panel has refused to order the transfer of a domain name that incorporated the complainant's trademark in its entirety - although one panel member dissented, finding that the respondent did not have rights and legitimate interests, even though it had not registered and used the domain name in bad faith.

The complainant was Rolyn Companies Inc of Rockville, Maryland, United States, a company incorporated in 1982 and specialised in disaster recovery services including restoration, remediation, decontamination, infection control, disinfection and mould remediation. The complainant was the owner of two US trademarks, ROLYN and R ROLYN, as well as domain names incorporating its trademark such as 'rolyncompanies.com', 'rolyn.co' and 'rolyn.us'.

The respondent was Mediablue Inc of Gwang-Ju, Republic of Korea, a company trading in domain names specialising in generic and descriptive words as well as in three and four-letter domain names, particularly in the '.com' generic top-level domain.

The disputed domain name was 'rolyn.com'. It was first registered on 3 September 1995, but was allowed to lapse when its previous registrant Rolyn Optics Co ceased business, and was therefore auctioned off. It was registered in the name of Perfect Privacy LLC on 4 September 2017, and then in the name of the respondent on 11 October 2017. On 13 October 2017 the complainant approached the respondent in order to buy the domain name. At the time of filing, the domain name was resolving to a parking page containing sponsored links.

Both parties submitted unsolicited supplemental filings. As in *Grove Broadcasting Co Ltd v Telesystems Communications Limited* (WIPO Case No D2000-0703), the panel did not find that the parties' supplemental filings provided evidence that could not have been produced in the first instance. However, since the dispute was strongly contested, the panel considered it to be in the interests of natural justice to admit the parties' supplemental filings.

To be successful in a complaint under the UDRP, a complainant must satisfy the following three requirements set out at 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.

As far as the first limb was concerned, the complainant contended that the domain name fully incorporated its ROLYN trademark, which consisted of a 'portmanteau' word, being the conjunction of the complainant's founder's name and his wife's. The panel found that the domain name was identical to the complainant's trademark. As a result, the panel considered Paragraph 4(a)(i) of the policy to be satisfied.

Turning to the second limb, 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) of the UDRP.

Paragraph 4(c) of the policy provides for the respondent to contest the complainant's *prima facie* case under Paragraph 4(a)(ii) of the policy and to establish rights or legitimate interests in a disputed domain name by demonstrating, without limitation, that:

- (i) before any notice to the respondent of the dispute, the respondent has used, or made

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;

(ii) the respondent (as an individual, business, or other organisation) has been commonly known by the domain name, even if the respondent has acquired no trademark or service mark rights; or

(iii) the respondent is 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 trademark or service mark at issue.

In the present case, the complainant contended that the respondent had no rights or legitimate interests in respect of the domain name and had not been permitted to use the complainant's trademark in any way. Furthermore, the website to which the domain name was resolving offered remunerated links and a search facility that may lead to the complainant's competitors. Finally, the respondent was not commonly known by the domain name; and its use was not non-commercial or fair and without intent for commercial gain.

The complainant claimed that the respondent could not have rights or legitimate interests in a domain name incorporating the complainant's registered trademark in its entirety, and that the complainant's trademark was a unique and distinctive coined word. The respondent argued that it had rights and legitimate interests essentially on the basis of having purchased the domain name at auction after its expiry in the hands of the previous owner, which had ceased business.

In the panel's view, the question of the respondent's rights or legitimate interests in the domain name impinged to a large extent in this case on whether the complainant could establish that the respondent had acted in bad faith. The panel therefore decided to first address the third requirement of the UDRP before returning to the second.

In relation to the third requirement, a complainant is required to demonstrate that the domain name in question was both registered and used in bad faith.

The panel noted that Paragraph 4(b) of the UDRP sets out a list of non-exhaustive circumstances indicating evidence of the registration and use of a domain name in bad faith, as follows:

(i) circumstances indicating that the respondent has registered or acquired a disputed domain name primarily for the purpose of selling, renting or otherwise transferring the disputed domain name to the complainant or to a competitor of the complainant, for valuable consideration in excess of the respondent's documented out-of-pocket costs directly related to the disputed domain name;

(ii) the respondent has registered the disputed domain name in order to prevent the complainant from reflecting the complainant's trademark or service mark in a corresponding domain name, provided that the respondent had engaged in a pattern of such conduct;

(iii) the respondent has registered the disputed domain name primarily for the purpose of disrupting the business of a competitor; or

(iv) by using the disputed domain name, the respondent has intentionally attempted to attract, for commercial gain, internet users to the respondent's website or other online location, by creating a likelihood of confusion with the complainant's mark as to the source, sponsorship, affiliation or endorsement of the respondent's website or location or of a product or service on the respondent's website or location.

With regard to the complainant's argument that the respondent had intended primarily to sell the domain name to the complainant for profit, the panel noted that, for that to be the case, the respondent may be shown to have specifically targeted the complainant, or that the respondent's intent in registering the domain name was in fact to profit or otherwise exploit the complainant's trademark, and for this the onus of proof was on the complainant.

In its supplemental filing, the complainant contended that the word 'Rolyn' only referred to its fanciful trademark ROLYN, evidencing that:

(i) since 1900 Rolyn had not been in the top 1,000 personal names;

(ii) only seven instances of Rolyn as a surname in the United States were recorded in Whitepages;

(iii) the England and Wales 1911 census recorded two instances of Rolyn as a first name and one

as a surname;

(iv) Rolyn had not appeared as a baby name in England and Wales since 1996;

(v) Rolyn was recorded three times as a first name in certain 20th century Australian records; and

(vi) in recent years Rolyn had been adopted as a first name between about two and nine times per million babies.

In addition, the complainant contended that a search of 'www.ancestry.com' records listed 73 historic occurrences of the surname or sole name Rolyn in records dating back some centuries.

Notwithstanding that the complainant's evidence was reasonably substantiated, following its examination of public trademark databases, the panel, giving a few examples, noted that the name Rolyn was not exclusive and the trademark ROLYN had been a registered trademark or may have acquired common law rights on previous occasions.

The respondent argued that it acquired the domain name as it was potentially valuable (ie, saleable), in accordance with its normal business. The complainant was not the respondent's only potential customer for the domain name and other entities could well find it valuable to them.

As stated in Section 3.2.3 of the [WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Third Edition](#) (WIPO Overview 3.0):

*Panels have held that especially domainers undertaking bulk purchases or automated registrations have an affirmative obligation to avoid the registration of trademark-abusive domain names. [...] Noting the possibility of co-existence of trademarks across jurisdictions and classes of goods and services, and the fact that trademarks which may be inherently descriptive in one context may be generic in another, the mere fact of certain domain names proving identical or confusingly similar to third-party trademarks pursuant to a search does not however mean that such registrations cannot as such be undertaken or would automatically be considered to be in bad faith.*

Based on the above, the panel was convinced that 'Rolyn' was not exclusive as a business name, had been in use by others, and had the potential to be or to become at least a common law trademark of entities in other fields of business, if not a registered trademark. As far as the complainant's burden of proof that the respondent registered the domain name with the complainant's trademark in mind was concerned, the panel noted that there was no evidence as to whether the respondent knew of the complainant.

The panel was of the view that the complainant was willing to acquire the domain name incorporating its trademark in its entirety under the '.com' generic extension, and therefore initially offered \$3,000 and eventually \$10,000, for it. In light of this, the complainant may reasonably be presumed to have been aware that the domain name had been used by another owner for a long time (ie, 22 years), but it was not for the panel to comment on how the complainant ran its business or on the various steps that might have been taken through an agency or by itself to be notified of the impending availability of a desired domain name.

Given the particular circumstances of this case, the panel did not find on the evidence and on the balance of probabilities that the complainant had succeeded in proving that the respondent acquired the domain name primarily in order to benefit by transferring it to the complainant.

The complainant also claimed that the respondent had attempted to attract visitors for private gain on the basis of the complainant's trademark comprising the domain name. However, the panel agreed with the respondent that the pay-per-click (PPC) links on the website associated with the domain name were not related to the complainant. Similarly, the panel stated that the provision of a search facility on the respondent's website appeared to offer internet users the ability to enter any search term, and could not be compared with an offering of a restricted set of advertising links to a complainant or its competitors. Therefore, the panel found that the complainant had failed to prove that the domain name was used with intent to attract internet users by confusion with its trademark or that the respondent, by means of remunerative advertising links, had sought to trade off the goodwill attaching to the complainant's trademark.

As a result, the panel found that the complainant had failed to establish that the domain name was registered and used in bad faith.

Moving back to the second requirement of the UDRP, the panel did not succeed in agreeing on the issue as to whether the respondent had rights or legitimate interests in the domain name. The majority of the panel noted that, in the case at hand, the respondent registered the domain name after it was abandoned by its

previous owner and not by taking advantage of the registrant's inadvertent omission to renew the registration; therefore it was not the role of the panel to unwind events surrounding the respondent's purchase of the domain name. It was not for the panel to arbitrate the possible value of a domain name or to interfere in the conduct of free bargaining in the marketplace. On that basis the majority found that the respondent did have rights or legitimate interests in the domain name.

However, one panel member did not agree with this and found that the respondent had not established that it had rights or legitimate interests in the domain name. This was on the basis that:

- (i) the domain name was not a dictionary word or phrase and the PPC links did not relate to the dictionary meaning of the word or phrase comprising the disputed domain name;
- (ii) the fact that the respondent bought three or four-letter domain names as a part of its business did not create rights or a legitimate interest in a domain name that corresponded with the trademark of another; and
- (iii) the search facility used by the respondent was provided to search for 'Ads' only and was an extended list of the PPC advertising links dependent on search terms by internet users – it did not add any facility that would show a *bona fide* offering of goods or services.

As per the respondent's request, the panel considered the issue of reverse domain name hijacking (RDNH), defined in Paragraph 1 of the UDRP Rules as "using the policy in bad faith to attempt to deprive a registered domain name holder of a domain name". The panel therefore reviewed the overall circumstances of the case, noting on the one hand that the complainant had made a complaint under the policy only after its bargaining over the purchase price had failed, a ploy commonly met with in disputes under the policy and often referred to as "Plan B". However, on the other hand, the complainant had an arguable case in certain respects and the totality of the evidence showed that it may well have been motivated mainly by a desire to defend its trademark and to pursue the case on what it saw as legitimate grounds rather than an intention to harass the respondent.

In light of this, the panel was not of the opinion that the complaint should never have been made and, accordingly, declined to make a finding of RDNH.

This decision highlights the often-overlooked point that UDRP complainants must prove that a respondent registered a disputed domain name with the complainant and its trademark specifically in mind. In this instance, despite the complainant's best efforts to prove its exclusive association with its trademark, it was thwarted by the panel's quick worldwide internet search, which pulled back multiple instances of such trademark being used in trade or commerce by unconnected third parties. Hence it was quite possible that the respondent could have been targeting another party, not specifically the complainant, or in fact no party at all. The decision is also quite rare in that it is an example of a panel (or at least the dissenting panel member in this case) finding that a respondent did not register and use a domain name in bad faith, but nevertheless had no rights or legitimate interests in it. In the majority of decisions, if a panel finds that a respondent has no rights it then goes on to find bad faith and vice versa, and to separate the two and find differently is quite unusual.

*Jane Seager and Hortense Le Dosseur, Hogan Lovells, Paris*

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