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## Warning: UDRP proceedings are not a "Plan B"

International - [Hogan Lovells](#)

- Owner of HANIT mark sought transfer of 'hanit.com' under UDRP
- Panel found that respondent did not acquire domain name primarily for purpose of selling it to complainant
- Respondent had no intent to exploit complainant's mark

In a [recent decision](#) under the [Uniform Domain Name Dispute Resolution Policy](#) (UDRP) before the World Intellectual Property Organisation, a panel has refused to order the transfer of a domain name that exactly matched the complainant's trademark because the complainant failed to prove that the respondent had no rights or legitimate interests in the domain name and had registered and used the domain name in bad faith. The panel also made a finding of reverse domain name hijacking (RDNH), stating that the complainant's claim was based on only the barest of allegations without any supporting evidence.

### Background

The complainant was HAHN Kunststoffe GmbH of Hahn Flughafen, a German company recycling plastics and producing a plastic product branded HANIT since 1993.

The respondent was Kwangpyo Kim, Mediablue Inc of Gwang-Ju, Republic of Korea.

The disputed domain name 'hanit.com' was registered in 2001. It was offered for sale and featured third-party pay-per-click (PPC) advertising links for a variety of products and services.

To be successful in a complaint under the UDRP, a complainant must satisfy the following three requirements under Paragraph 4(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;
- the respondent has no rights or legitimate interests in respect of the domain name; and
- the domain name has been registered and is being used in bad faith.

### Decision

With regard to the first limb, the complainant contended that the disputed domain name was identical to its HANIT mark. The respondent did not challenge the complainant's German trademark, but underlined

that the complainant's international and EU trademarks for HANIT were obtained years after the disputed domain name was registered; therefore, the respondent, who operated in Korea, could not have had prior knowledge of the complainant. For the purposes of the first limb, the panel concluded that the complainant had established trademark rights in HANIT and found that the disputed domain name incorporated the complainant's mark in its entirety. As a consequence, the panel found that the complainant had satisfied the first limb.

As far as the second requirement under the UDRP was concerned, the complainant submitted that the respondent had registered the disputed domain name for the sole purpose of selling it, as evidenced by the fact that the respondent was in the business of "domain investing". This argument was rebutted by the respondent, who asserted that he had registered "hundreds of common word domain and combined letter domain names for investment and development" and that this constituted an industry-wide accepted practice. The respondent also included a short sample of other domain names registered by him based on common words or short strings of letters.

First of all, the panel noted that using the disputed domain name for PPC advertising links unrelated to any claimed generic value of the disputed domain name would confer no rights or legitimate interests on the respondent. However, the panel added that a domain investor could legitimately speculate in the purchase and sale of "brandable" domain names, meaning ones that could be turned into a brand without infringing on the trademark of another. The panel concluded that the assessment of whether such activities could represent a legitimate interest in the disputed domain name for the purposes of the second element of the UDRP depended on its findings as to the third limb relating to registration and use in bad faith.

Turning to the third requirement, the complainant asserted that the respondent had offered the disputed domain name for sale to the complainant for an exorbitant sum of \$20,000 in 2016 and \$60,000 in 2018 when the complainant had made enquiries, which constituted bad-faith registration and use. Moreover, the complainant argued that the respondent was a "professional cybersquatter" attracting internet users to his website for commercial gain. In his defence, the respondent denied any intent to target the complainant's trademark and suggested that the complainant had "slept on its rights" for 17 years and only filed a UDRP complaint when it failed to obtain the disputed domain name for a satisfactory price. The panel considered that the complainant's arguments were not sufficient to demonstrate the respondent's bad faith.

First of all, the panel found that it was improbable that the Korean respondent was aware of the German complainant and its plastic recycling product at the time of the registration of the disputed domain name in 2001 because, at that time, the complainant only had a German trademark, a website under '.de' (the German country-code top-level domain) and little or no business in Asia. Furthermore, in the panel's view, the respondent did not acquire the disputed domain name primarily for the purpose of selling it to the complainant since the record showed that the respondent had registered numerous short strings as domain names, but that they were not based on the trademarks of others. Finally, the panel found that there was no evidence that the PPC advertising associated with the disputed domain name had ever linked to the complainant or its competitors and, therefore, the respondent had no intent to exploit the complainant's trademark.

Accordingly, the panel found that the respondent had rights or legitimate interests in the disputed domain name and had not registered and used it in bad faith and so the complainant failed to satisfy both the second and the third requirement under the UDRP.

Therefore, the panel denied the transfer of the domain name to the complainant.

Finally, the panel also considered whether a finding of RDNH was appropriate. RDNH is 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". In this case, the panel made a finding of RDNH even though the

respondent did not request it. The panel emphasised that the complainant, represented by counsel, had brought a complaint based "on only the barest of allegations without any supporting evidence". The panel agreed with the respondent that the UDRP proceedings constituted the complainant's "Plan B" after failing to register a domain name corresponding to its brand and deciding not to purchase the disputed domain name when it encountered a high price in 2016 and in 2018.

### Comment

This decision highlights how having a trademark does not necessarily mean that the rights' holder will succeed in obtaining the transfer of a domain name, even if it is identical to such trademark, and even if it was registered for speculative and commercial reasons. It is therefore crucial to provide necessary evidence to support the submissions in the complaint and to never overstate one's case. This is particularly important when a disputed domain name was registered a long time ago. As underlined by the panel, the case also serves as a reminder that the UDRP system is not an alternative to dealing with the consequences of business decisions.

## Jane Seager

Hogan Lovells

## Maria Rozylo

Hogan Lovells

## TAGS

[Online](#), [Internet and Online](#), [International](#)