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# Skateboard saga: UDRP panel allows separate ownership of almost identical domain names to continue

### International - Hogan Lovells

- Mimic Skateboards, which owned 'customskateboards.com' and possessed common law trademark rights in CUSTOMSKATEBOARDS.COM, sought transfer of 'customskateboard.com' under UDRP
- Panel found that respondent had used domain name for bona fide offering of goods and services before dispute arose
- On balance of probabilities, respondent's motivation was more credible than complainant's assertions

In a recent <u>decision</u> under the <u>Uniform Domain Name Dispute Resolution Policy</u> (UDRP) before the World Intellectual Property Organization (WIPO), a panel has denied the transfer of a domain name because the complainant failed to demonstrate that the respondent lacked rights or legitimate interests in the disputed domain name and that it acted in bad faith.

## **Background**

The complainant was Mimic Skateboards Inc, a US-based company founded in 2008. The complainant operated an online custom-printed skateboard business with a website at 'www.customskateboards.com' aimed at the retail market. It possessed common law trademark rights in CUSTOMSKATEBOARDS.COM for use in connection with custom-printed skateboards.

The respondent was Point Distribution Inc, also based in the United States, a company specialised in advertising and selling custom skateboards and skateboard accessories, mainly for the wholesale market.

The domain name was 'customskateboard.com'. At the time of the panel's decision, the domain name was pointing to a website containing a link to the respondent's website at 'www.pointdistribution.com'.

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**

As far as the first limb was concerned, the complainant contended that the only difference between the domain name and its common law trademark was the deletion of the letter 'S' and, therefore that the domain name was identical, or confusingly similar, to its CUSTOMSKATEBOARDS.COM common law trademark.

The respondent argued that the complainant's supposed common law trademark used generic terms which were similar to the respondent's long-time domain name 'customskateboardproducts.com'.

However, the panel agreed with the complainant that the domain name reproduced the CUSTOMSKATEBOARDS.COM common law trademark in its entirety, differing only by the singular form and, thus, was confusingly similar to the complainant's trademark. Therefore, the complainant satisfied the first element set out in Paragraph 4(a)(i) of the UDRP.

As far as the second requirement under the UDRP was concerned, the complainant argued the respondent was aware of the complainant and of its trademark before acquiring the domain name in April 2018 and wanted to disrupt the business of a competitor.

The respondent stated that it had legitimate interests in the domain name based on its desire "to use the shorter URL" for its domain name 'customskateboardproducts.com', which it had used for several years before the complainant started using the domain name 'customaskateboards.com'.

The panel found that the domain name was relevant to the respondent's long-standing business and that the terms 'custom skateboard' had been used with and also without the addition of the term 'products' on the respondent's website for many years. The panel also accepted that the respondent had been continuously using these terms for marketing purposes and that this use preceded the complainant's use of its common law trademark.

The panel therefore accepted that the respondent had legitimate interests in the domain name, having used it for a *bona fide* offering of goods and services before the dispute arose. The second requirement set out in Paragraph 4(a)(ii) of the UDRP was therefore not satisfied by the complainant. This was enough for the panel to deny the case, but nevertheless it went on to consider bad faith under the third requirement.

In this regard, the complainant claimed that the respondent had registered and used the domain name in bad faith. The complainant argued that the respondent registered the domain name in order to prevent the complainant from using it and that the domain name may lead to confusion. The complainant also stated that the respondent registered the domain name to mislead internet users for commercial gain and to disrupt the business of a competitor.

The respondent indicated that the domain name was an appropriate generic term relevant for its current website and for the website that it was developing that offered "more custom options" for its products. The respondent also stated that it agreed to inform the complainant when it developed a website for the domain name. Finally, the respondent asserted that it had added a disclaimer of affiliation on the landing page associated with the domain name as a "courtesy" to the complainant.

The panel considered that there was no evidence that the complainant was a principal competitor of the respondent, and indeed the respondent's sales were higher than the complainant's. Moreover, the complainant had not applied for a trademark and did not claim common law trademark rights on its website, whilst the respondent had made prior use of the descriptive term 'custom skateboard'. The panel therefore considered that, on the balance of probabilities, the respondent's motivation was more credible than the complainant's assertions. As a result, the panel found that the complainant had not satisfied the third element under Paragraph 4(a)(iii) as it had failed to show that the respondent had registered and used the domain name in bad faith. The complaint was therefore denied.

The panel also considered whether a finding of reverse domain name hijacking (RDNH) was appropriate. In this case, the panel did not find it appropriate to make a finding of RDNH even though the respondent had requested it, stating that the respondent had not denied knowledge of the complainant at the time that the domain name was registered, and there was no compelling evidence that the complainant had brought the complaint abusively.

## Comment

The decision is very finely balanced and underlines that it is sometimes difficult to predict the outcome of UDRP complaints as each one turns on its own facts. At first glance, it seems clear that two parties operating in the same industry using almost identical domain names, one singular and one plural, would be bound to create confusion, and that both domain names should be held by the same party. However, the UDRP is not as simple as that and panels will only overturn the first-come, first-served rule if the UDRP criteria are made out. In this case, given all the surrounding circumstances, the panel found that they were not, thus allowing separate ownership to continue. The panel decided that the respondent's assertions were more credible, given the background facts, which the panel took time to carefully consider, including the parties' detailed supplemental filings.

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