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UDRP proceedings: evidence of targeting is crucial

International - [Hogan Lovells](#)

- **MX Technologies Inc sought the transfer of the domain name 'mx.com' under the UDRP**
- **The panel noted that there were several factors that did not favour the respondent with regard to the third limb of the UDRP**
- **Nevertheless, the panel found that there was no evidence that the respondent had targeted the complainant and its trademark rights at the time of registration**

In a recent [decision](#) under the [Uniform Domain Name Dispute Resolution Policy](#) (UDRP) before the World Intellectual Property Organization (WIPO), a panel has denied the transfer of a domain name because the complainant had failed to demonstrate that the respondent was targeting the complainant's trademark, even though the domain name was identical to it.

Background

The complainant was MX Technologies Inc (United States), a company operating in finance technology providing software to financial institutions, originally known as MoneyDesktop, which was rebranded as MX in 2014. It was the owner of various trademarks, including the US trademark MX.

The disputed domain name was 'mx.com' (in Unicode, rendered as 'xn--x-x6l.com' in Punycode), registered on 5 March 2019 and transferred to the respondent on 20 May 2019. It was resolving to a parking page displaying characters and zodiac signs.

No information was known about the respondent.

The respondent informally replied in Spanish stating that the domain name was no longer his and apologising for not being able to do anything with it. He then forwarded an email from the registrar stating that he no longer had permission to manage the domain name.

In light of this, the panel issued a procedural order to the parties in order to assess whether the respondent was willing to consent to the transfer of the domain name and whether the complainant wished to explore settlement options. No response was received.

To be successful in a complaint under the UDRP, a complainant must satisfy the following three requirements set out at 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 requirement, the panel found that the complainant had established trademark rights in the term 'MX' and that the domain name was confusingly similar to the complainant's trademark. In this regard, as stated in Section 1.14 of the [WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Third Edition](#) ('WIPO Jurisprudential Overview 3.0'):

A domain name that consists or is comprised of a translation or transliteration of a trademark will normally be found to be identical or confusingly similar to such trademark for purposes of standing under the policy, where the trademark - or its variant - is incorporated into or otherwise recognisable, through such translation/transliteration, in the domain name.

In addition, the panel noted that the domain name was visually similar to the complainant's trademark. The first limb was therefore satisfied.

Turning to the second requirement of the UDRP, a complainant must prove that a 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) of the UDRP.

In this case, the complainant had succeeded in making out a *prima facie* case that the respondent lacked rights or legitimate interests in the domain name and so the burden of proof shifted to the respondent to come forward with appropriate allegations or evidence demonstrating rights or legitimate interests. However, taking into account the fact that the respondent did not formally respond to the complaint, the panel considered that he had failed to invoke any circumstances demonstrating rights or legitimate interests in the disputed domain name. Indeed, the panel noted that, in his informal communications, the respondent had not explained his choice with regard to the domain name nor expressed any actual or prospective *bona fide* use of it. On the contrary, the respondent claimed that the domain name was no longer his and that the credit card that he had used to pay for it had been cancelled, which intrigued the panel considering that the complainant was a financial technology company that provides software to financial institutions and could be a potential target for fraudulent schemes.

In addition, the panel found that the current use made of the domain name in connection with a page that merely displayed characters and zodiac signs did not advance a claim that the respondent had rights or legitimate interests with respect to the domain name and, therefore, the complainant succeeded with regard to the second limb.

With regard to the third limb of the UDRP, the complainant alleged that the domain name was registered and was being used in bad faith due to the fact that one of its customers had alerted it to the domain name. However, taking a look at the email provided as evidence by the complainant, the panel was of the view that it was simply notice of the registration of the domain name and the potential risks; it was not in itself an indication of actual suspicious activity using the domain name, just the possibility thereof.

The panel noted that there were factors that did not favour the respondent, such as:

- the use of a privacy protection service to register the domain name, as well as a false address;
- the respondent's assertion that he was no longer in control of the domain name and that the credit card used to pay for the registration of the domain name had been cancelled; and
- the possibility of potential targeting of the complainant in view of its connection with the financial industry.

Nevertheless, the panel found that there was no evidence that the respondent had targeted the complainant and its trademark rights at the time of registration of the two-character domain name, nor any evidence of an actual fraudulent scheme perpetrated using the domain name disrupting or targeting the complainant and its business, or other such evidence of the use of the domain name in bad faith.

Given the above, the panel considered that the complainant had failed to establish bad faith in the respondent's registration and use of the domain name, and the complaint was denied. However, the panel expressly noted that, if actual evidence of bad faith came into the possession of the complainant, this may provide justification for the submission of a new complaint.

Comment

This case illustrates again that, in the majority of UDRP cases, targeting is crucial in order to prove bad faith, and the shorter the domain name, the more difficult this is to prove without actual evidence (two-character domain names may have infinite meanings).

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