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Domain name registration justified by prior business relationship

International - [Hogan Lovells](#)

- **Hawke & Company Outfitters LLC, the owner of the mark HAWKE & CO NEW YORK, sought the transfer of 'hawkeco.com' under the UDRP**
- **The panel believed that the respondent had registered the domain name with at least implicit consent or ratification from the complainant**
- **Why the respondent had registered the domain name under its own name remained an open question**

In a recent [decision](#) under the [Uniform Domain Name Dispute Resolution Policy](#) (UDRP) before WIPO, a panel has denied the transfer of the domain name 'hawkeco.com' due to the lack of registration in bad faith given the parties' prior business relationship.

Background

The complainant was Hawke & Company Outfitters LLC, a seller of apparel and accessories based in the United States. It was the owner of several trademarks in connection with its activities, including the US trademark HAWKE & CO NEW YORK registered on 21 October 2014.

The respondent includes Zee Co Apparel Corp, a US company selling apparel and accessories, and its owner Michael Rosenberg, who was the brother of the complainant's principal, Aron Rosenberg.

The domain name 'hawkeco.com' was registered by the respondent in October 2008, when Michael Rosenberg was a shareholder of the complainant. In 2009 the Rosenberg brothers agreed to separate their business interests to the extent that Michael Rosenberg created Zee Co after having relinquished his ownership interest in the complainant. While the complainant retained ownership of the HAWKE & CO trademark, the respondent was granted an exclusive royalty-free licence to utilise this mark in connection with men's apparel and menswear of all types in accordance with a licence agreement executed in September 2009. Further to a number of legal disputes arising out of the parties' respective business and activities, the complainant's lawyer wrote to the respondent in 2019 requesting the transfer of the domain name, which was rejected by the respondent's lawyer. The domain name was being used

by the respondent to point to a website offering various clothing products under the HAWKE & CO trademark.

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 a preliminary issue, the respondent requested the panel to suspend or terminate the UDRP proceeding in view of a pending arbitration between the parties. This request was denied by the panel in its discretion on the grounds that such suspension or termination, even without prejudice, may not be consistent with the UDRP's aim of providing an expeditious resolution of a domain name dispute.

Identity/similarity

With regard to the first limb, the complainant asserted that the domain name was confusingly similar to its HAWKE & CO NEW YORK trademark by incorporating the mark's dominant part, 'Hawke & Co', in its entirety. The respondent did not contest this, but argued that it was the rightful owner of the HAWKE & CO trademark, particularly based on certain claimed agreements between the parties that were subject to the aforementioned arbitration proceeding.

According to the panel, the respondent's argument about the rightful ownership of the HAWKE & CO trademark was beyond the scope of the UDRP proceeding and thus should be addressed in the arbitration proceeding concerned. Since the respondent did not contest the confusing similarity between the domain name and the complainant's trademark, the panel found that the first limb was satisfied.

Rights/legitimate interests and bad faith

The panel did not address the second limb given the complainant's failure to satisfy the third limb, as specified below.

Regarding the third limb, the complainant submitted that the respondent had registered the domain name in bad faith since it was fully aware, as a licensee, that the complainant was the owner of the HAWKE & CO trademark and that it was not authorised by the complainant to register the domain name. The complainant underlined that the respondent also acted in bad faith by refusing to transfer the domain name to the complainant and using the domain name to promote women's and children's products in breach of the licence agreement. The respondent argued that the registration and use of the domain name was not in bad faith since the licence agreement specifically authorised it to use the HAWKE & CO trademark in a domain name and it should be considered as the rightful trademark owner.

In terms of registration in bad faith, the panel pointed out that the assessment had to be considered at the time when the domain name was registered. According to the panel, it was worth noting that the respondent registered the domain name in 2008 when he was still a shareholder of the complainant. It thus appeared to the panel that the respondent registered the domain name with at least implicit consent or ratification from the complainant, notably taking into account the subsequent licence agreement granting the respondent the right to use the HAWKE & CO trademark in or as part of domain names in connection with the advertising, promotion or sale of the products covered by the licence agreement. With regard to the complainant's argument that the domain name should not have been registered under the respondent's own name, the panel considered that it remained an open question as

to why the respondent did so, and it was not clear that the respondent's intention was to establish an opportunity to exert leverage over the complainant.

The panel further pointed out that the respondent's failure to transfer the domain name to the complainant in 2019 did not, by itself, taint the registration in 2008 as being in bad faith. The complainant did not submit any convincing evidence establishing the respondent's bad faith at the time of registration in 2008, nor did the complainant mention the circumstances that led to the licence agreement in 2009. The panel, on the balance of probabilities, therefore found that the complainant had failed to satisfy the third limb. The complaint was therefore dismissed.

Comment

This is not the first time that a panel has ruled out a respondent's bad faith at the time of registration given the then-current business relationship between the parties. As long as such relationship (for example, distribution or shareholding) is established and, unless proved otherwise, panels tend to believe that registration is likely to have been at least implicitly authorised by the complainant and thus not in bad faith. As a result, it is important for trademark owners to make sure that they register domain names in their name and contractually exclude any ambiguity as to their implicit consent for a third party to register a domain name incorporating their trademark.

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