

De Beers obtains transfer of '.diamonds' domain names under UDRP International - Hogan Lovells LLP

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In a recent case under the [Uniform Domain Name Dispute Resolution Policy](#) (UDRP) before the [World Intellectual Property Organisation](#), an internationally renowned jeweller has [obtained the transfer](#) of two domain names identically reproducing its well-known trademark under the new generic top-level domain (gTLD) '.diamonds'.

The '.diamonds' gTLD has no eligibility restrictions and may be registered by any individual or business. It is supposedly aimed at diamond sellers and resellers and merchandisers that stock and value diamonds, given that sales of diamonds account for billions of dollars a year in the global market. It became open for general registration in February 2014, after a sunrise period for trademark holders.

The complainant was De Beers Intangibles Limited, a company based in the United Kingdom, which is part of the [De Beers group of companies](#). De Beers is one of the world's leading diamond companies and its DE BEERS trademarks have been used for more than 100 years in numerous jurisdictions throughout the world in connection with diamonds and jewellery.

The respondent was Wing Chee Chin, an individual residing in Hong Kong, China, who appeared to work in the field of information technology.

The disputed domain names, 'debeers.diamonds' and 'de-beers.diamonds', were registered in February 2014 by the respondent only five days apart and were being used to resolve to a registrar parking page displaying various commercial links, including to third-party websites offering products in direct competition with those of the complainant.

The complainant decided to file a UDRP complaint seeking to obtain the transfer of the domain names. To be successful in a complaint under the UDRP, a complainant must satisfy the following three requirements:

1. The domain name is identical, or confusingly similar, to a trademark or service mark in which the complainant has rights;
2. The respondent has no rights or legitimate interests in respect of the domain name; and
3. The domain name has been registered and is being used in bad faith.

The first test under the UDRP is two-fold and requires the panel to assess, first, whether the complainant has established trademark rights, regardless of when or where the trademark was registered (although these elements may be relevant for the purpose of the third limb of the UDRP) and, second, whether the domain name is identical or confusingly similar to the complainant's trademark.

In the case at hand, the panel found that that the complainant had established trademark rights in the DE BEERS mark and noted that this trademark was particularly strong. The panel also found that the domain names were identical, or confusingly similar, to the complainant's trademark. The panel, however, did not state whether the gTLD '.diamonds' was relevant in its assessment of this second component of the first limb of the UDRP, although it is clear that the gTLD, which referred to precisely the goods for which the complainant's trademarks were registered, reinforced the confusion created by the identical reproduction of the complainant's trademark at the second level.

The panel therefore found that the domain names were identical, or confusingly similar, to the complainant's trademark in accordance with Paragraph 4(a)(i) of the UDRP.

Turning to the second requirement under the UDRP, a complainant must establish that a respondent does not have any rights or legitimate interests in the disputed domain name. In this regard, Paragraph 4(c) of the UDRP sets out a non-exhaustive list of circumstances which may suggest that a respondent has rights or legitimate interests in a domain name, as follows:

- before any notice of the dispute, the respondent's use of, or demonstrable preparations to use, the domain name was in connection with a *bona fide* offering of goods or services;
- the respondent has been commonly known by the domain name, even if it has acquired no trademark rights; or

- 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 at issue.

The complainant argued that the respondent had no rights or legitimate interests in the domain names, particularly given the well-known status of the DE BEERS mark. The respondent claimed to have registered the domain names as part of a plan to surprise his girlfriend with a romantic marriage proposal. According to the respondent, his girlfriend was very fond of diamonds and particularly De Beers diamonds, and he was planning to "maximize his chances at a positive response" by setting up a romantic proposal website. The respondent argued that he had not yet set up the website as he was planning to propose to his girlfriend in December 2014 to justify why the domain names were pointing to a registrar parking page.

Unsurprisingly, the panel did not give any credibility to the respondent's claim, particularly given the fact that the respondent (who had legal representation) had not submitted any evidence to support his allegations. Furthermore, in the panel's view, the respondent's explanation that he had registered the second domain name in order to "protect the uniqueness of his proposal website" only served to further undermine his credibility.

The panel therefore found that Paragraph 4(a)(ii) of the UDRP had been satisfied by the complainant.

Turning to the third requirement under the UDRP, a complainant must demonstrate that the respondent both registered and used the disputed domain name in bad faith. In this regard, Paragraph 4(b) of the UDRP sets out a list of non-exhaustive circumstances that may be invoked by a respondent to demonstrate that it has rights or legitimate interests in a domain name, as follows:

- the respondent registered or acquired the domain name primarily for the purpose of selling, renting, or otherwise transferring it to the complainant or to a competitor, for valuable consideration in excess of documented out-of-pocket costs directly related to the domain name;
- the respondent registered the domain name in order to prevent the owner of the trademark from reflecting the mark in a corresponding domain name, provided that the respondent has engaged in a pattern of such conduct;
- the respondent registered the domain name primarily for the purpose of disrupting the business of a competitor; or
- the respondent is intentionally using the domain name in an attempt to attract, for commercial gain, internet users to its website by creating a likelihood of confusion with the complainant's mark as to the source, sponsorship, affiliation or endorsement of the respondent's website.

The respondent did not deny being aware of the DE BEERS mark. On the contrary, the respondent explained that he had registered the domain names because his girlfriend was very fond of DE BEERS diamonds. Furthermore, the respondent argued that internet users searching for De Beers diamonds and visiting the websites associated with the domain names would immediately realise that these were not official De Beers websites and move on.

However, the panel found that the fact that the complainant's trademarks were well known was a strong indication of the respondent's bad faith. In addition, the fact that the respondent claimed that that he was "surprised" to learn that the complainant had not registered the domain names clearly demonstrated his awareness of the complainant's trademark rights at the time of registration (although this point was only raised in the factual section of the decision and not in the panel's findings).

As far as bad-faith use was concerned, the panel found that the respondent's use of the domain names to mislead internet users to a parking page displaying commercial links created "initial interest confusion" and that, even if the confusion was dispelled upon arriving at the website, "it does not follow that the holder of a strong and well-known mark like DE BEERS has to tolerate occasional, even if relatively small, losses of business through initial interest confusion". Furthermore, the panel did not give any credibility to the respondent's purported plan to use the domain names for a romantic proposal website and these unsupported allegations only served to further undermine the respondent's credibility.

The panel concluded that the complainant had met Paragraph 4(a)(iii) of the UDRP.

The panel therefore ordered the transfer of the domain names to the complainant and, in view of this finding, dismissed the respondent's request for a finding of reverse domain name hijacking (although, interestingly,

the respondent had also explicitly consented in his response to the remedy requested by the complainant, meaning that, strictly speaking, the panel could simply have made a transfer order without setting out its detailed reasoning).

This decision highlights the impact that the introduction of almost 1,400 new gTLDs will have for brand owners across the globe - trademark holders are well advised to seek assistance to define a suitable strategy to protect their brands from cybersquatters at the second level across all new gTLDs. The decision also confirms that, whilst there are other rights protection mechanisms, such as the Uniform Rapid Suspension System (URS), that have been put in place specifically to assist brand owners to protect their online brands under the new gTLDs, the UDRP is often a more appropriate mechanism, particularly for trademark owners seeking to obtain the transfer of a domain name (as its name suggests, the URS may only lead to suspension, as opposed to transfer).

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