

# World Trademark Review Daily

Domain name renewal may be equivalent to new registration in certain circumstances

Cybersquatting

International - Hogan Lovells

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In *Puget Sound Software LLC v Rahman* (Case D2011-0944, August 2 2011), *Puget Sound Software LLC*, an online technical support company based in the United States, has lost a complaint against A Rahman, an individual residing in Detroit, concerning the domain name 'askleo.com' on the grounds that no bad faith was found at the time of registration.

To be successful in a [Uniform Domain Name Dispute Resolution Policy](#) (UDRP) procedure, a complainant must evidence that:

- the domain name 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.

Unlike other alternative dispute resolution policies put in place for other domain name extensions, on its face the UDRP requires a complainant to prove that the domain name in question was both registered *and* used in bad faith. Concerning the relevant time to be taken into account in order to assess bad-faith registration, the general rule according to UDRP precedent is that, while the transfer of a domain name to a third party generally amounts to a new registration, a mere renewal of a domain name is not treated as a new registration. However, a small number of panels have begun to consider the renewal of a domain name as equivalent to a new registration in certain circumstances (see [WIPO Panel Views on Selected UDRP Questions, Second Edition](#), Paragraph 3.7). The present decision is interesting in that it seems to follow this latter approach.

Puget owned the trademark ASK LEO!, registered with the [United States Patent and Trademark Office](#) with a priority date of May 6 2009. The domain name 'askleo.com' had been registered on August 7 2001.

In April 2011 Puget's counsel offered the respondent \$500 for the domain name, to which the respondent replied with a counter-offer of \$10,000. Puget filed a complaint under the UDRP seeking transfer of the domain name.

The panel was easily satisfied that the first limb of the UDRP was fulfilled. It followed the unequivocal position that a complainant's trademark does not have to be registered prior to a disputed domain, citing the WIPO overview of *WIPO Panel Views on Selected UDRP Questions, Second Edition*, Paragraph 1.4. The panel stated that the mere omission of a space between the two words in the domain name and the addition of an exclamation mark were not relevant in assessing the issue of confusing similarity.

With regard to the second limb of the UDRP, the panel found that the respondent's ownership of the domain name for more than nine years without pursuing the plans which allegedly motivated the registration of the domain name and the fact that the associated website contained links to competitors of Puget could not constitute a right or legitimate interest.

Turning to the third limb of the UDRP, Puget alleged that the respondent was trying to gain profit from the traffic of internet users looking for Puget's website, by creating confusion between the domain name and Puget's trademark. Puget added that the respondent's bad faith was further evidenced by the mere passive holding or 'parking' of the domain name. Audaciously, Puget claimed, in an additional statement, that bad-faith registration should be assessed at the time of the renewal of the domain name in June 2011, since Puget's trademark had been registered prior to such renewal.

In response to Puget's assertions, the respondent claimed, unsurprisingly, that the relevant time to assess bad-faith registration was when the domain name was registered. When the respondent registered the domain name, Puget did not own any trademark in the expression 'Ask Leo' and had not even begun using its 'ask-leo.com' domain name. Thus, the domain name could not have been registered in bad faith.

In view of the respondent's \$10,000 counter-offer, and of his use of the domain name for a parking page profiting from confused internet users looking for Puget's website, the panel had no difficulty in finding that the domain name was used in bad faith.

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Turning to the issue of bad-faith registration, the panel found that, as Puget did not provide sufficient evidence of the renown and strength of its trademark at the time of renewal of the domain name, the date of renewal could not be a suitable date to assess bad-faith registration.

This seems to suggest that, if Puget had proven such strength and renown, the panel may have considered the date of renewal as the relevant time to assess bad-faith registration. In the present decision, the panel followed the minority position of WIPO panels on this issue whereby the renewal of a domain name can be considered as equivalent to a new registration in certain circumstances ("If complainant's trademark rights were demonstrated to be well known, a finding of targeting intent, even at the time of renewal, might be proper").

The question of what amounts to "sufficient renown" will eventually be a question of fact for panels to decide, and no clear indications can be drawn from the present decision. The panel highlighted that "a domain name's date of renewal might, in an appropriate case, be relevant for the purposes of assessing the bad-faith registration element under the policy".

Interestingly, the panel decided to rely on *Jappy GmbH v Satoshi Shimoshita* (WIPO Case D2010-1001) in order to hold that renewal of a domain name may be equivalent to a new registration in certain circumstances, rather than Paragraph 2 of the UDRP, which expressly references the representations made at the time of renewal and to which panels sometimes refer. This seems to suggest that this minority view is gaining growing support. However, the panel was clear on the fact that assessing bad-faith registration at the time of renewal must remain an exception.

This decision seems to reinforce the minority view that sufficient strength and renown of a complainant's trademark at the time of renewal of a disputed domain name may be a "circumstance" justifying assessment of bad-faith registration at the time of renewal. It will be interesting to see whether future panels will build on this minority view and provide clarification on the same.

Finally, the panel confirmed that, however blatant the use in bad faith of a domain name may be, a registrant is immune from remedy under the UDRP so long as the complainant has not successfully proven bad-faith registration (whether this be at the time of registration or subsequent renewal).

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