

**Important UDRP precedent shows that TLDs are carrying more and more weight
International - Hogan Lovells LLP**

**gTLDs
Cybersquatting**

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In a [recent decision](#) under the [Uniform Domain Name Dispute Resolution Policy](#) (UDRP) before the [World Intellectual Property Organisation](#) (WIPO), a London-based investment management company has successfully obtained the transfer of a domain name reproducing its trademark under the new generic top-level domain (gTLD) '.capital'.

The '.capital' TLD is one of the many TLDs recently launched by [ICANN](#) and it is intended for registrants with a connection to financial services, although there are no registration eligibility requirements. It was delegated into the root on April 11 2014 and became available for general registration in July 2014 following a sunrise period for trademark holders that opened on May 6 2014 and closed on July 5 2014. There are currently over 3,000 domain name registrations under the '.capital' new gTLD.

In the present case, the complainant was Aspect Capital Limited, a London-based investment management company with offices in the United Kingdom, United States and in Asia. The complainant was the owner of a large number of registered trademarks for ASPECT and ASPECT CAPITAL in many jurisdictions throughout the world, including Community trademarks. The complainant's main website was available at '[www.aspectcapital.com](#)'.

The respondent was Fluder (aka Pierre Fluder), an individual based in France. The respondent was in the business of registering and reselling domain names.

The disputed domain name, 'aspect.capital', was registered on September 26 2014 by the respondent. The following day, the respondent offered to sell the domain name to the complainant. The complainant decided to file a UDRP to obtain the transfer of the domain name.

To be successful in a complaint under the UDRP, in accordance with Paragraph 4(a), 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.

With regard to the first requirement under the UDRP, the panel found that the complainant had established that it had trademark rights in ASPECT and ASPECT CAPITAL. As for whether the domain name was identical or confusingly similar to these trademarks, the complainant contended that there was identity or confusing similarity between the domain name and its trademarks regardless of whether the '.capital' suffix was taken into account or not. The respondent argued, however, that panels do not traditionally take into account the gTLD in assessing whether a domain name is similar to a complainant's trademark, and thus only the term at the left of the dot, namely 'aspect', should be taken into consideration.

The panel found that, without taking into account the gTLD '.capital', the domain name was identical to the complainant's ASPECT mark. The panel also found that taking the domain name as a whole, including the gTLD, the domain name was "virtually identical" to the complainant's ASPECT CAPITAL mark, as the only difference between the domain name and the trademark was the addition of the dot and the omission of the space between the words.

The panel explained that it is standard practice to disregard the gTLD as it is "a functional aspect of the domain name system". However, in the circumstances of this case, it found that the combination of the term 'aspect' and the gTLD '.capital' reproduced the complainant's trademark, with the exception of the dot.

The panel therefore found that the domain name was identical or confusingly similar to the complainant's trademarks.

Turning to the second requirement under the UDRP, the complainant argued that the respondent was not affiliated with the complainant in any way and that the respondent was not commonly known as 'Aspect Capital'. The respondent did not deny the complainant's contentions. However, he explained that he was in the business of acquiring and reselling domain names incorporating generic terms and argued that the domain name consisted of two generic terms, namely 'aspect' and 'capital', over which the complainant could not claim exclusive rights. The respondent therefore further argued that his offer to sell the domain

name was legitimate as the domain name was acquired for its generic meaning and without the complainant in mind.

The panel acknowledged that, whilst registering domain names for their generic meaning is a permissible practice, registering generic terms with the purpose of trading on the trademark value attached to them is not. Furthermore, based on the particular facts of this case, the panel did not give any credibility to the respondent's claim that he had registered the domain name for its generic meaning alone without the complainant in mind, particularly as the respondent had sent a letter to the complainant offering to sell the domain name immediately after he registered it.

The panel therefore found that the respondent did not have rights or legitimate interests in the domain name.

Turning to the third requirement, a complainant must demonstrate that a respondent both registered and used the disputed domain name in bad faith. The panel decided that the respondent's unsolicited offer to sell the domain name to the complainant the day after he registered it was sufficient evidence of bad-faith registration and use of the domain name. The panel found that the respondent's letter to the complainant showed that the respondent had knowledge of the complainant and its business at the time of registration, which was clear evidence of bad faith. In the panel's view, the respondent was using the domain name in bad faith with the intention of unduly profiting from the complainant's rights.

The panel therefore found that the respondent had registered and used the domain name in bad faith, and ordered the transfer of the domain name to the complainant.

This decision illustrates how UDRP case law is evolving with the introduction of new gTLDs into the domain name system. Whilst, traditionally, the top-level suffix in a domain name has been generally disregarded by panels as a functional element, it is now carrying more and more weight, particularly when the TLD is descriptive of, or closely related to, the goods and services of the trademark in question or, as in the present case, when the TLD itself forms part of the trademark. In this regard, the decision creates an important precedent for trademark holders whose trademarks, although distinctive, consist of a combination of common or descriptive terms and may thus be easily mirrored under a new gTLD by savvy cyberquatters.

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