

World Trademark Review Daily

Inactive website insufficient to prove bad-faith use
International - Hogan Lovells International LLP

Cybersquatting

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Complainant [Mediaset SpA](#), the biggest Italian and Spanish private TV group, has [lost a case](#) filed under the [Uniform Domain Name Dispute Resolution Policy](#) (UDRP) in relation to the domain name 'mediaset.com'. At the time the complaint was filed, the domain name was pointing to a blank page with a header stating "Coming soon". A three-member panel from the [World Intellectual Property Organisation](#) ruled that the respondent, US-based Fenicius LLC, was allowed to retain ownership of the domain name.

The domain name was originally obtained by the complainant from Mustneed.com, a Taiwanese company, as a result of the complainant's successful UDRP complaint in June 2008. However, the complainant seemingly failed to renew the domain name and it was acquired by the respondent by backorder on March 19 2011. The respondent had backordered the domain name 'mediaset.net', and probably also 'mediaset.com', on August 29 2006.

To be successful in a complaint under the UDRP, 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.

The parties filed supplemental submissions referring to court proceedings in Rome, Italy, initiated by the complainant against the respondent. However, the panel refused to consider these submissions in accordance with the UDRP Rules, which provide that a panel may in its sole discretion request further statements or documents from either of the parties, but which do not allow the parties to file supplemental submissions on their own volition.

The complainant, which controlled a number of TV stations, was owned by former Italian prime minister Silvio Berlusconi. The complainant was the registered owner of several Italian, international and Community trademarks in the term 'Mediaset'. The complainant pointed out that a previous UDRP panel had found that the MEDIASET marks were well-known. The complainant was also the owner of numerous domain names consisting of the name Mediaset, including 'mediaset.it', 'mediaset.net' and 'mediaset.info'. According to the complainant, the domain name was identical or confusingly similar to the MEDIASET marks, as the gTLD '.com' was to be disregarded in determining identity.

The panel was satisfied that the complainant had established the first requirement under the UDRP, as the domain name 'mediaset.com' fully incorporated the complainant's MEDIASET marks and was identical to these marks.

In relation to the second requirement, the complainant argued that the respondent had no connection with the complainant and that it had received no licence or consent to use the MEDIASET marks. The complainant also contended that the respondent was not commonly known by the domain name. Further, the complainant claimed that the respondent did not own any registered trademark or common law rights in the term 'Mediaset'.

The respondent stated that the complainant had failed to renew the domain name and that it was obtained through an auction. According to the respondent, under the UDRP, absent proof of bad-faith registration, a party may register a domain name that another party fails to renew; moreover, settled trademark law supports a 'common sense' approach to the treatment, use and protection of descriptive common word terms such as 'media set'. The respondent added that, where a domain name is made up of a common term composed of English words, and is subject to third-party use, a party that registers and uses a domain name in good faith and without intent to target the trademark holder is entitled to keep the domain name.

The panel decided that it was unnecessary to address these arguments in light of its finding with respect to registration and use in bad faith.

Turning to the third prong of the UDRP, the complainant alleged that the domain name was registered and was being used in bad faith as:

- the domain name was inactive;
- the respondent's identity was initially concealed by a privacy service; and

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- the MEDIASET marks had a strong reputation.

In spite of these arguments, the panel considered that the complainant had failed to make an argument showing that the respondent had registered the domain name in bad faith. The respondent stated that it was well-established under the UDRP that the use and registration of domain names including descriptive terms was an extremely common and permissible business practice. Further, the respondent claimed that it had sought to acquire the domain name before the complainant initially registered it and that the complainant had set forth no evidence demonstrating that the respondent registered it for any other reason. The respondent argued that it was not attempting to compete with the complainant, disrupt its business or prey on its marks in any manner. The respondent finally stated that, before acquiring the domain name, its business plan was to sell 'media sets' and use the domain name to capitalise on its inherent value as a generic or descriptive common term, but that it was unable to execute this business plan because its representative was diagnosed with cancer.

The panel noted that the respondent had monitored the domain name for years and must have been aware that it was registered in the name of the complainant before it was acquired by the respondent in 2011. According to the panel, the complainant provided only general allegations or mere assertions of bad faith without supporting facts or specific examples. The panel stated that the use of privacy services in general is not something to be objected to. In any event, the panel stated that, in the light of its finding regarding bad-faith use, it was not necessary for the panel to come to a decision with respect to registration in bad faith either.

Concerning bad-faith use, the panel explained that the fact that the domain name was inactive was, by itself, insufficient to prove bad-faith use. The panel considered that:

- there were various possibilities to use the domain name in good faith in connection with its generic meaning; and
- even if future users landed on an active website of the respondent, there would be no unfair advantage over the complainant, as long as the respondent used the domain name in good faith in connection with its generic meaning.

In addition, the panel noted that, should the respondent start using the domain name in bad faith, this would constitute a material new development pursuant to which the complainant could well have the possibility to re-file a new complaint under the UDRP.

Interestingly, the complainant prevailed in its 2008 UDRP case mainly because the domain name was being used by the respondent in that case to provide links predominantly relating to commercial goods or services for commercial gain. The fact that the website at the domain name was inactive in the 2012 proceedings was thus to the respondent's advantage.

In any event, on April 11 2012 the ninth section of the Rome Civil Court accepted the complainant's argument that the respondent and its legal representative had acquired the domain in bad faith and held that the purchase of the domain name "*was executed with the aim of profiting from the well-known Mediaset brand*". The court ordered the respondent to cease using the domain name or pay a €1,000 fine per day in the event of delay in respecting the order.

Allowing a domain name to inadvertently lapse can thus be a very expensive error; if the complainant does eventually obtain the domain name as a result of the Italian court order, then one would expect that it will not be allowed to inadvertently lapse again.

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