

World Trademark Review Daily

First '.xxx' UDRP decision issued
International - Hogan Lovells International LLP

Cybersquatting

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ICM Registry's '.xxx' sponsored top-level domain (sTLD) was approved by the [Internet Corporation for Assigned Names and Numbers](#) (ICANN) at the beginning of 2011. The new '.xxx' sTLD, set up specifically for the global adult entertainment industry, was launched on September 7 2011. The launch of '.xxx' started with the opening of a sunrise period, followed by a landrush period and finally the opening of registrations to the general public on December 6 2011.

The [Uniform Domain Name Dispute Resolution Policy](#) (UDRP) implemented by ICANN applies to disputes relating to domain names registered under the extension '.xxx'. Complaints can be filed directly with any of the ICANN-approved dispute resolution providers, including the [World Intellectual Property Organisation](#) and the [National Arbitration Forum](#) (NAF). To obtain a transfer of a domain name under the UDRP, a complainant must prove all of the three following circumstances:

- The domain name is identical, or confusingly similar, to a trademark or service mark in which it 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.

On February 7 2012 NAF [ordered the first transfer](#) of a '.xxx' domain name under the UDRP, which related to the domain name 'heb.xxx'.

The complainant, [HEB Grocery Company LP](#), is a grocery store chain with more than 329 stores, 76,000 employees and over \$15 billion in annual sales, with headquarters in Texas, United States. The acronym 'HEB' originally stood for the initials of the founder's son, Howard E Butt, but has now come to mean 'Here Everything's Better'. The respondent was Eric Gonzales, an individual based in Georgia, United States. The complainant filed a complaint with NAF on December 29 2011.

The complainant had no difficulties establishing the first prong of the UDRP, since the domain name 'heb.xxx' reproduced the exact term 'HEB' in which the complainant held numerous US trademark registrations. In any event, the respondent failed to address the issue of identical or confusing similarity in his response.

As for the second element of the UDRP, the panel found that the complainant had set forth its *prima facie* case that the respondent lacked rights and legitimate interests in the domain name, and that the respondent was not successful in proving that it had any such rights or legitimate interests.

First, the panel found that the respondent was not commonly known by the domain name. Besides, the panel followed previous NAF decisions whereby it was held that a respondent's failure to use a domain name that was identical to a complainant's trademark could not constitute a good-faith offering of goods or services, or a legitimate non-commercial or fair use of a domain name. The panel further explained that the respondent's assertion that the complainant lacked national notoriety was unfounded, since the complainant submitted sufficient evidence of its US trademark registrations, which "act as both actual and constructive notice throughout the US to other US citizens seeking to verify the availability of a prospective mark or domain name".

Further, the panel explained that the [Rapid Evaluation Service](#) (RES - a mechanism implemented by ICM Registry intended to "provide a prompt remedy to address a limited class of situations in which there is objectively clear abuse of well-known, distinctive registered trademarks or service marks of significant commercial value, or of personal or professional names of individuals") and the [Charter Eligibility Dispute Resolution Policy](#) (CEDRP) contained provisions "that allow a panel to use the requirements of the respective policies in the panel's UDRP analysis". The panel thus held that:

"[r]espondent's failure to satisfy RES 3(d)(i) and [r]espondent's actual and/or constructive notice of [c]omplainant's US-registered trademark under RES 3(d)(ii) further support the conclusion that [r]espondent lacks rights and legitimate interests in the disputed domain name under Policy 4(a)(ii)".

The panel further found that the respondent was not in the adult entertainment business and thus did not satisfy CEDRP Paragraph 2(a), according to which:

"[a] complaint under this section shall be required to show that a registered domain name in the

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‘.xxx’ TLD has not been registered or used in compliance with the Sponsored Community eligibility criteria as further defined in the Registry-Registrant Agreement”.

Turning to the third prong of the UDRP, the panel found that the respondent's failure to make active use of the domain name demonstrated bad faith. The panel explained that the respondent made no mention of plans to use the website with his present businesses or any future businesses. Besides, the panel held that the fact that the respondent had actual notice of the complainant's rights in the HEB mark prior to registering the domain name further supported a finding of bad-faith registration and use under the UDRP. Both parties submitted documentary evidence indicating that they had had prior contact, and had discussed the domain name and the complainant's potential registration of it.

Finally, the panel noted that the facts underlying earlier findings regarding the respondent's lack of rights or legitimate interests in the domain name under the RES and the CEDRP also supported a finding of bad-faith registration and use under the UDRP, explaining that "RES 3(d) provides additional considerations that a panel may consider when determining rights and legitimate interests and bad faith", and that:

"CEDRP 8 states that ‘If a domain name in the ‘.xxx’ TLD is subject to a UDRP proceeding, the factors set forth in the CEDRP may be alleged in such proceeding as applicable terms of legitimate rights or registration and use under the UDRP in addition to any allegations or defences available.’"

This decision has usefully, although modestly, contributed to defining the specific regime of UDRP disputes involving ‘.xxx’ domain names and, in particular, its relation with the RES and the CEDRP.

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