

# World Trademark Review Daily

## Seminole tribe fails to obtain virtual land United States - Hogan Lovells International LLP

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The Seminole Tribe of Florida (the complainant), a Native American tribe from the United States, has [failed to obtain](#) the transfer of the domain names 'casinoseminole.com', 'seminolecasino.com' and 'seminolegaming.com' in proceedings under the [Uniform Domain Name Dispute Resolution Policy](#) (UDRP).

The Native American gambling industry exploded in the 1980s as a result of a series of landmark US Supreme Court decisions determining that US states do not have the authority to tax Indians or regulate Indian activities by Indians on Indian reservations.

Within this context, the complainant alleged that it had begun operating casinos in the State of Florida in the late 1970s. The complainant held a valid US registered design mark containing the words 'Seminole Casino' (the rights to the word 'casino' alone being disclaimed), registered on September 16 2008, and also asserted common law trademark rights in the term 'Seminole Casino', which it claimed to have used since 1980. In addition, the complainant had registered several domain names incorporating the words 'Seminole' and 'casino' which pointed to websites used in connection with the complainant's gambling activities.

The domain names 'casinoseminole.com', 'seminolecasino.com' and 'seminolegaming.com' were registered in 1997 and 1998 by the respondent. They had been 'parked' and used in connection with pay-per-click advertising landing pages.

The respondent was an inactive corporation located in Florida. It claimed that it had entered into a joint venture agreement with the complainant in 1997 with the purpose of developing gaming software and establishing an online casino. Only affidavits and not a written agreement were submitted in support of this claim, although the complainant did not admit or deny the existence of such an agreement. According to the respondent, it had registered the domain names in furtherance of the planned joint venture with the complainant, although the complainant terminated the agreement in May 1998 when one of its representatives visited the respondent's offices. The respondent also challenged the existence of any common law trademark rights in the term 'Seminole Casino'. Finally, the respondent raised the defence of laches, as the domain names were registered more than 10 years prior to the filing of the complaint.

To be successful in a UDRP proceeding, a complainant must establish that:

- the domain name(s) is/are 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(s); and
- the domain name(s) has/have been registered and is/are being used in bad faith.

The panel first examined the laches defence invoked by the respondent. It stated that, although, in the United States, the laches defence can result in the dismissal of a complaint for undue delay in asserting legal claims, only recovery of damages incurred before the filing of a lawsuit could generally be barred, and not injunctive relief. In this respect, US courts have also ruled that the doctrine of laches does not prevent injunctive relief in a trademark action if this seeks to avoid future confusion in the marketplace. The panel observed that only injunctive (rather than compensatory) remedies were available under a UDRP proceeding and therefore concluded that the complaint could not be dismissed on the basis of laches. However, the complainant had a heavier burden to establish bad-faith registration as a result of greater evidentiary difficulties, given the passage of time.

With regard to the first element of the UDRP, the panel considered that the complainant's common law rights in the term 'Seminole Casino' at the time the domain names were registered were "dubious". However, this was not material when considering the first limb of the UDRP, as this was a "low threshold" test and merely related to the complainant's standing to bring a proceeding under the UDRP. Only consideration of the complainant's current trademark rights was thus necessary. The panel based its analysis on the complainant's registered trademark, which consisted of words and a design. However, the prominent textual elements were the words 'Seminole' and 'casino', which had to be taken together, given that the rights to the word 'casino' alone had been disclaimed. These words appeared together in two of the domain names and the third included the word 'gaming', which was closely associated in meaning with 'casino'. The panel therefore found that there was a plausible case for confusing similarity for the purpose of meeting the "low threshold" test in relation to the first element of the UDRP.

As for the second limb of the test, the complainant contended that the respondent had used the domain

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names only to point to a website containing pay-per-click advertising and that the respondent was not commonly known by the domain names, which thus shifted the burden of proof to the respondent. In its defence, the respondent relied only on affidavits of the alleged business joint venture in 1997 and did not supply any evidence of a written agreement. Neither did it give any explanation regarding the fact that neither the respondent nor its parent company legally existed at the time the domain names were registered. Crucially, the respondent also failed to give any explanation as to why two of the three domain names were registered several months after the complainant terminated the joint venture plans, as set out in the respondent's own account. Therefore, the panel determined that such evidence was insufficient to rebut the complainant's *prima facie* case that the respondent had no rights or legitimate interests in the domain names. Thus, the panel found that the second element of the complaint had been satisfied.

The complainant, however, failed to satisfy the third element. The panel reasoned that the only trademark under the complainant's belt dated from 2008, more than 10 years after the registration of the domain names, and, according to the panel, the complainant had failed to submit sufficient evidence of secondary meaning in the term 'Seminole Casino' at the time the domain names were registered in order to claim common law rights (or unregistered rights) in the name. Thus, the panel denied the transfer of the domain names to the complainant on the basis that bad-faith registration was not proved.

It is relatively unusual for a panel to find that a respondent has no rights or legitimate interests but did not register the domain names in question in bad faith, as the two usually go hand in hand. This demonstrates that the case is a complex one, and it was not immediately apparent from the background facts what the outcome should have been. The panel's reasoning behind its finding that there was no bad-faith registration focused mainly on the complainant's trademark rights at the time of registration of the domain names. The panel observed that not only had the complainant not done enough to establish unregistered trademark rights at the time of registration of the domain names, it was also not clear whether the term 'Seminole Casino' could actually be registered as a trademark, apart from as a distinctive design motif (as was eventually the case over 10 years later). The panel briefly noted that there were previous cases where bad faith had been found when a respondent had advance knowledge of a trademark, but stated that this was not relevant in this case as, at the time of the parties' discussions, it was not clear that the complainant had plans to trademark the term 'Seminole Casino', and much less clear that such a term could even be trademarked purely as a word mark.

However, bad faith is a much wider concept, and what falls to be considered under the third limb of the UDRP is not necessarily only the date of acquisition of trademark rights (especially when it is relatively clear, as in this case, that they did not exist at the time of registration of the domain names), but whether or not the respondent registered the domain names in contemplation of the complainant's *future* rights in the hope of taking advantage of them. Given the factual background to the case and the controversy surrounding Indian gaming prior to the registration of the domain names (*Seminole Tribe v Butterworth* was a major US court case in 1981 which helped pave the way for Indian gaming), it may not have been that difficult for the respondent to anticipate that the complainant would in due course wish to launch various gaming operations and to register the domain names in anticipation of that. This may well have been raised during the joint venture discussions. Even if the actual potential brand was not mentioned, it would have been fairly easy to take an educated guess, and the respondent seems to have sought to cover all bases with a variety of domain name registrations.

Thus, on the facts as presented in the panel's decision, what seems key is the missing evidence relating to the joint venture, as opposed to the complainant's trademark rights at the time of registration of the domain names. Were the parties' discussions sufficient to grant the respondent a legitimate interest in the domain names and justify registration in good faith? Perhaps this may have been the case in relation to 'seminolegaming.com', which was registered in 1997, if the evidence on the record had demonstrated that the parties had entered into the proposed joint venture at that time. However, if the joint venture had been terminated by the complainant by the time the other two domain names were registered (as admitted by the respondent), then, on the face of it, this certainly pointed towards bad-faith registration in anticipation of the complainant's future rights.

Whilst the decision itself seems to suggest that the complainant should have provided more evidence of unregistered trademark rights at the time of registration of the domain names, this is perhaps not the key issue, and the existence of trademark rights (registered or unregistered) at the time of registration are not necessarily essential if the complainant is able to demonstrate that the respondent made the registration(s) in contemplation of exploitation of the complainant's future trademark rights. Perhaps what was lacking in this case was clearer evidence from the complainant as to the joint venture (which it apparently did not deny existed) and what exactly the respondent was entitled to do as a result, as well as more evidence relating to the complainant's future plans and how obvious they would have been to the respondent. If this had been clearer, the complainant may well have been able to obtain the transfer of the domain names

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'casinoseminole.com' and 'seminolecasino.com', as they were registered after the joint venture was terminated, and thus the respondent could not claim to have rights and legitimate interests at that time.

However, a denial may have been difficult to avoid in connection with 'seminolegaming.com' if it was effectively registered with the complainant's blessing in furtherance of the joint venture, thus taking the dispute outside of the realm of the UDRP.

The above underlines that good evidence from both parties is crucial in a UDRP proceeding, especially one such as this where so many facts are unclear. This makes the deliberations of the panel all the harder, as the decision can be based only on the information presented by the parties.

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