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**UDRP complainant escapes finding of reverse domain name hijacking
International - Hogan Lovells International LLP**

Cybersquatting

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In a [recent domain name dispute](#) under the [Uniform Domain Name Dispute Resolution Policy](#) (UDRP), [Altom Consulting](#) was denied the transfer of the domain name 'altom.com', principally for failing to prove trademark rights in the term 'Altom'.

The complainant was a software testing company founded in 2008 and based in Romania, with offices in Helsinki. It had registered the domain names 'altom.ro' and 'altom.fi' on April 22 2008 and June 1 2011, respectively, and had a Community trademark (CTM) application pending for ALTOM before the Office of Harmonisation for the Internal Market.

The domain name 'altom.com' was registered by the respondent on May 12 2002, six years before the complaint was founded. As part of its business, the respondent registered and owned numerous domain names consisting of surnames and generic words. The respondent claimed that 'Altom' was a common Irish surname and stated that it had registered it only with this in mind. The respondent was using the domain name to point to a website displaying pay-per-click (PPC) advertising links related to general interest topics.

To be successful in a complaint under the UDRP, a complainant must evidence all of the following:

- The domain name is identical, or confusingly similar, to a trademark or service mark in which the complainant has rights; and
- 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 first element of the UDRP's three-prong test serves essentially as a standing requirement, which is satisfied by demonstrating that the complainant has trademark rights in a name, whether registered or unregistered. Thus, for the purpose of this first element, it is generally irrelevant where and when the trademark has been registered (or first used) and the goods or services for which it has been registered, although these factors can be crucial for the third element of the test - bad-faith registration and use of the domain name.

In the present case, the question was whether the complainant had trademark rights in the term 'Altom', as it had only a pending application for a CTM. However, an application for a trademark is insufficient to satisfy the first element of the test. Thus, in order to satisfy the first prong, the complainant needed to demonstrate that it had acquired unregistered or common law rights in the name Altom. The complainant, however, did not make any assertions in this regard, nor did it provide any evidence that it had acquired unregistered rights in the name Altom. Consequently, the panel determined that the complainant had not satisfied the first element of the three-prong test.

In cases such as this one, the case fails at the first hurdle and the panel is not required to rule on the two remaining elements of the three-prong test. However, in this particular case, the panel determined that "the case warrant[ed] such a ruling" and went on to examine the remaining elements.

With regard to the second limb of the test, the complainant contended that the respondent had registered the domain name solely for commercial gain, without any legitimate interest. The respondent, however, asserted that the name Altom was a common Irish surname and, since no party could claim exclusive rights over said name, the principle of first-come, first-served applied. Furthermore, the respondent claimed that it did not have the complainant in mind when it registered the domain name, particularly since it had registered the domain name six years prior to the creation of the complainant's company. Furthermore, the respondent claimed that the use of the domain name to point to advertising links did constitute a legitimate interest because such links were not related to the complainant or its business.

The panel agreed with the respondent and determined that the complainant had failed to demonstrate that the respondent lacked a legitimate interest. In particular, the panel ruled that the use of a domain name unrelated to its descriptive meaning (in this case, the surname Altom) did not necessarily translate into a lack of legitimate interest. The panel pointed out that the use of a domain name for posting PPC advertising links could constitute legitimate use as long as such use did not aim to benefit from the repute and notoriety attached to the complainant.

Finally, the panel ruled that the complainant had failed to satisfy the third element of the test. The complainant argued that the respondent had registered and used the domain name in bad faith because its

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primary objective was to sell it. The complainant referred to an advertisement on the website to which the domain name was pointing offering the sale of the domain name for \$1,500 and it further asserted that, when it had contacted the respondent in order to purchase the domain name, the respondent had requested \$20,000. The respondent, however, insisted on the fact that the domain name was registered six years prior to the creation of the complainant's company, which made it impossible for the respondent to have registered the domain name with the complainant in mind and thus in bad faith. Moreover, the respondent argued that using the domain name as part of a business based on reselling domain names was not in itself use of a domain name in bad faith, as it was in no way profiting from the complainant's trademark rights.

Thus, the panel determined that, as claimed by the respondent, it was inconceivable that the respondent had the complainant in mind at the time of the registration of the domain name, and that it seemed more likely that the respondent had registered the domain name in view of its generic character and without targeting the complainant. In light of these circumstances, the panel determined that the respondent's attempt to sell the domain name was not illegitimate. Thus, the request to transfer the domain name to the complainant was denied.

Bad faith can be found even if a disputed domain name was registered prior to the acquisition of a complainant's trademark rights. However, such cases are very rare and occur only where there is proof that the respondent registered the domain name in anticipation of the complainant's future rights. A common example occurs in the case of widely anticipated products or services. In the present case, however, the complainant did not even attempt to raise this argument.

The respondent did not ask for the panel to make a finding on whether the complainant was guilty of reverse domain name hijacking (defined in the UDRP Rules as "using the Policy in bad faith to attempt to deprive a registered domain name holder of a domain name") and so the majority of the panel did not touch on this issue. However, the case was decided by a three-member panel, and one of its members wrote a separate opinion finding that the complainant was guilty of reverse domain name hijacking as the complaint was brought in bad faith and constituted an abuse of the administrative proceeding.

In the minority panel's view, this was essentially because the complainant had chosen to attack the respondent's good faith and to allege that it was "predatory and parasitical", but without any supporting evidence or reasoning. In the minority panel's view, allegations of bad faith made without supporting facts were themselves a form of bad faith, and this was what enabled a finding of reverse domain name hijacking (not merely the fact that, in the minority panel's view, "the complainant's case was hopeless from the beginning and should never have been brought").

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