

World Trademark Review Daily

Domain name complaint dismissed for falling outside scope of UDRP International - Hogan Lovells International LLP

Cybersquatting

March 19 2013

In a recent proceeding under the [Uniform Domain Name Dispute Resolution Policy](#) (UDRP) before the National Arbitration Forum (NAF), two Canadian brothers fought against each other over the domain name 'bousada.com', consisting of their surname. The panel, however, [found](#) that the brotherly dispute was not a simple straightforward case of cybersquatting, but a much more complex case that fell outside the scope of the UDRP. Therefore, the panel dismissed the case.

The complainant was Bousada Interiors, a flooring and interior design company based in Quebec, owned by a Reed Bousada. The respondent was Thrillworks Inc, an interactive marketing agency, founded by the complainant's brother, Jay Bousada, who had registered the domain name 'bousada.com'.

The complainant explained that the Bousada surname had been used since the early 1950s to identify his company Bousada Interiors (as well as other companies such as Les intérieurs Bousada and 9029-4043 Québec Inc) and that his business was known by customers simply as 'Bousada'.

The complainant claimed that he had hired the respondent to create his company website and that the domain name was registered by the respondent on behalf of the complainant. When the complainant decided to renovate his company website using the services of another company, the respondent refused to give the domain name access code to the complainant on the basis that the latter had failed to pay the respondent for the services that he had provided. The respondent shortly thereafter shut down the website to which the domain name was pointing.

The complainant argued that, by blocking access to the domain name, the respondent was disrupting the complainant's business (eg, the email service used by the complainant associated with the domain name was interrupted). In addition, the complainant argued that the respondent did not have any rights or legitimate interests in the domain name as it was not being used, and noted that the respondent's "personal issues" were interfering with the complainant's business.

In turn, the respondent claimed that he had registered the domain name by himself, without any "contribution or guidance" from the complainant. Furthermore, he stated that he had only allowed the complainant to use the domain name "temporarily" until the respondent had decided how to use it for his own personal use. The respondent claimed that he had blocked access to the domain name following the complainant's failure to pay for his services. Furthermore, the respondent argued that the domain name matched the founder of the respondent's own surname and that the complainant did not own any trademark rights or copyright over the Bousada name; nor was it the complainant's company's legal name, which - according to the respondent - was 9029-4043 Quebec Inc.

The parties produced additional submissions including one where the complainant claimed that "he was ignorant on his payment obligation for the disputed domain name as he relied on the respondent, who is his brother" and stressed that the domain name had always belonged to the complainant. The respondent, in turn, asserted that his decision to take control of the domain name was not just motivated by the complainant's failure to pay him.

To be successful in a complaint under the UDRP, a complainant must prove the following three elements:

- 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 panel, however, refrained from examining each of these three elements. According to the panel, the parties' submissions revealed that the dispute related to complex issues stemming from contract law or a fiduciary duty: "On the side of the complainant, the panel also notes that the submission of the complainant refers to breach of trust or contract by his brother who is the respondent". Drawing on the reasoning of a long line of UDRP decisions (eg, *Love v Barnett*, FA 944826), the panel determined that such complex issues required further evidence and fell outside the scope of the UDRP. As a result, the panel dismissed the complaint and the domain name remained in the hands of the respondent.

It is clear that the purpose of the UDRP is to protect trademarks (whether registered or not) and their owners against clear cases of cybersquatting. It is thus not surprising that a case - such as the one at hand -

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based mainly on assertions relating to breach of contract or breach of trust led the panel to reject the case as falling outside of the scope of the UDRP.

The UDRP is faster and cheaper than court proceedings and, whilst this is very positive as it provides trademark owners with a very useful protection mechanism when it comes to domain names, it also seems to lead certain complainants to believe that the UDRP can be used for disputes where it is quite clearly not the appropriate forum. Interestingly, even if the panel had decided that the complaint did fall within the scope of the UDRP, it seems from the information available in the decision that the complainant may have fallen at the first hurdle as a result of lack of evidence, and quite probably at the second and third one too. However, the panel decided that it was preferable to dismiss the case altogether because it was outside of the scope of the UDRP, thus reasserting the clear principles on which the UDRP has been built and has thrived for many years.

The case also highlights an important procedural difference between the [UDRP Supplemental Rules of NAF](#) and those of the [World Intellectual Property Organisation \(WIPO\)](#), which also handles a large number of UDRP cases. Under the WIPO Rules, there is no official procedure for parties to file additional submissions further to the complaint and the response, and any additional submission will be a supplemental filing that a panel may or may not choose to look at. However, the NAF Rules provide that each party may file an additional submission upon payment of a fee of \$400. The NAF panel was therefore obliged to consider both parties' additional submissions in this case as they were filed in a timely manner, which would not have been the case if WIPO had been the chosen provider. Many commentators would argue that such procedural differences are not really within the spirit of the UDRP, where 'U' is supposed to stand for 'uniform'.

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