

World Trademark Review Daily

UDRP complainants must prove that respondents were aware of their trademark rights **Cybersquatting**

International - Hogan Lovells International LLP

July 11 2012

The company holding the rights to the late fashion designer Elsa Schiaparelli's intellectual property, Interbasic Holding SA, has **lost a complaint** filed under the [Uniform Domain Name Dispute Resolution Policy \(UDRP\)](#), which was decided by a three-member panel from the [World Intellectual Property Organisation](#).

The case related to the domain name 'zut.com', owned by respondent Francois Carillo, who was resident in France. The respondent had bought the domain name for €8,600 in a domain name auction in 2008 and it was being used to point to a website stating that it was for sale for a starting price of \$90,000. The complainant had anonymously expressed an interest in purchasing the domain name on three occasions, but the respondent replied with 'Zut!' on the first occasion and did not reply to the further offers.

Elsa Schiaparelli was an Italian fashion designer who died in 1973. Although Schiaparelli closed her business in 1954, she was regarded as one of the most prominent figures in fashion between the two World Wars. Her perfume Zut! was originally released in 1948, discontinued in 1954 and then re-launched in 1998 on its 50th anniversary. 'Zut!' is an expression of dismay in French, equivalent to 'Damn!', 'Dam!' or 'Blast!' in English.

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 panel found that the first requirement was satisfied, as the complainant owned various ZUT marks. It was also not in dispute that the registrations of the marks predated the registration of the domain name (although this factor is not relevant to the first requirement).

As far as the second requirement was concerned, the panel pointed out that, under the UDRP, the complainant was merely required to make out a *prima facie* case showing that the respondent lacked rights or legitimate interests. However, the complainant's submissions barely established such a case, as the complainant merely asserted that it owned a trademark registration for ZUT and stated that the respondent was using the domain name without its permission. In its defence, the respondent had provided substantial submissions which were, in the panel's opinion, sufficient to rebut the complainant's *prima facie* case.

The domain name consisted of a common and widely used dictionary word in French. The panel stated that the mere registration of such a domain name may not of itself confer rights or legitimate interests in the domain name - generally this would be the case only if the domain name was genuinely used (or at least demonstrably intended for such use) in connection with its generic meaning, and not, for example, to trade off third-party rights in such a word.

In this case, the domain name was listed for sale. The panel pointed out that the sale of domain names could be legitimate, provided that the registrant was not aware of a complainant's trademark rights. In the panel's opinion, the following factors were relevant in this particular case:

- the complainant had provided no evidence that the respondent was aware of its trademark rights at the time it registered the domain name;
- the respondent was a native French speaker and was resident in France;
- 'zut' was a common French word;
- the complainant's Zut brand of perfume was launched in 1948, discontinued in 1954 and re-launched in 1998; although well-known in the 1940s, the brand was no longer as well known today; and
- there was no evidence that the respondent was otherwise targeting the complainant or its trademarks.

This conclusion was supported by the fact that part of the respondent's business was to register dictionary words in order to take advantage of the commercial value of such words as domain names, and indeed the respondent owned many domain names and had purchased the domain name at an auction for a substantial sum of money.

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The panel therefore concluded that the respondent had purchased the domain name not for its association with the complainant's trademark, but because of its dictionary meaning. The respondent's subsequent use and conduct was consistent with that view.

The panel pointed out that, for it to decide in favour of the complainant on this element, the panel would in effect be deciding that a domain name owner who acquires a dictionary term domain name in good faith, and then warehouses the domain name, does not have rights or legitimate interests in the domain name. The panel was not prepared to reach such a broad conclusion.

The second requirement of the UDRP was therefore not satisfied.

To establish the third requirement, the complainant had to prove that both registration and use of the domain name were in bad faith. Although the panel was not required to address bad faith due to its finding in relation to the second requirement, it nevertheless made various observations on the evidence presented, and found that there was no evidence of any bad-faith registration or use of the domain name. Specifically, the panel concluded that:

- the respondent was unaware of the complainant's trademark rights;
- the respondent had never approached the complainant to sell the domain name;
- the website that the domain name was pointing to did not sell any goods or services which competed with the goods sold under the complainant's trademarks and was not a pay-per-click website; and
- the complainant had provided no evidence that the public had been confused or misled by the respondent's use of the domain name.

The third requirement of the UDRP was therefore not satisfied and transfer of the domain name was refused.

Finally, the respondent requested that the panel make a declaration of reverse domain name hijacking, defined as "using the policy in bad faith to attempt to deprive a registered domain-name holder of a domain name". In this respect, the respondent made the following arguments:

- the complainant knew, and admitted, that 'zuf' was a common French word used by people and businesses worldwide;
- the complainant knew that the respondent had never infringed its trademark rights;
- the complainant proceeded with the complaint only after its offer to buy the domain name was refused by the respondent;
- the complainant never sent a letter to the respondent demanding transfer of the domain name based on legal rights (if it had done so the respondent asserted that it would have received a response from the respondent that it was not cybersquatting); and
- the complainant had put the respondent to substantial time and expense in responding to a legal proceeding that should never have been brought.

Although the complainant had provided little evidentiary support for its allegations, the panel was of the opinion that it genuinely believed that the respondent was attempting to profit from bad-faith registration of the domain name. In this regard, the panel noted that the fact the domain name was being offered at such a high price may have led the complainant to believe that this was an offer to sell in excess of out-of-pocket expenses. Thus the panel found that this was not an appropriate case for a declaration of reverse domain name hijacking.

The decision is interesting in that it illustrates the fact that offering a domain name for sale when a third party has trademark rights in that particular term is acceptable under certain circumstances. If this were not the case, then it would be possible to attack virtually any domain name on the sole basis that a trademark had been registered corresponding to that particular domain name, whether or not the registrant in question was aware of such trademark. Thus, it is usually necessary for complainants to prove that respondents were aware of their rights and specifically targeted them, especially in the case of terms that could be said to be generic or descriptive.

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World Trademark Review *Daily*

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