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UDRP panel takes nature of gTLD into account in reaching decision
International - Hogan Lovells International LLP

gTLDs
Cybersquatting

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US company Slide Mountain Acquisition Company LLC has recently filed a successful complaint under the [Uniform Domain Name Dispute Resolution Policy \(UDRP\)](#) with the [World Intellectual Property Organisation \(WIPO\)](#) concerning 'loehmanns.clothing', which was registered under the new generic top-level domain (gTLD) '.clothing'.

The domain name was registered on February 9 2014 and pointed at the time of the complaint to a registrar parking page with sponsored links leading to third-party websites.

The [Loehmann's department store chain](#) was founded in Brooklyn in 1921 by Frieda Loehmann, but filed for bankruptcy in December 2013. The complainant and its predecessors-in-interest, Loehmann's Holdings Inc, Loehmann's Operating Co and Loehmann's Inc, had therefore been promoting and providing retail store services in branded retail and online stores under the trademark LOEHMANN'S in the United States for many years. The complainant was the current owner of several LOEHMANN'S marks in Classes 25, 35 and 42 in various countries (Argentina, Canada, Mexico and Japan), including in the United States, registered before the registration of the domain name, except for a Community trademark filed on April 1 2014 in Classes 3, 25 and 35.

The complainant was also the owner of several domain names consisting of the term 'Loehmann's' registered before the disputed domain name, such as 'loehmanns.com' (registered in 1997), 'loehmanns.net' and 'loehmanns.org' (both registered in 2011).

The respondent was listed as Simon Nissim, lipstick boutique (*sic*), and was based in London, United Kingdom.

The complainant sent a letter to the respondent on February 18 2014, advising him of its rights in the LOEHMANN'S trademark and requesting the transfer of the ownership of the disputed domain name. There was an exchange of correspondence between the parties and the respondent indicated that he would consult with his legal team before going on to refuse a transfer on March 10 2014. Therefore, the complainant filed a UDRP complaint seeking transfer of the disputed domain name.

In order to succeed under the UDRP, a complainant must satisfy all of the following three requirements of Paragraph 4(a):

1. The domain name is identical, or confusingly similar, to a trademark or service mark in which the complainant has rights;
2. The respondent has no rights or legitimate interests in respect of the domain name; and
3. The domain name has been registered and is being used in bad faith.

With regard to the first condition, the complainant asserted that the disputed domain name was identical to, and incorporated in its entirety, the complainant's registered LOEHMANN'S trademark, together with the new gTLD suffix '.clothing', specifically relating to the complainant's business.

However, the respondent argued that, prior to purchasing the disputed domain name, he had verified whether any trademarks were registered in the United Kingdom and did not find any. He also argued that LOEHMANN'S was not a retail brand in the United Kingdom and neither did it have any retail/wholesale exposure in the United Kingdom. The respondent further stated that no one had heard of LOEHMANN'S in the United Kingdom and asserted that he therefore had full rights to open a retail store in the United Kingdom and call it 'loehmanns clothing' (*sic*).

The complainant explained that, despite the fact that it did not own any LOEHMANN'S trademarks in the United Kingdom prior to the domain name registration, the LOEHMANN'S trademark was nevertheless well known and that it was unlikely that the respondent had invented such a term without being aware of the LOEHMANN'S trademark, especially as it was a fanciful term.

The panel considered that the complainant had established rights in the LOEHMANN'S trademark since, as stated in [the WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Second Edition](#) ("WIPO Overview 2.0"), Paragraph 1.1, "the location of a trademark is irrelevant for the purpose of finding rights in a trademark under the first element of the UDRP".

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According to the panel, the disputed domain name entirely reproduced the complainant's registered trademark with the mere elimination of the apostrophe and the addition of the gTLD '.clothing'. As a reminder, the panel explained that the suppression of the apostrophe was for technical reasons which prevented the registration of domain names with an apostrophe (as explained in *L'OREAL v Cheng* (WIPO Case No D2008-0437)).

The panel also noted that the gTLD did not generally need to be considered for the purposes of determining identity or confusing similarity in UDRP proceedings, except in certain cases where it may itself form part of the relevant trademark (WIPO Overview 2.0, Paragraph 1.2). However, the panel also noted that the adoption of the gTLD '.clothing' was particularly apt to increase the risk of confusion, as the complainant's trademark was registered and used in connection with such goods.

The panel therefore found that the disputed domain name was confusingly similar to the complainant's LOEHMANN'S trademark in accordance with Paragraph 4(a)(i) of the UDRP.

Turning to the second requirement of the UDRP, the complainant argued that the respondent had no rights (no authorisation to use the LOEHMANN'S trademark, no rights in any of the LOEHMANN'S trademark registrations) or legitimate interests (no evidence showing that the disputed domain name was used in connection with any good-faith offering of goods or services) in respect of the domain name. Finally, the complainant alleged that, to its knowledge, the respondent had never been commonly known by the domain name or by a name corresponding to it. Moreover, the complainant underlined that the LOEHMANN'S trademark was a fanciful term. Thus the panel found that the complainant had made a *prima facie* showing of the respondent's lack of rights or legitimate interests in the domain name and that the respondent had failed to rebut such showing.

The panel supported the complainant's position by underlining the fact that the LOEHMANN'S mark corresponded to the surname of the founder of the first Loehmann's retail store and had no meaning in English. In addition, the panel found that the respondent had never explained why he chose a domain name identical to the complainant's trademark and that his mere provision of two pictures featuring purported labels containing the words 'Loehmann's clothing' was not sufficient to prove that the respondent had made serious plans to use the disputed domain name in connection with a good-faith offering of goods or services.

Finally, the panel noted that the respondent's use of the domain name to point to a website displaying sponsored links to third-party websites was neither a good-faith offering of goods or services, nor a non-commercial or fair use of the domain name. Accordingly, the panel found that the complainant had satisfied the second requirement of Paragraph 4(a).

Concerning the third requirement of the UDRP, the complainant argued that the respondent had registered the disputed domain name in bad faith with full knowledge of the complainant's famous LOEHMANN'S trademark because of the complainant's numerous trademark registrations, online retail presence (various domain names, together with its social media presence), large news reporting coverage (the *Guardian*, the *Independent*, the *Economist*) in the United Kingdom since 1985 (concerning Loehmann's stores, including Loehmann's bankruptcy announcement), but also because the respondent was put on constructive notice of the complainant's trademark rights prior to registration of the domain name and prior to the UDRP procedure.

The complainant underlined the fact that the respondent had "undisputed actual notice" of the complainant's rights in the LOEHMANN'S trademark because the complainant had entered its LOEHMANN'S trademark into the Trademark Clearinghouse, pointing out that, when an applicant attempted to register a domain name incorporating a trademark that had been entered into the Clearinghouse, the applicant was notified of the existence of third-party trademark rights.

The complainant also asserted that the fact that the disputed domain name resolved to a page featuring third-party advertising demonstrated the respondent's bad faith and intention to profit from the improper registration of the disputed domain name. The complainant claimed that the domain name had been registered and was being used in bad faith because the respondent had registered it for the purpose of disrupting the complainant's business with intent to misleadingly divert consumers for commercial gain or to tarnish the complainant's trademark. Consequently, the complainant alleged that there was clear cybersquatting, as the domain name was designed to intercept and siphon off internet traffic intended for the complainant's websites, and misdirect such traffic to the respondent's website for commercial gain.

Given that the complainant's trademark was entered into the Trademark Clearinghouse prior to the registration of the disputed domain name, the respondent would have been provided with a trademark claims notice of the complainant's rights in the LOEHMANN'S trademark at the time of the registration of the

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disputed domain name. The panel thus found that the respondent was aware of the existence of the complainant's trademark at the time of registration and therefore registered the domain name in bad faith.

As an aside, the panel pointed out that registering a mark in the Trademark Clearinghouse was by no means a pre-requisite to establishing knowledge by a registrant of a trademark owner's rights, thus underlining that use of the Trademark Clearinghouse is not mandatory. In other words, brand owners who have not registered their trademarks in the Trademark Clearinghouse may still bring a UDRP or URS complaint and prove the requisite degree of knowledge by a registrant, even if the registrant had not received a trademark claims notice.

Furthermore, the panel considered that the LOEHMANN'S trademark was a fanciful mark with no meaning in English and that the complainant had provided evidence of the coverage of the complainant and its LOEHMANN'S trademark in the United Kingdom, including in some press releases published at the end of 2013 and in January 2014, thus before the registration of the disputed domain name. The panel also noted that the '.clothing' gTLD expressly referred to one of the classes of products designated by the LOEHMANN'S trademark and to the active business field of the complainant. For these reasons, the panel found that the respondent registered the disputed domain name with the complainant's trademark in mind.

The panel considered that the current redirection of the domain name to a parking page with sponsored links leading to third-party websites proved that the respondent was using the domain name in order to attract internet users for commercial gain, by creating a likelihood of confusion as to the source, sponsorship, affiliation or endorsement of the website by the complainant, in accordance with Paragraph 4(b)(iv) of the policy.

Finally, the panel noted that the respondent had also registered other domain names corresponding to a registered trademark (eg, 'xoxo.clothing', which was also pointed to a parking page with sponsored links), which proved that the respondent was engaged in a pattern of bad-faith registrations. Accordingly, the panel found that the disputed domain name was registered and was being used in bad faith, as set out in Paragraph 4(a)(iii) of the policy. As a result, the panel thus ordered that the disputed domain name be transferred to the complainant.

The decision is interesting in that it highlights the fact that trademark law and the newly developing body of what may be termed 'domain name law' are not the same thing. Even though the complainant had no trademark rights in the United Kingdom, and indeed had never traded in that country, this did not give the respondent *carte blanche* to register a domain name containing the term 'Loehmann's'. Whilst trademark law may be said to be objective (involving consideration of factors such as what exactly is being done, in what country and under what sign), domain name law contains a certain element of subjectivity because the outcome may be different depending on a respondent's state of mind. In this particular case, even though the complainant did not have any rights in the United Kingdom, the respondent's actions were still condemned as it could be demonstrated that, on balance of probabilities, the respondent had most likely come across press coverage about the complainant's brand, especially given its recent bankruptcy announcement, and had thus made the registration in bad faith.

In addition, whilst it is clear that use of the Trademark Clearinghouse is not essential for complainants to bring UDRP or USR cases, it is certainly useful in cases such as this where a respondent may plausibly claim ignorance, especially as registrants must actually acknowledge that they have received the trademark claims notification before proceeding with the registration in question. What is also interesting is that the panel took the nature of the gTLD into account in its decision, finding it persuasive that the term 'clothing' expressly referred to the complainant's area of business, thus making it more difficult for the respondent to claim ignorance of the complainant's brand. In this regard, it seems likely that the advent of new gTLDs will rapidly change the nature of UDRP case law: whereas once the gTLD portion of a domain name was seen as neutral, having little or no significance (eg, '.com' and '.net'), it will likely become an increasingly important factor for panels to consider when assessing essential issues such as bad-faith registration and use under the UDRP.

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