

# World Trademark Review Daily

UDRP panel: two wrongs do not make a right  
International - Hogan Lovells LLP

Cybersquatting

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In a decision issued by a single-member panel from the [World Intellectual Property Organisation](#) (WIPO) under the [Uniform Domain Name Dispute Resolution Policy](#) (UDRP), [Timbermate Products Pty Ltd](#), a company based in Australia which produces solvent and acrylic-free wood filler products, has lost its complaint for the recuperation of the domain name 'timbermate.com'. The domain name was registered using a WHOIS privacy service which, once the complaint had been filed, disclosed the identity of the respondent, an individual based in the United States.

The complainant started operating the website 'timbermate.com.au' in December 1998. It held two Australian and one US device trademarks featuring the name 'Timbermate'. At the time of the filing of the complaint, the domain name 'timbermate.com' was being used to resolve to a parking page of the registrar featuring pay-per-click links.

The UDRP was introduced as an efficient remedy for obvious cases of cybersquatting. Paragraph 4(a) states as follows:

*" You are required to submit to a mandatory administrative proceeding in the event that a third party (a 'complainant') asserts to the applicable provider, in compliance with the Rules of Procedure, that:*

*(i) your domain name is identical, or confusingly similar, to a trademark or service mark in which the complainant has rights; and*

*(ii) you have no rights or legitimate interests in respect of the domain name; and*

*(iii) your domain name has been registered and is being used in bad faith.*

*In the administrative proceeding, the complainant must prove that each of these three elements is present."*

The first paragraph of the UDRP Rules also provides that complainants may be found guilty of attempted reverse domain name hijacking (RDNH) if it is found that they are using the UDRP "in bad faith to attempt to deprive a registered domain name holder of a domain name".

The respondent filed a response, but out of time, and the panel declined to consider it.

The complainant alleged that the domain name was identical, or confusingly similar, to its TIMBERMATE mark. The panel found that the domain name was confusingly similar to the complainant's registered device marks featuring the name 'Timbermate' and that, absent the generic '.com' top-level domain, it was identical to the complainant's unregistered TIMBERMATE mark.

In respect of the second limb of the three-prong test, Paragraph 4(c) of the UDRP provides a non-exhaustive list of circumstances that may indicate that a respondent may have a right or legitimate interest in a given domain name, in particular:

1. the respondent is using, or has made demonstrable preparations to use, the domain name in connection with a *bona fide* offering of goods or services;
2. the respondent is commonly known by the domain name; or
3. the respondent is making a legitimate non-commercial or fair use of the domain name.

The complainant asserted that the respondent had registered the domain name in 2003 when he was the complainant's authorised exclusive distributor for the complainant's wood filling products, but that that distributorship was terminated in 2011 and that the respondent had subsequently used the domain name to resolve to another website of the respondent promoting sales of his competing Goodfilla product.

The panel held that, although, on the face of it, it would appear that the respondent had, at the time of the filing of the complaint, no rights or legitimate interests in respect of the domain name, in light of the panel's finding under the third element of the UDRP, it was unnecessary for the panel to come to a conclusion on this issue.

The third element requires complainants to prove that the domain name was registered and was being used

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in bad faith. The complainant stated that, some eight or more years following termination of the distributorship agreement between the parties, the respondent had commenced a bad-faith use of the domain name linking it to a website selling products of the complainant's competitors. The panel had no difficulty in finding that this subsequent use constituted use in bad faith.

As far as registration in bad faith was concerned, the complainant asserted that the respondent had registered the domain name in 2003 when he was the complainant's authorised exclusive distributor for the complainant's wood filling products. This assertion appeared to the panel to amount to an admission on the part of the complainant that there was no bad-faith intent at the time of registration of the domain name by the respondent. Based on this, the panel considered that the complaint seemed obviously deemed to fail from the outset on the registration in bad-faith requirement.

The complainant's argument was that use of a privacy service to conceal one's identity on the registrar's WHOIS database was indicative of bad faith at the time of registration. The complainant relied upon three cases in this respect. However, according to the panel, the complainant had not demonstrated that the respondent had registered the domain name in bad faith. The panel noted that the complainant had known the identity of the original registrant all along and that the complainant had also known, for the life of the distributorship, that the respondent was using the domain name in good faith for the promotion and sale of the complainant's products.

The panel therefore concluded that the complainant had failed to prove the third element of the UDRP and denied the complaint.

The panel pointed out that, for it to make a finding of RDNH, it was not necessary for the respondent to have requested such a finding. Rather, if the panel found that the complaint was brought in bad faith, it was under an obligation to declare so in its decision.

For a finding of RDNH, a panel must conclude that the complaint was brought in bad faith whether to deprive the respondent of the domain name or to harass the respondent, or for some other reason. In this case, the panel considered that the complainant had brought a fundamentally misconceived complaint which should never have been filed. The fact that the respondent was using the domain name in bad faith could not counter-balance any bad-faith intent behind the filing of the complaint. In the panel's opinion, two wrongs did not make a right.

The panel then considered whether the fact that the complaint was fundamentally flawed was enough for a finding of RDNH. In order to do so, the panel reviewed a number of previous decisions under the UDRP where RDNH was found and the reasons for it. In most cases the panel found that a finding of RDNH resulted from:

1. materially false evidence;
2. omission of relevant evidence;
3. misrepresentation;
4. no trademark rights at the date of registration of the domain name;
5. ulterior purpose;
6. the complainant knew that the complaint was doomed to failure; and
7. constructive knowledge.

The panel reflected on whether constructive knowledge was sufficient to find that the complainant could or should have known that the complaint was fundamentally flawed. If so, the case was clearly one of RDNH as the complainant was legally represented and thus should be taken to have known and understood the UDRP. However, on reflection, the panel concluded that, while there may be certain extreme cases meriting an objective analysis, in most cases actual knowledge (which may be inferred from the surrounding circumstances) was to be preferred.

Under the circumstances, the panel was required to choose between abuse and incompetence and decided on the former. In particular, in the panel's view, by citing WIPO cases in support of its argument in relation to privacy services, the complainant had demonstrated its ability to research previous WIPO decisions. Moreover, the decisions cited were very clear that both registration and use in bad faith were required and, in the panel's opinion, the complainant (through its representative) was only too well aware of the conjunctive requirement. The panel also found that the complainant's decision to refer to a prior case under the [IEDR Policy](#) in Ireland (which does not incorporate the conjunctive requirement) was also significant.

The panel concluded that, when the complaint was filed, the complainant (through its representative) knew that the UDRP called for the conjunctive requirement and thus knew that the complaint was doomed to

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failure. The panel thus made a finding of RDNH.

This decision shows the necessity for complainants to carefully assess their chances of success, criterion by criterion, before filing a UDRP complaint, and to be aware of the fact that panellists are usually experienced decision makers who will take time to fully understand the situation and will rarely be misled.

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