

## Why it is very difficult to recover domain name consisting of three-letter acronym under UDRP Cybersquatting Internet issues International - Hogan Lovells

July 19 2018

- **Complainant sought transfer of 'dvt.com', relying on unregistered trademark rights in DVT**
- **Complainant failed to establish that respondent had no rights or legitimate interests in domain name**
- **Value of short acronym as a domain name not necessarily linked to its value as a trademark**

In a [recent decision](#) under the [Uniform Domain Name Dispute Resolution Policy](#) (UDRP or 'policy') before the World Intellectual Property Organisation (WIPO), a panel has refused to order the transfer of a domain name consisting of a three-letter acronym without addressing whether the complainant had unregistered trademark rights under the same acronym.

The complainant was Dynamic Visual Technologies (Pty) Ltd of Johannesburg, South Africa, a company incorporated in 1999 and specialised in software development and testing services worldwide, but principally in South Africa and the United Kingdom. The complainant changed its name to its current corporate name in November 1999. It claimed that it had been trading under the acronym DVT since its incorporation. The complainant relied on unregistered trademark rights, in light of the popularity of the DVT mark, which was built on by the complainant's sister company, incorporated in the United Kingdom in 2016, Dynamic Visual Technologies Limited. The complainant was the owner of the domain name 'dvt.co.za'.

The respondent was Direct Privacy, Savvy Investments, LLC Privacy ID# 14448338 of Cheyenne, Wyoming, United States.

The domain name was 'dvt.com', registered by a third party on 31 May 1995 and subsequently acquired by the respondent in February 2017. The domain name was resolving to a website displaying pay-per-click (PPC) advertising links in relation to the treatment of deep vein thrombosis. At the top of the webpage, there was a link displaying the following message: "Inquire about this domain". Upon clicking on that link, internet users were redirected to a form for the entry of contact details "to contact the owner of this domain".

To be successful in a complaint under the UDRP, a complainant must satisfy the following three requirements set out at Paragraph 4(a):

1. The domain name registered by the respondent 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.

As far as the first limb was concerned, the complainant claimed rights in DVT as an unregistered trademark from its extensive use, and therefore the panel considered that it would be appropriate to examine the second requirement first.

With regard to this requirement, the complainant contended that the respondent's use of the domain name to resolve to a website with PPC advertising links was not a good-faith use giving rise to rights or legitimate interests in the domain name. The respondent disputed that the complainant had trademark rights in the three-letter acronym DVT, and also argued that it had rights or legitimate interests in the domain name as:

1. the domain name was registered in 1995 before the complainant was incorporated; and
2. its use of the domain name to resolve to a website with PPC links relating to deep vein thrombosis issues was legitimate under the UDRP.

The panel noted that the domain name had first been registered in 1995 by a third party, and the respondent had only acquired it in February 2017. This did not appear to have been part of the continuation of an existing business, such as a transfer between related parties in conjunction with an internal reorganisation. Rather, the panel found that the acquisition of the domain name by the respondent appeared "to have been an arm's length transaction between independent parties", which the respondent did not challenge.

The respondent further relied on the US Ninth Circuit Court of Appeals decision, *GoPets Ltd v Hise* (657 F3d 1024 (9th Cir 2011)) rendered under the Anti-cybersquatting Consumer Protection Act (ACPA), in which the

Ninth Circuit ruled: "We see no basis in ACPA to conclude that a right that belongs to an initial registrant of a currently registered domain name is lost when that name is transferred to another owner."

Having recalled that, according to the UDRP, the registration of a domain name in a new, independent person's name should be considered a separate act and be assessed as such, the panel went to examine the circumstances in the *Hise* case. The panel noted that the original registration of the domain name in issue was by a Mr Hise and the re-registration was as a result of his transfer of the domain name to a corporation controlled by him and his brother. The panel therefore considered that this was consistent with the type of transfer which would be treated as not involving a change in the underlying registrant under the UDRP. The panel noted that the *Hise* court recognised that the Third Circuit Court of Appeals had reached a different conclusion in *Schmidheiny v Weber* (319 F3d 581 (3rd Cir 2003)), which involved different legislation, but the Ninth Circuit considered that its decision was based on a wrong premise. Therefore, in light of the circumstances of the case, the panel decided to follow the majority of prior UDRP panels and considered that the respondent had registered the domain name in 2017, after the complainant was incorporated.

As regards the use of PPC links on the website associated with the domain name and domain names comprised of dictionary words or acronyms, Section 2.9 of the [WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Third Edition](#) (WIPO Overview 3.0) provides as follows:

*[P]anels have found that the use of a domain name to host a parked page comprising PPC links does not represent a bona fide offering where such links compete with or capitalise on the reputation and goodwill of the complainant's mark or otherwise mislead internet users.[...] Panels have recognised that the use of a domain name to host a page comprising PPC links would be permissible - and therefore consistent with respondent rights or legitimate interests under the UDRP - where the domain name consists of an actual dictionary word(s) or phrase and is used to host PPC links genuinely related to the dictionary meaning of the word(s) or phrase comprising the domain name, and not to trade off the complainant's (or its competitor's) trademark.*

In addition, Section 2.10 of the WIPO Overview 3.0 states as follows:

*Panels have recognised that merely registering a domain name comprised of a dictionary word or phrase does not by itself automatically confer rights or legitimate interests on the respondent; panels have held that mere arguments that a domain name corresponds to a dictionary term/phrase will not necessarily suffice. In order to find rights or legitimate interests in a domain name based on its dictionary meaning, the domain name should be genuinely used, or at least demonstrably intended for such use, in connection with the relied-upon dictionary meaning and not to trade off third-party trademark rights.*

In the present case, the panel noted that the PPC links displayed on the website associated with the domain name were essentially advertisements relating to deep vein thrombosis. Although the complainant did not dispute that DVT was an acronym for deep vein thrombosis, it contended that a connection had to be established between the respondent and deep vein thrombosis products so that the use of the domain name to revolve to a website with PPC links be considered legitimate under the UDRP. The complainant further added that the domain name had to be registered solely for its attraction as "a generic or descriptive word" and not for its value as a trademark, which was not the case, and that the respondent knew or should have known of the acronym's value as a trademark when it registered the domain name.

However, the panel disagreed and followed the majority of UDRP Panels, ruling that "short acronyms were inherently valuable in themselves precisely because they are (a) short and (b) can reflect a wide range of different uses". Moreover, the panel noted that the fact that the respondent offered the domain name for sale at a price of \$100,000 was in excess of its out-of-pocket costs, but was not indicative of the respondent's awareness of the trademark value of the domain name nor of the respondent's intention to capitalise on the goodwill of the complainant's trademark.

Given the above, the panel found that the complainant had failed to establish that the respondent did not have rights or legitimate interests in the domain name, and therefore it was not necessary to address the first and third requirements of the UDRP. As a result, the panel denied the transfer of the domain name to the complainant.

This decision underlines that it is very difficult for a complainant to convince a panel, on the balance of probabilities, that there is no legitimate use by a respondent of a domain name consisting of a three-letter acronym when there is no persuasive evidence that such respondent knew or should have known of that complainant's trademark. In this regard, it should be noted that three-letter acronyms under '.com' usually

change hands on the domain name aftermarket for upwards of \$100,000, and have been known to sell for as high as \$500,000.

*Jane Seager and Hortense Le Dosseur, Hogan Lovells, Paris*

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