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You are here: [Home](#) › [UDRP Commentaries](#) › [Abusive registration](#) › [Anticybersquatting Consumer Protection Act](#) › [Cybersquatting](#) › [Uniform Domain Name Resolution Policy](#) › [cybersquatting law](#) › [udrp law](#) › [udrp proceedings](#) › [Losing a UDRP Case: Questionable Decision or Questionable Submission?](#)

Losing a UDRP Case: Questionable Decision or Questionable Submission?

by **Gerald M. Levine** on [October 27, 2017](#) in **Abusive registration, Anticybersquatting Consumer Protection Act, Cybersquatting, cybersquatting law, UDRP Commentaries, udrp law, udrp proceedings, Uniform Domain Name Resolution Policy**

Complainants naturally want to prevail on their claims of alleged infringing conduct and respondents (when they appear) naturally do their best to resist having their domain names taken from them in proceedings under the Uniform Domain Name Dispute Resolution Policy (UDRP), but their success depends on their submitting the right constituents of fact and proof. In a forum that has adjudicated over 60,000 cases it would be surprising if there were no questionable or badly reasoned decisions. However, for the most part (and without excusing anomalies) panelists generally get it right even if the reasoning is sometimes perfunctory and sloppy; they are able to draw upon a well articulated body of principles (that carry precedential weight) gathered in WIPO's Jurisprudential Overview 3.0 (most recent edition published this past May, briefly discussed in [Charting the Balance between Trademark Owners and Domain Name Holders: A Jurisprudential Overview](#)).

Nevertheless, parties (usually respondents, but not always) sometimes have to make a trip to a court of competent jurisdiction (in the U.S. a district court under the Anticybersquatting Consumer Protection Act) (Examples: *Hugedomains.com, LLC. v. Wills*, 14-cv-00946 (D.Colorado July 21, 2015) (Austin Pain Associates v. Jeffrey Reberry, FA1312001536356 (Forum March 18, 2014) (Defendant-trademark owner capitulated, entered into a consent judgment, and agreed to pay plaintiff \$25,000); *Telepathy, Inc. v. SDT International SA-NV*, 14-cv-01912 (D. Columbia July 9, 2015) (SDT International SA-NV v. Telepathy, Inc., D2014-1870 (WIPO January 13, 2015). Defendant-trademark owner capitulated in a Consent Judgment and agreed to pay Plaintiff \$50,000 together with a permanent injunction; *Mrs. Jello, LLC v. Camilla Australia Pty Ltd.* 15-cv-08753 (D. NJ 8/1/2016) (Camilla Australia Pty Ltd v. Domain Admin, Mrs Jello, LLC., D2015-1593

(WIPO November 30, 2015) (Camilla Australia, now defendant, stipulated to vacate the UDRP award in its entirety).

The “sometimes but not always” of mark owner filing an ACPA action is illustrated with *Direct Niche, LLC v. Via Varejo S/A*, 15-cv-62344 (S.D. Fla., August 10, 2017) reversing UDRP award, *VIA VAREJO S/A, v. Domain Admin*, D2015-1304 (WIPO October 17, 2015) (<casasbahia.com>).

For losing, there are three possibilities: panelists either simply get it wrong (even though the record is sufficient), or the record is deficient of facts and proof, or panelists have an implicit bias. While I think the third may play a role (more likely in cases in which there is abusive conduct) it is unwise to extrapolate a bias from one case. This is not to say there are not panelists who lean more heavily in one direction than the other but it is (I think) better to focus on the submitted record and proof. Silence, for example, when explanation or evidence is expected can be lethal; it is likely to draw an adverse inference (for complainants when they argue common law rights; and for respondents, when they argue good faith which is contradicted by the evidence). As a general rule, too heavy on complaining or denying and lightness of proof is not a good combination.

There is no remedy under the UDRP for mark owners whose rights postdate registration of domain names and lack proof of earlier common law rights. To my knowledge, there are no recent cases of any Panel granting a complaint where respondents have priority. Yet, mark owners continue to initiate complaints on the theory they have a “better right” to corresponding domain names and should certainly prevail when respondents default in appearance. But, there is no such law either for a “better right” or for default judgment under the UDRP—*Charles E. Runels, Jr. v. Domain Manager / Affordable Webhosting, Inc., Advertising*, FA1709001749824 (Forum October 23, 2017) (<pshot.com>. Respondent appears); *Sanabul v. Wasea Qubadi*, FA1709001748693 (Forum October 18, 2017) (<sanabul.com>. Default); and *Advanced Payment Solutions Limited v. RC Webmaster / Red Cedar Services Inc.*, FA1707001740742 (Forum August 21, 2017) (<cashplus.com>. Default).

In *Sanabul*, (the Panel observed):

“ Complainant has not only failed to establish secondary meaning, it fails to even mention it in its sparse complaint. Although this is a default case and the standard is, therefore, low, it is not non-existent. The Panel finds that the Complainant has failed to carry its most important burden here: to establish cognizable trademark rights.

Complainants whose marks postdate domain name registrations could not have an actionable claim because (absent telepathic powers) a mark not yet in existence could not have been known to the registrants, and therefore the corresponding domain names could not have been registered in bad faith.

Of the overreaching kind of complaint, it cannot be said decisions dismissing them are questionable or bad in the sense of justice betrayed; panelists are simply applying the principles of UDRP jurisprudence. (It should be pointed out also that for claims of this type complainants have no remedy under the ACPA either, *Phillbrick v. Enom*, 593 F.Supp.2d 352, 375 (D. New Hampshire, 2009) (“Because the plaintiffs’ mark is not distinctive (or famous) [before the domain name registration], it is simply not entitled to protection under the ACPA.”)

On the respondent side, sufficiency is not measured by fervent counter-narratives of good faith. That is not the way to prove lawful registration if the evidence supports the opposite conclusion. In [Edge Systems LLC v. Rafael Aguila / Edge Systems UG, FA1709001749820](#) (Forum October 23, 2017) Respondent argued that the terms “hydra” and “facial” were generic but

“ Respondent’s argument that it has been innocently using descriptive terms within the Disputed Domain Name and thereby make functional descriptive reference to Respondent’s products is unpersuasive. This is because of the addition of the element “-md” to the element “hydrfacial” within the Disputed Domain Name. To whatever extent the element “hydrfacial” might be descriptive, that does not extend to the element “-md.” This latter element is out of place with respect to a functional description of Respondent’s products, but it is necessary for a complete copying of Complainant’s Mark. The inclusion of this element, “-md,” could only have been the result of an intentional copying of Complainant’s Mark.

Coincidentally, Complainant had also obtained a judgment from a U.S. district court that Respondent had passed itself off as Complainant and sold Respondent’s products as those of Complainant’s. Offering counterfeit goods violates the terms of the registration agreement even if the uniform resource locator contains generic elements.

In [NYSE Group, Inc. v. Val Sklarov / BentleyTek / America 2030 Capital, FA170900 1748855](#) (Forum October 23, 2017) (<nyseloan.com> + 20 other domains including <nysse-trader.com>) Respondent argued that Complainant had no actionable claim for cybersquatting since Respondent was a Ukrainian citizen: “Complainant does not have rights in the NYSE mark throughout the world, specifically in Ukraine, where Respondent resides.” That’s not the law either. Mark owners have protectable rights regardless the jurisdiction of respondents’ residences, so that even though urls may be generic (although not in the case of NYSE) their incorporation into domain names can still violate the UDRP.

In any event, most marks are composed of dictionary words, letters of the alphabet, or numerals. All generic in a cultural sense; but elevated to distinctiveness when associated with goods or services signifying their source. Incorporating invented words in domain names like LEGO, IKEA, GOOGLE, TELSTRA, among others but also including marks composed of personal names that have acquired distinctiveness with strong market presences are almost invariably opportunistic.

But marks composed of dictionary words (chosen by brands for good reason, namely they already have an established presence in the culture) raise an entirely different problem. Single words (except where they have ascended to the well-known or famous, APPLE for goods and services having nothing to do with fruit) are generally considered weak, and although words like “Polaris” can conceivably be used in noninfringing ways, their incorporation in domain names fail to persuade without explanation and proof. It would be difficult to explain “play” and “boy” (for example) unless the resolving website is clearly not capitalizing on PLAYBOY, [Playboy Enterprises International, Inc v. Wu Hongyan, D2017-1633](#) (WIPO October 11, 2017).

The Respondent in [Polaris Industries Inc. v. SILENX CORPORATION, FA1710001752319](#) (Forum October 16, 2017) argued that <polaris.com>

“ was registered as a reference to the Celestial North Star, named Polaris, to which astrophotographers must align their equipment. Complainant, therefore, does not have exclusive rights to the word “POLARIS” as it relates to astronomy.

And why not? But unless these contentions are supported by plausible explanation and proof complainant will prevail. In *Polaris Industries*, Respondent’s denials are undermined by the website’s content. The same result is seen in *Steelcase Inc. v. DNS ADMIN / NOKTA INTERNET TECHNOLOGIES*, FA1709001749849 (Forum October 6, 2017) () even though a plausible explanation for noninfringing use could be made for “steel” and “cases.”

Losing can also mean (for complainant) the UDRP is the wrong forum for a remedy—*Bulbs 4 East Side Inc., d/b/a Just Bulbs v. Fundacion Private Whois/ Gregory Ricks*, D2013-1779 (WIPO January 13, 2014) (<justbulbs.com>. Complaint denied, but mark owner succeeded in an ACPA action, *Bulbs 4 E. Side, Inc. v. Ricks*, (S.D. Tex., Houston Div. July 18, 2017). Respondent had prevailed in an earlier UDRP proceeding, *Superiority, Inc. d/b/a Just Bulbs v. none/Motherboards.com*, D2003-0491 (WIPO October 9, 2003) (the earlier Panel noted that the respondent had “evinced good faith by removing light bulb advertisements from its site subsequent to being notified of the dispute” and commencing to advertise flower bulbs at the website. Accordingly, the panel held, “Respondent has a legitimate interest in using the domain name for flower bulbs.” But later it began advertising light bulbs, which brought on the federal action; yes, for “just” and “bulbs.”

I got into a conversation with an investor at the MERGE Conference a week or so ago about generic terms, when and under what circumstances they are lawfully registered as domain names when they postdate mark acquisition. He thought *Dana Bissett v. Above.com Domain Privacy*, FA1609001693416 (Forum October 7, 2017) combining “wonder” and “forest” may be an example of a “bad” decision. From one perspective this is a close case—the parties are continents away, Canada and Australia, and the words are out of the dictionary—but the choice is nevertheless suspicious because the word combination is unexpected. In this situation, a respondent is expected to explain its choice, but here it defaulted and although default is not conclusive its silence was.

In granting the complaint, the Panel discounted hyperlinks to goods and services unrelated to complainant’s business because it makes no difference where the hyperlinks take visitors if other factors taken together (the Panel uses the phrase “having regard to the totality of the evidence”) are conclusive of bad faith. Here, “Complainant has provided email correspondence where the Respondent purportedly offered to sell the domain for \$1000.”

Ordinarily two or three-word combinations common to the culture will generally favor respondent (“just bulbs” for flower bulbs is fine) while uncommon or unexpected will favor complainant; they are both colloquially distinctive as well as distinctive in a trademark sense. The more unexpected the combination the more explanation and proof is expected from the registrant as to its choice. (Silence can be fatal in these circumstances as already noted!)

Mr. Levine is the author of a treatise on trademarks, domain names, and cybersquatting, *Domain Name Arbitration, A Practical Guide to Asserting and Defending Claims of Cybersquatting under the Uniform Domain Name Dispute Resolution Policy*. (Legal Corner Press, 2015). Learn more about the book at [Legal Corner](#)

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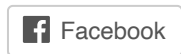

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About Gerald M. Levine

GERALD M. LEVINE is a member of the New York bar, admitted in 1976. Before earning a J.D. from Brooklyn Law School he received a Ph.D in English Literature from New York University (recipient of Founders Day Achievement Award) and taught for several years at Queens College, City University of New York. His practice is divided between counseling on publishing, copyright and trademark matters for authors and entrepreneurs, acting as a mediator and arbitrator and litigating commercial and real estate disputes, He is a neutral arbitrator for the American Arbitration Association; on the roster of neutrals for FINRA; a mediator in the Commercial Division of the Supreme Court, New York County, and a mediator for the U.S. District Court for the Southern District of New York. He is the author of numerous articles on a range of legal topics in various law reviews and journals, including the Dispute Resolution Journal of the American Arbitration Association, the New York Law Journal and law school law journals. He is the author of a critically acclaimed treatise on trademarks, domain names, & cybersquatting, Domain Name Arbitration, and the creator of a widely read Blog on domain name disputes and cybersquatting arbitrated under the UDRP and URS implemented by the Internet Corporation of Assigned Names and Numbers and analyzing the jurisprudence that has developed in that area of the law. Gerald was also co-founder of “Writers, Readers and Publishers,” a monthly Special Interest Group at the Princeton Club of New York, inviting speakers from the publishing industry including literary agents, writers, editors and consultants. For Full listing of publications go to [Resume](#).

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