

## **ADMINISTRATIVE PANEL DECISION**

**Inbay Limited• v. Ronald Tse dba Neosparx International**  
Case No. D2014-0096

### **1. The Parties**

The Complainant is Inbay Limited of London, United Kingdom of Great Britain and Northern Ireland (“United Kingdom”), represented by Keystone Law, United Kingdom.

The Respondent is Ronald Tse dba Neosparx International of Central, Hong Kong, China, represented by The Muscovitch Law Firm, Canada.

### **2. The Domain Name and Registrar**

The disputed domain name <inbay.com> (the “Domain Name”) is registered with GoDaddy.com, LLC (the “Registrar”).

### **3. Procedural History**

The Complaint was filed with the WIPO Arbitration and Mediation Center (the “Center”) on January 22, 2014. On January 22, 2014, the Center transmitted by email to the Registrar a request for registrar verification in connection with the Domain Name. On January 22, 2014, the Registrar transmitted by email to the Center its verification response confirming that the Respondent is listed as the registrant and providing the contact details.

The Center verified that the Complaint satisfied the formal requirements of the Uniform Domain Name Dispute Resolution Policy (the “Policy” or “UDRP”), the Rules for Uniform Domain Name Dispute Resolution Policy (the “Rules”), and the WIPO Supplemental Rules for Uniform Domain Name Dispute Resolution Policy (the “Supplemental Rules”).

In accordance with the Rules, paragraphs 2(a) and 4(a), the Center formally notified the Respondent of the Complaint, and the proceedings commenced January 30, 2014. In accordance with the Rules, paragraph 5(a), the due date for Response February 19, 2014. The Response was filed with the Center February 19, 2014.

On March 7, 2014, the Complainant submitted an unsolicited Supplemental Filing to the Center and on March 9, 2014, the Respondent submitted an objection to the Complainant’s Supplemental Filing to the Center in reply to the Complainant’s Supplemental Filing. The Center informed the parties that it would be in

the sole discretion of the Panel to determine whether to consider submitted Supplemental Filings in rendering its decision.

The Center appointed Nicholas Smith, Nick J. Gardner and Diane Cabell as panelists in this matter on March 12, 2014. The Panel finds that it was properly constituted. Each member of the Panel has submitted the Statement of Acceptance and Declaration of Impartiality and Independence, as required by the Center to ensure compliance with the Rules, paragraph 7.

#### **4. Factual Background**

The Complainant is a United Kingdom company that provides information technology support services from a website at "www.inbay.co.uk" and from a retail outlet in London. The Complainant was established in 2008. Two predecessor companies that were established in 2002 and 2003 respectively are also potentially relevant (see below).

The Complainant is the registrant of a trade mark that consists of the word "inbay" (the "INBAY Mark") registered in the United Kingdom with registration number 2642954, which was applied for on November 20, 2012 and registered on March 1, 2013. The INBAY Mark is registered for goods and services in classes 9, 35, 37, 38 and 42 including computers, repair and installation services and managed computer services.

Neosparx International is the trading name adopted by the Respondent Mr. Ronald Tse and has no separate legal personality. Mr. Tse is a Hong Kong resident. The Domain Name <inbay.com> was originally registered in December 11, 1998. The Respondent registered the Domain Name in January 2007 after the previous registrant allowed it to lapse. It has not been used in respect of any business since the Respondent registered it, but has resolved to various websites, including at one stage a website operated by sedo.com indicating that the Domain Name was for sale for GBP 10,000.

Filed evidence establishes that other registrations for the trade mark INBAY exist in the United States of America ("US") and are owned by a third party – for example US trade mark registration 76420541 for the word mark INBAY owned by Proto-Vest Inc, a US corporation, and which was applied for in June 2002. No other details of this entity or its business have been provided to the Panel.

#### **5. Parties' Contentions**

##### **A. Complainant**

The Complainant makes the following contentions:

- (i) that the Domain Name is identical or confusingly similar to the Complainant's INBAY Mark;
- (ii) that the Respondent has no rights nor any legitimate interests in respect of the Domain Name; and
- (iii) that the Domain Name has been registered and is being used in bad faith.

The Complainant is the owner of the INBAY Mark having registered the INBAY Mark and has used the INBAY Mark consistently since 2008.

There are no rights or legitimate interests held by the Respondent in respect of the Domain Name. The Respondent does not use the Domain Name, rather he only offers the Domain Name for sale for GBP 10,000. The Respondent is an active domain name trader, owning 562 domain names. By reason of those facts the Respondent holds no rights or legitimate interests in the Domain Name.

The Domain Name was registered and is being used in bad faith because the Respondent is in the business of acquiring domain names, including the Domain Name, for the purpose of selling them for a profit to persons who have rights in the names concerned. This conduct amounts to registration and use of the Domain Name in bad faith.

## **B. Respondent**

The Respondent says that the Complainant has provided a “skeletal complaint” that relies upon a trade mark that was registered in 2013, and provides no evidence of any common law trade mark rights. The Domain Name was registered in 1998, with the Respondent becoming registrant in 2007. The Complainant was only incorporated in 2008.

The Respondent notes that the Complainant claims it was a successor to two previous companies that held common law rights to the INBAY Mark but provides no evidence to support any such assertions. In any event, even assuming that an actual assignment of common law trade mark rights in favour of the Complainant occurred, the Complainant has failed to prove the existence of any common law trade mark rights having filed no evidence on this point.

The Respondent says he has rights and legitimate interests in the Domain Name by reason of the fact that the Respondent registered the Domain Name prior to the Complainant having any rights in the INBAY Mark. The fact that the Respondent has been in the business of a domain name trader does not result in the Respondent lacking rights and legitimate interests when there is no evidence that the Respondent has ever engaged in a pattern of abusive domain name registrations. Accordingly the Complainant has failed to show the Respondent lacks rights or legitimate interests.

The evidence in this case is that the Respondent has held the Domain Name prior to the Complainant's incorporation (2008). The Domain Name could not have been registered and used in bad faith. Furthermore, even if it is accepted that the Complainant has common law marks from its predecessor in title, it is not explained how the Respondent, who is based in Hong Kong, had become aware of the Complainant's unregistered common law marks. In any event, the Respondent has furnished a sworn and notarized declaration that he had never in fact heard of the Complainant nor its claimed marks.

The Respondent also says that persons associated with the Complainant have made surreptitious offers to purchase the Domain Name from the Respondent. By reason of the Complainant's awareness that the Respondent registered the Domain Name prior to the Complainant's existence and by the Complainant failing to disclose that it had made offers to purchase the Domain Name, not only should the Complaint fail, but this is a case where a finding of Reverse Domain Name Hijacking is appropriate.

## **6. Discussion and Findings**

### **A. Admissibility of Complainant's Supplemental Filing**

On March 7, 2014, the Complainant filed a Supplemental Filing. The Filing consisted of a number of pages of rebuttal to the Response and a number of additional documents that sought to explain the relationship between the Complainant and Inbay Solutions Limited, a company set up by the current directors and shareholders of the Complainant in 2002 but which ceased trading in 2009. The document also provided information about the turnover of Inbay Solutions Limited, and the use of the websites “www.inbay.co.uk” and “www.inbaysolutions.co.uk”. The stated basis for the introduction and requested admission of the Supplemental Filing was that, as the Respondent had disclosed that its date of registration of the Domain Name was in 2007, not 1998 (as alleged in the Complaint), evidence of the common law rights in INBAY held by the Complainant's predecessors and allegedly transferred to the Complainant was relevant. The Filing was forwarded to each member of the Panel who has viewed the document, as were the submissions filed by the Respondent on March 9, 2014 that such a document should not be admitted.

The Panel has chosen in accordance with paragraph 10 of the Rules to admit this document; however as the Supplemental Filing did not affect the substantive outcome of the proceeding (see below), it took the view that it was not necessary to invite the Respondent to provide the Panel with a filing in response.

## **B General Requirements**

To succeed, in accordance with paragraph 4(a) of the Policy, the Complainant must satisfy the Panel that:

- (i) The Domain Name is identical with or confusingly similar to a trade mark or service mark in which the Complainant has rights;
- (ii) The Respondent has no rights or legitimate interests in respect of the Domain Name; and
- (iii) The Domain Name has been registered and is being used in bad faith.

## **C. Identical or Confusingly Similar**

To prove this element the Complainant must have trade or service mark rights and the Domain Name must be identical or confusingly similar to the Complainant's trade or service mark.

The Complainant is the owner of the INBAY Mark, having registrations for INBAY as a trade mark in the United Kingdom. As the ".com" generic Top-Level Domain (gTLD) may be discarded in considering the identity or confusing similarity between a domain name and a mark, the Panel finds that the Domain Name is identical to the INBAY Mark. Consequently, the requirement of paragraph 4(a)(i) of the Policy is satisfied.

## **D. Rights or Legitimate Interests**

The Panel notes that the system of domain name registration is, in general terms, a "first come, first served system" and, absent pre-existing rights which may be applicable to impugn a registration, the first person in time to register a domain name would normally be entitled to use the domain name for any legitimate purpose it wishes. The Respondent says that his registration of the Domain Name on this basis, as part of his business in trading in domain names was sufficient to establish legitimate interests.

However, given the fact that the Respondent has not used the Domain Name in respect of any independent business (beyond offering the Domain Name for sale), and given the possible use of the INBAY Mark as a trade mark elsewhere in the world, including registrations of the INBAY Mark as a trade mark in the United States by an entity unconnected to the Complainant prior to the Respondent's acquisition of the Domain Name, the Panel declines to make a conclusive finding as to whether or not the Respondent has rights or legitimate interests in the Domain Name. Given the Panel's finding that the Respondent has not registered and used the Domain Name in bad faith (see below), the Panel concludes that in these circumstances it is not necessary to make a finding under this element of the Policy.

## **E. Registered and Used in Bad Faith**

The Respondent has furnished a sworn and notarized declaration that he had never heard of the Complainant nor its claimed trademarks and that he chose to register the Domain Name as it was a combination of two ordinary English words "in" and "bay" which seemed to him to be an attractive name. He admits he did so as part of his business in trading in domain names but says there is nothing wrong with that. He also says he was aware that two previous registrants had allowed the Domain Name to lapse which led him to conclude there were no other parties with a pre-existing entitlement to the Domain Name. The extent of the use of the word "inbay" by the Complainant's predecessors in title is considered further below but such use was, even on the Complainant's own evidence, relatively modest and confined entirely to the United Kingdom. There is no material before this Panel which suggests that either the Complainant, or its predecessors in title, or any other party, had carried out business on a scale which meant that internationally the word "inbay" had achieved a reputation or other pre-existing rights sufficient to impugn a registration by a

registrant in Hong Kong who independently derived the same name. The Respondent's account that he chose the Domain Name as an attractive combination of two ordinary words seems to the Panel credible, and it is not disputed that two previous owners of the Domain Name had each allowed it to lapse, again suggesting the Domain Name was freely available.

The Policy, paragraph 4(b) provides that for the purposes of paragraph 4(a)(iii), the following circumstances, in particular but without limitation, if found by the Panel to be present, shall be evidence of the registration and use of the Domain Name in bad faith:

- (i) circumstances indicating that the Respondent has registered or has acquired the Domain Name primarily for the purpose of selling, renting, or otherwise transferring the Domain Name registration to the Complainant who is the owners of the trade mark or service mark or to a competitor of the Complainant, for valuable consideration in excess of its documented out-of-pocket costs directly related to the Domain Name; or
- (ii) The Respondent has registered the Domain Name in order to prevent the owner of the trade mark or service mark from reflecting the mark in a corresponding domain name, provided that the Respondent has engaged in a pattern of such conduct; or
- (iii) The Respondent has registered the Domain Name primarily for the purpose of disrupting the business of a competitor; or
- (iv) by using the Domain Name, the Respondent has intentionally attempted to attract, for commercial gain, Internet users to its website or other on-line location, by creating a likelihood of confusion with the Complainant's mark as to the source, sponsorship, affiliation, or endorsement of the Respondent's website or location or of a product or service on the Respondent's website or location. (Policy, paragraph 4(b))

None of these factors apply in the present case. The Domain Name was first registered in 1998, with the Respondent registering it in 2007. The Complainant was incorporated on October 22, 2008 and the INBAY Mark was registered on March 1, 2013. Even taking the Complainant's evidence at its highest, there is no possibility that the Respondent, when he registered the Domain Name in 2007, could have been aware of the Complainant or its rights in the INBAY Mark: The Complainant simply did not exist. In these circumstances how can it be said that the Domain Name was registered in bad faith?

The Complainant argued in its original Complaint that bad faith registration and use can be found by the fact that the Respondent is in the business of buying and selling domain names in which others have rights. The Complainant furnished no evidence at all of any other domain names which the Respondent owns and where it was alleged third parties have rights. The only example relied upon was the offer for sale of the Domain Name itself – but this argument is entirely circular – it depends upon the Complainant establishing some other ground as to why the Respondent's registration of the Domain name was in bad faith.

The Respondent for his part in his sworn statement says he only registers names which correspond to generic or made-up terms, and he has never before had any complaint or legal proceedings about any of the domain names he owns. This evidence was not disputed by the Complainant in its Supplemental Filing. In these circumstances the Panel declines to find that the Respondent is engaged in a business of selling domain names in which others have rights and accordingly declines to find that the registration of the Domain Name was in bad faith on this basis.

The Complainant also argues that bad faith registration is to be found as a result of the common law rights generated by the Complainant's predecessors in title. Taking the Complainant's submissions and evidence at their highest, and including the further material introduced in the Complainant's Supplemental Filing, they show that:

- a) A company called Inbay Limited was set up in 2002 but never traded – it accordingly is irrelevant.

- b) A company called Inbay Solutions Limited was set up in 2003 but went into administration in 2009. This company's activities included operating websites at "www.inbay.co.uk" and "www.inbaysolutions.co.uk." It had a total turnover in the four years prior to January 2007 of approximately GBP 450,000.
- c) The Complainant purchased in 2009 all of Inbay Solution Limited's equipment and its goodwill for a total sum of GBP 45,000.

The Panel is doubtful that the filed evidence is sufficient to establish that Inbay Solutions Limited had common law trade mark rights in the INBAY Mark in January 2007. The Complainant has provided almost no information about, or evidence of, what services Inbay Solutions provided, whether it traded under its name or used its name as a trade mark, whether it had any advertising or engaged in any promotion, how many customers it had, what role its websites played in its business, how many visits it had to its websites, whether it had any media recognition or as to what extent its name had become a distinctive identifier in the market. The Complainant has simply exhibited and commented upon various financial documents and provided archive screen shots of its predecessor's websites. It has not provided any witness evidence detailing what Inbay Solutions Limited did nor explaining why it ceased to trade in or around 2008. Taking all of this evidence together it simply shows a company name including the word "inbay", and two websites with that word included, and a turnover of some GBP 100,000 or so per annum on average over four years before the company ceased trading. The Panel is doubtful that this establishes that enforceable common law trade mark rights in the name "inbay" existed in 2007.

However this does not matter. Even if the evidence did establish that common law rights had been created in the name "inbay" by 2007, there is no evidence at all to establish that the rights concerned extended beyond the United Kingdom. The Complainant fails to explain how it is, even on its own case, that a limited trading activity within the United Kingdom results in an entitlement to prevent others, elsewhere in the world, using the name "inbay". In its Complaint it stated "The Complainant therefore has established a common law right to the trade mark 'inbay' such as to prevent any third party using in England and Wales and elsewhere from using any sign which is the same or confusingly similar to the Complainant's trade mark" [emphasis added] without explaining what was meant by "elsewhere" or explaining on what legal basis it claimed rights extending beyond the United Kingdom. On the basis of the evidence available the Panel rejects the Complainant's claim to have any rights extending beyond the United Kingdom.

To what extent (if at all) are such rights as the Complainant or its predecessors have in the United Kingdom relevant to the Respondent's alleged bad faith registration? The Complainant's case as developed in its Supplemental Filing is that as an experienced domain name trader the Respondent should have checked for other variants of the Domain Name, including <inbay.co.uk> and had he done so he would have found the website of the Complainant's predecessors in title, which should then have alerted him to the fact that others had rights in the name sufficient to prohibit his registration. The Complainant appears to advance this argument as giving the Respondent constructive notice of relevant rights. The Panel rejects this argument, on several grounds. First neither the Complainant nor the Respondent have any apparent connection with the United States, where the concept of constructive notice of this type exists. That doctrine is not a doctrine of general applicability to UDRP cases. Second in any event this is not a case where the Respondent knew or should have known of the Complainant or its predecessor. There is no evidence of the Complainant or its predecessors having any reputation in Hong Kong prior to the Respondent's registration of the Domain Name. There is no obligation upon domain name registrants to conduct searches for other local rights in the same name in other countries in the world. Third even if the Respondent had in 2007 discovered the existence of Inbay Solutions Limited and its website he would simply have found that a business in the United Kingdom was apparently using the name on a modest scale. There is in the Panel's opinion no reason why that should have led him to conclude use of the name "inbay" was restricted in other jurisdictions, including in Hong Kong where he resided, nor that the Domain Name was not available for registration on a "first come first served" basis.

There are of course many cases where an organisation has an international reputation of sufficient standing such that a registration of a domain name which is the same as or similar to a trade mark of the organisation in question will readily be found to be in bad faith, even in jurisdictions where that organisation does not

trade. Alternatively, there may be cases where, due to the specific circumstances of the registration and/or the registrant, it is possible to infer that the registration of a particular domain name was in bad faith, such as when the registrant is clearly aware of the trade mark owner and deliberately registers the domain name with the trade mark owner in mind. This is not however such a case – the evidence in this case shows that at best the Complainant and its predecessors operate a relatively modest and entirely local business, with no reputation or rights beyond, at most, the United Kingdom.

The Panel concludes that there is no doctrine of constructive notice applicable here which would mean the Respondent is in some way deemed to have notice of such rights (if any) as the Complainant's predecessors in title had as at the date of registration of the Domain Name.

Accordingly the Panel finds that the Complainant has failed to establish the third element of the Policy.

## **F. Reverse Domain Name Hijacking**

Paragraph 15(e) of the Policy provides that if after considering the submissions the panel finds that the complaint was brought in bad faith, for example in an attempt at Reverse Domain Name Hijacking or was brought primarily to harass the domain-name holder, the panel shall declare in its decision that the complaint was brought in bad faith and constitutes an abuse of the administrative proceeding.

In *Jazeera Space Channel TV Station v. AJ Publishing aka Aljazeera Publishing*, WIPO Case No. D2005-0309, the majority of the three-member panel noted that the onus of proving that a complainant has acted in bad faith is on the Respondent, and that mere lack of success of the complaint is not of itself sufficient to constitute Reverse Domain Name Hijacking. The majority in *Jazeera* went on to note that:

“Allegations of reverse domain name hijacking have been upheld in circumstances where a respondent's use of a domain name could not, under any fair interpretation of the facts, have constituted bad faith, and where a reasonable investigation would have revealed the weaknesses in any potential complaint under the Policy (see *Goldline International, Inc v. Gold Line*, WIPO Case No. D2000-1151). See also *Deutsche Welle v. DiamondWare Limited*, WIPO Case No. D2000-1202, where an allegation of reverse domain name hijacking was upheld in circumstances where the complainant knew that the respondent used the at-issue domain name as part of a *bona fide* business, and where the registration date of the at-issue domain name preceded the dates of the complainant's relevant trade mark registrations.

The three-member panel in *Yell Limited v. Ultimate Search*, WIPO Case No. D2005-0091 noted that whether a complainant should have appreciated at the outset that its complaint could not succeed, will often be an important consideration.”

In the view of the Panel this is a Complaint which should never have been launched. The Complainant knew that the Domain Name was registered before the Complainant came into existence and several years before it acquired any rights in the INBAY Mark. The Complainant made (through two of its employees who did not disclose they were acting on behalf of the Complainant) two approaches to the Respondent seeking to purchase the Domain Name, and did not disclose this fact in its Complaint. Following the rejection of those offers and the registration of the INBAY Mark, the Complainant chose to bring this Complaint. It did so without any prior notice in terms of formal communication to the Respondent. Whilst there is no obligation upon the Complainant to have sent such communication had it done so it would likely have been better appraised of the relevant facts and gained a better understanding of the weaknesses of its case.

The Complainant, in its original Complaint, identified that the Domain Name had been registered in December 1998. The Complaint also acknowledged that the Complainant itself did not come into existence until 2008, and its registered trademarks were not applied for until 2012. It also acknowledged that its predecessors in title had carried on business since 2002. It was accordingly quite clear there was a disparity in dates given that the original registration of the Domain Name predated by many years any relevant rights of either the Complainant or its predecessors. Instead of addressing this disparity, the Complaint simply asserted that the actions of the Respondent in offering the Domain Name for sale, somehow amounted to

the Respondent registering and using the Domain Name in bad faith. Given the nature of the Policy and previously decided UDRP cases on this issue, this was an argument that had no reasonable prospects of success.

It was apparently only when the Complainant saw the Response that it realised that the Respondent had in fact registered the Domain Name later than it had previously alleged, *i.e.* in 2007. As the Respondent notes this is something the Complainant could have found out easily had it made some simple investigations before filing the Complaint.

In any event having reviewed the Response, the Complainant then belatedly sought to develop more forcefully the arguments that the Respondent's registration of the Domain Name was in bad faith by reason of the Complainant's predecessors activity prior to 2007. As indicated above the Panel is unpersuaded by this submission. In any event, even if the Complainant's recast case does establish that its predecessors in title had acquired common law rights in the name "inbay" by 2007, that case still fails to explain why any such rights should have been known to the Respondent (beyond asserting incorrectly that he was under a duty to search for such rights and/or he had constructive notice of such rights). Even more significantly the Complainant fails to explain why any such rights extend beyond the United Kingdom. Accordingly it was wholly unclear why it was said that the Respondent, even if he had identified the activities of the Complainant's predecessors in title, should not have registered the Domain Name. This was a case that, on the facts as known by the Complainant at the time it commenced this proceeding, and even after it had received the Response, had no prospect of success and should never have been brought.

The Panel therefore finds that the Complaint was brought in bad faith and constitutes an abuse of the administrative proceeding.

## **7. Decision**

For the foregoing reasons, the Complaint is denied.

**Nicholas Smith**  
Presiding Panelist

**Nick J. Gardner**  
Panelist

**Diane Cabell**  
Panelist  
Date: March 21, 2014