

ADMINISTRATIVE PANEL DECISION

Easton Corp Pty Ltd v. Privacydotlink Customer 951873 / DNS Admin, Best Web Limited

Case No. D2016-1975

1. The Parties

The Complainant is Easton Corp Pty Ltd of Hamilton, Queensland, Australia, internally represented.

The Respondent is Privacydotlink Customer 951873 of Seven Mile Beach, Grand Cayman, Cayman Islands, Overseas Territory of the United Kingdom of Great Britain and Northern Ireland / DNS Admin, Best Web Limited of Wan Chai, Hong Kong, China, represented by Muscovitch Law P.C., Canada.

2. The Domain Name and Registrar

The disputed domain name <hottie.com> (the "Domain Name") is registered with Uniregistrar Corp (the "Registrar").

3. Procedural History

The Complaint was filed with the WIPO Arbitration and Mediation Center (the "Center") on September 29, 2016. On September 29, 2016, the Center transmitted by email to the Registrar a request for registrar verification in connection with the Domain Name. On September 29, 2016, the Registrar transmitted by email to the Center its verification response disclosing registrant and contact information for the Domain Name which differed from the named Respondent and contact information in the Complaint. The Center sent an email communication to the Complainant on October 4, 2016, providing the registrant and contact information disclosed by the Registrar, and inviting the Complainant to submit an amendment to the Complaint. The Complainant filed an amended Complaint on October 4, 2016. The Complainant filed a further amendment to the Complaint on October 5, 2016, to correct an administrative formality.

The Center verified that the Complaint together with the amended Complaint and amendment to 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 and 4, the Center formally notified the Respondent of the Complaint, and the proceedings commenced on October 6, 2016. In accordance with the Rules, paragraph 5, the due date for Response was October 26, 2016. The Response was filed with the Center October 24, 2016. The Complainant submitted an unsolicited supplemental filing on November 3, 2016. The Respondent filed a supplemental filing in reply the same day.

The Center appointed W. Scott Blackmer, William A. Van Caenegem and The Hon Neil Brown Q.C. as panelists in this matter on November 10, 2016. 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 an Australian company that sells lingerie, beachwear, and fashion accessories online at “www.hottie.com.au” to customers in Australia, New Zealand, and worldwide. According to the Complainant’s website, the company was established in 2004. The record includes evidence of Australian industry awards and media attention for the Complainant since 2004. According to the official IP Australia trademark database, the Complainant holds Australian trademark numbers 1033852 (registered from December 10, 2004) and 1117710 (registered from June 7, 2006) for HOTTIE as a word mark, as well as a later trademark registration in New Zealand. A United States of America trademark application is pending. The Complaint does not furnish evidence of earlier common law protection for HOTTIE as a trademark.

According to the Registrar, the Domain Name was created on September 4, 1997. The Response, supported by an attached Domain Tools historical Whois record and a buyer’s escrow statement, indicates that Murat Yikilmaz of Istanbul, Turkey acquired the Domain Name in January 2005 for USD 10,000, and the Whois database was updated on January 15, 2005 to reflect the change in registration. According to the Response and the Registrar’s verification, the registration was more recently assigned to the Respondent. The Respondent is a Hong Kong limited company, established in November 2014, in which Mr. Yikilmaz is the sole shareholder and director (as shown in documents submitted with the Response). The Domain Name registration in the name of his company was then masked from public view using the Registrar’s domain privacy service, until the Registrar received the Complaint in this proceeding. The Panel does not deem these changes in the registration details a new registration for Policy purposes, however, because underlying them is an unbroken chain of beneficial ownership and control of the Domain Name by Mr. Yikilmaz, from January 2005 to the present. See, e.g., *Angelica Fuentes Téllez v. Domains by Proxy, LLC / Angela Brink*, WIPO Case No. D2014-1860.

At the time of this decision, the Domain Name resolves to a landing page displaying pay-per-click (“PPC”) links to third-party advertisers. These links concern adult and dating websites, which is not surprising given the generic sense of “hottie” as a contemporary English idiom signifying a physically or sexually attractive person. See entries for “hottie” at “www.oxforddictionaries.com”, “www.urbandictionary.com”, “www.merriam-webster.com”, “www.thefreedictionary.com”, and “www.yourdictionary.com”. Based on the Response, screen shots furnished with the Complaint, and screen shots found on the Internet Archive’s Wayback Machine, it appears that the Domain Name has been used for this purpose for as long as the Respondent has held the Domain Name, usually if not exclusively parking the Domain Name with Sedo Domain Parking, which shares PPC revenues with domain name holders and serves as a marketplace for the sale of domain names (see “www.sedo.com”). Indeed, it appears that the Domain Name was used for a similar purpose by the previous owner as well, perhaps establishing its value in attracting Internet users to adult-oriented advertising links.

The Respondent does not appear to have an active website of its own, but the LinkedIn profile for Mr. Yikilmaz describes the business of the Respondent as “as Internet media company that specializes in the acquiring and developing of high-quality generic domain names.” The Response indicates that the Respondent owns hundreds of “dictionary” domain names. It appears that, like the Domain Name, these are typically parked for PPC revenue and may be offered for sale at times. The Respondent gives examples of

other generic domain names it acquired in early 2005: <barometer.com>, <breadrecipes.com>, <timezones.com>, <vendingmachines.com>, and <graph.com>.

The Complainant reports that it contacted the Domain Name registrant in December 2004 and December 2005, complaining that the “adult-content portal” was interfering with the Complainant’s online clothing sales. The Complainant did not agree to offers to sell the Domain Name for USD 10,000 or 20,000. The Respondent denies receiving any such communications or making any such offers, pointing out that it did not own the Domain Name in December 2004 and suggesting that the emails mentioned by the Complainant (which were not provided with the Complaint or the Complainant’s supplemental filing) were actually exchanged with the former owner of the Domain Name. Nearly twelve years later, the Complainant initiated the current UDRP proceeding.

5. Parties’ Contentions

A. Complainant

The Complainant observes that the Domain Name is identical to its registered HOTTIE trademark. The Complainant argues that the Respondent has no relevant rights or legitimate interests because it does not use the Domain Name to display original or proprietary content or in connection with a *bona fide* offering of goods or services.

The Complainant infers bad faith from the “exorbitant” sales offers in 2004 and 2005 and from the Respondent’s continuing to profit from PPC advertising use of the Domain Name, despite being aware of the Complainant’s business and the fact that the Domain Name causes confusion among some of the Complainant’s customers.

B. Respondent

The Respondent accepts that the Complainant has standing under the first element of the Policy, because its HOTTIE trademark is currently registered in Australia and New Zealand.

The Respondent argues that it has a legitimate interest in using an English dictionary word for relevant advertising purposes, and that buying and selling generic domain names is itself a legitimate business.

The Respondent, residing in Turkey, denies prior knowledge of the Complainant, which was a new Australian company at the time the Respondent acquired the Domain Name. The Respondent denies having any communications with the Complainant over the possible sale of the Domain Name. The Respondent argues that the Complainant did not have trademark rights when the Respondent acquired the Domain Name, and the Respondent contends that it selected and used the Domain Name in good faith for its generic rather than trademark value.

The Respondent asserts the impossibility of finding bad faith in these circumstances and asks for a finding of reverse domain name hijacking.

6. Discussion and Findings

Paragraph 4(a) of the Policy provides that in order to divest a respondent of a disputed domain name, a complainant must demonstrate each of the following:

- (i) the disputed domain name is identical or confusingly similar to a trademark or service mark in which the complainant has rights; and
- (ii) the respondent has no rights or legitimate interests in respect of the disputed domain name; and

- (iii) the disputed domain name has been registered and is being used in bad faith.

Under paragraph 15(a) of the Rules, “A Panel shall decide a complaint on the basis of the statements and documents submitted and in accordance with the Policy, these Rules and any rules and principles of law that it deems applicable.”

6.1. Preliminary Matter: Admissibility of Supplemental Filings

Each party submitted a supplemental filing, but these largely repeated arguments from the original pleadings. Neither the Rules nor the Supplemental Rules make provision for supplemental filings, except at the request of the panel (see Rules, paragraph 12). Paragraph 10 of the Rules enjoins the panel to conduct the proceeding “with due expedition”. Therefore, UDRP panels are typically reluctant to countenance delay through additional rounds of pleading and normally accept supplemental filings only to consider material new evidence or provide a fair opportunity to respond to arguments that could not reasonably have been anticipated. See WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Second Edition (“WIPO Overview 2.0”), paragraph 4.2.

Here, the Respondent introduced an argument for the impossibility of bad faith registration, based on the timing of the Complainant’s trademark registration, and requested a finding of reverse domain name hijacking. The Panel will consider the parties’ supplemental filings for the limited purpose of addressing those points.

A. Identical or Confusingly Similar

The first element of the UDRP is “essentially a standing requirement” requiring “a straightforward visual or aural comparison of the trademark with the alphanumeric string in the domain name”. WIPO Overview 2.0, paragraph 1.2.

The Domain Name meets this test by comparison with the HOTTIE trademark registered by the Complainant, which is identical to the material portion of the Domain Name, as the “.com” genericTop-Level Domain is a technical feature of the URL address that does not form a meaningful portion of the Domain Name in this instance.

The Panel concludes that the first element of the Complaint has been established.

B. Rights or Legitimate Interests

Paragraph 4(c) of the Policy gives non-exclusive examples of instances in which the Respondent may establish rights or legitimate interests in the Domain Name, by demonstrating any of the following:

- (i) before any notice to it of the dispute, the Respondent’s use of, or demonstrable preparations to use, the Domain Name or a name corresponding to the Domain Name in connection with a *bona fide* offering of goods or services; or
- (ii) that the Respondent has been commonly known by the Domain Name, even if it has acquired no trademark or service mark rights; or
- (iii) the Respondent is making a legitimate noncommercial or fair use of the Domain Name, without intent for commercial gain to misleadingly divert consumers or to tarnish the trademark or service mark at issue.

Since a respondent in a UDRP proceeding is in the best position to assert rights or legitimate interests in a disputed domain name, it is well established that after a complainant makes a *prima facie* case that the respondent lacks rights or legitimate interests, the burden of production on this issue shifts to the respondent. See WIPO Overview 2.0, paragraph 2.1.

The Domain Name here is identical to the Complainant's trademark, and the Respondent, which is clearly making commercial rather than noncommercial use of the Domain Name, is neither known by a corresponding name nor offering goods or services itself under such a name. However, the Respondent claims a legitimate interest in the Domain Name for its generic value in advertising adult-oriented websites, because the word "hottie" connotes sexually attractive persons.

In assessing whether a respondent has rights or legitimate interests in a dictionary word, UDRP panels have tended to look at several factors: "the status and fame of the trademark" (weak in this case, in January 2005), "whether the respondent has registered other domain names containing dictionary words or phrases" (true, for this Respondent), and "whether the domain name is used in connection with a purpose relating to its generic or descriptive meaning" (also true here). WIPO Overview 2.0, paragraph 2.2. These factors would suggest that the current case is an appropriate one for finding that the Respondent has a legitimate interest in a Domain Name consisting of a generic dictionary word used for relevant commercial advertising, unless the Panel were persuaded that the Respondent's principal reason for acquiring the Domain Name was in fact to exploit the Complainant's trademark. That possibility is better addressed in the following section, discussing the Complainant's allegations of bad faith.

C. Registered and Used in Bad Faith

The Policy, paragraph 4(b), furnishes a non-exhaustive list of circumstances that "shall be evidence of the registration and use of a domain name in bad faith", including the following ("you" refers to a respondent):

"(i) circumstances indicating that you have registered or you have acquired the domain name primarily for the purpose of selling, renting, or otherwise transferring the domain name registration to the complainant who is the owner of the trademark or service mark or to a competitor of that complainant, for valuable consideration in excess of your documented out-of-pocket costs directly related to the domain name; or [...]

(iv) by using the domain name, you have intentionally attempted to attract, for commercial gain, Internet users to your 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 your website or location or of a product or service on your website or location."

The Policy by its terms requires a finding of bad faith both in the registration and in the use of the Domain Name. The consensus view is that later events such as renewal of the registration are not normally relevant times to assess bad faith in registration. See WIPO Overview 2.0, paragraph 3.7. Thus, despite the Complainant's concerns about the Respondent's conduct in operating the adult-oriented advertising portal after becoming aware of the Complainant's business, the Panel must focus on whether the Respondent was, despite its denials, targeting the Complainant's trademark when its principal acquired the Domain Name and registered it in January 2005.

First, there is insufficient evidence in the record to establish that the Respondent acquired the Domain Name in order to attempt to sell it to the Complainant for an amount in excess of out-of-pocket costs. The Respondent submitted evidence of its purchase transaction in January 2005, acquiring the Domain Name only sometime **after** the Complainant states that it was communicating with the registrant of the Domain Name in December 2004, so the Complainant was presumably communicating with the prior owner of the Domain Name. Indeed, the Complainant refers to the prior owner by name in the Complainant's supplemental filing. The Complainant does not establish that there was a relationship between the prior owner and the Respondent in December 2004, or in December 2005 when the Complainant says it had further communications with the same party about purchasing the Domain Name. The Respondent denies receiving any such communications, and the Complainant has not furnished copies of the emails to which it alludes. The Complainant bears the burden of persuasion, and it fails to persuade. Accordingly, the Panel does not find that the Respondent acquired the Domain Name primarily for the purpose of selling it to the Complainant for an excessive price.

The Complainant otherwise implicitly relies on the argument that the Respondent is using the Domain Name in bad faith for commercial gain, creating confusion among customers or potential customers familiar with the Complainant's mark. Again, this argument is only dispositive if it is more likely than not that the Respondent had this motive when it acquired the Domain Name in January 2005, because the Complainant has the burden of establishing bad faith in the registration as well as in the subsequent use of the Domain Name.

The Respondent argues that this is impossible, simply because the Complainant did not obtain its first Australian trademark registration until October 27, 2005. The Respondent's reliance on that date is based on a misapprehension of Australian law, however. The trademark registration was indeed published on that date, but under Australian law the granted registration is deemed effective from the date of application, in this case December 10, 2004, as shown in the IP Australia database. See Australian Trade Marks Act 1995 (as amended), sec. 72(1). Thus, The Complainant obtained trademark rights that retroactively took effect roughly a month before the Respondent acquired the Domain Name.

But this cannot be held to prove the Respondent's bad faith. The Respondent's principal resided in Turkey, and the record does not establish that the Complainant's business, which was only launched in 2004, was well known outside Australia by January 2005 when the Respondent acquired the Domain Name. The Respondent denies prior knowledge of the Complainant's mark. This denial is plausible because the Complainant's business was new and, from the available record, essentially local at that time, and the Domain Name is a generic English word used for relevant PPC advertising for many years before and after the Complainant's business came into existence. This all suggests that the substantial sum the Respondent paid for the Domain Name was indeed based on its generic value in advertising a wide range of adult-oriented products and services, and not on its speculative value in promoting a new Australian business. On the available record, the Panel finds that the Complaint has not established the probability that the Respondent registered the Domain Name in January 2005 to attack the Complainant's not-yet-issued trademark.

The Panel concludes, therefore, that the Complaint fails on its second and third elements.

D. Reverse Domain Name Hijacking

The Respondent has requested a finding of Reverse Domain Name Hijacking. Paragraph 15(e) of the UDRP Rules 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". Reverse Domain Name Hijacking is defined under the UDRP Rules as "using the UDRP in bad faith to attempt to deprive a registered domain-name holder of a domain name".

The Panel recognizes that the Complainant is not represented by counsel but finds nevertheless that this is an appropriate case for a finding of attempted Reverse Domain Name Hijacking. The Complainant acknowledged in the Complaint that the Domain Name was created many years before the Complainant's business was launched. It was readily ascertainable that the registration had changed hands months before the Complainant's trademark was granted and published. This all should have given the Complainant pause before advancing an argument that the Respondent registered and used the Domain Name in a bad faith effort to exploit the Complainant's trademark, which is what the UDRP is designed to combat. Further, the Complainant does not seem to have noticed that its communications about purchasing the Domain Name were with a previous owner. Bringing a UDRP action nearly twelve years later against a subsequent owner has cost the owner substantial sums, when there was no realistic chance of proving that this party had acted in bad faith. The UDRP was intended to serve as an efficient means of redress against cybersquatters, not a cheap alternative to commercial negotiation with legitimate domain name holders.

The Panel finds that the Complainant attempted Reverse Domain Name Hijacking within the meaning of the Policy.

7. Decision

For the foregoing reasons, the Complaint is denied.

W. Scott Blackmer

Presiding Panelist

William A. Van Caenegem

Panelist

The Hon Neil Brown Q.C.

Panelist

Date: November 12, 2016