

Czech Arbitration Court

Panellist Meeting - 25 september 2015

**Bad faith assessment with regard to
generic/descriptive domain names in
administrative proceedings.**



Generic – descriptive domain names

- AKA «premium domain names» = exploitation of the high intrinsic attractiveness of words, acronyms, common names, and generally any words having multiple possible uses by a multitude of entities.
- PDN is at the basis of domain name speculation.

Riposa.com WIPO case n. D2012-2331

*“The registration and trade in domain names containing generic **words** can constitute a legitimate use of them, and the Complainant has provided insufficient evidence to rebut the Respondent’s assertion that such use gives rise to a right or legitimate interest in the disputed domain name **in this case**”.*

Domain name community

- PDN players often own large portfolios of domains and a wide range of services has developed over the years: Sedo.com; Dnpric.es; Alexa.com; Flippa.com; Domain Brokerage; domain name licensing; Quantcast.com; Compete.com; google-yahoo ranks; Estibot.com; TRAFFIC...
- = «*Plausible reasons for choosing and using disputed domain names*», stages.com WIPO case 2015-1054.

Evolution of bad faith concept

- Bad faith is a very difficult legal concept;
- UDRP vs. «enhanced» ADRules (reg. AND/OR use), to apply at clear-cut cases of *cybersquatting*;
- Conflicting decisions – lack of legal certainty?;
- Art. 21 PPR: «**Speculative** and Abusive Registrations»;
- [https://en.wikipedia.org/wiki/Domain_name speculation](https://en.wikipedia.org/wiki/Domain_name_speculation)

Domain Name Trading: legitimate interest according to art. 21(a)PPR?

- Art.21PPR: mention to «speculative» domain without offering a definition;
- Consistent case law establishes domain name trading in «Premium domain names» is legitimate speculation;
- *«there is a price to be paid for the advantages flowing from the possession of an eloquently descriptive trade name.... The risk of confusion must be accepted, to do otherwise is to give to one who appropriates to himself descriptive words an unfair monopoly in those words and might even deter others from pursuing the occupation which the words describe» - 1978 Australian Court Case cited in several UDRP.*

«*New*» trends on legitimate interest and good faith business practices

- Acknowledgment that PDN *may* be legitimately traded and even «passively» owned;
- Parked or passively owned PDN *may be* indeed actively traded, negotiated even for years in the aftermarket, often by Domain brokerage or Escrow providers

Legitimate interest

- *CNRV, Inc. v. Vertical Axis, Inc.*, FA 1300901 (Nat. Arb. Forum May 3, 2010) - legitimate interest is established where “*domain names have been registered because of their attraction as dictionary words, and not because of their value as trademarks*”

Some .eu decisions

- INTERACTIVE-BROKERS CAC4438:

Therefore, the Respondent has the same right and interest to register and use them as does the Complainant....Therefore, the Panel believes that the Respondent could be making a legitimate and non-commercial or fair use of the domain name and that falls within the meaning of legitimate interest.”

- BABYWELL.EU CAC4863:

*Article 21(2) Public Policy Rules explicitly requires actual use (cf. sub-paragraphs a **and** c) or at least demonstrable preparations to do so (cf. sub-paragraph a). In this regard the Panel respectfully disagrees with the view expressed in CAC case no. 4438 INTERACTIVE-BROKERS, sub 33.*

Bad faith circumstances (BFC): selling the domain name...

- PPR:Art.21(1)(3)(a) – UDRP4(b)(i): for primary purpose of selling ***to earlier rightholder***.
- *Presence of multiple indential trademarks – lack of active targeting/communication of complainant – unsolicited offers to purchase by complainant – refusal to sell*

...BFC – prevent the owner...

- Art.21(3)(b)(i): The fact that the Respondent has a large portfolio of such domain names, some of which he obviously intends not to use, but to sell, is not in itself probative of bad faith. It is well established that mere registration (or general offers to sell) of domain names which consist of generic, common, or descriptive terms is not of its own account an act of bad faith (*Allocation Network GmbH v Steve Gregory*, [WIPO Case No. D2000-0016](#)).

...Disrupting the business - RDNH

- The Panel is also concerned that this is a case where the Complainant adopted *a very generic* term as its trade mark, one that is also *descriptive* of the different stages of a bike tour race, in full knowledge that it did not have the “.com” domain at the time of adoption, and then filed the Complaint in an *attempt to remove* it from someone that appears to have *bought it legitimately*. The Panel therefore finds that the proceedings diminishing the credibility of the entire UDRP process and constitutes an *attempt at Reverse Domain Name Hijacking*.

Increase of RDNH

- Abuse of UDRP: complaints brought after (even decades) the DN registration-use; failure of negotiation process (B-Plan); presence of identical trademarks; ;

Need for a better Domain Name Law

- Domain Names have a particular nature (sui generis IPR?);
- FCFS is different from granting a TM: no link with specialty – novelty – territorial (.com) principles; no subject to cancellation for non-use;
- Difficult assessment of acquired distinctiveness in UDRP-ADR cases;
- Need to interact with Domain Name community.

THANK YOU!

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