

US: TRADE MARKS

Opportunistic bad faith in the UDRP**Katten Muchin Rosenman LLP**
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The Uniform Domain Name Resolution Policy (UDRP) provides a very useful tool in trade mark enforcement, as it allows a brand owner to seek to compel the transfer of a domain name which was registered by a third party and is identical or confusingly similar to a trade mark in which the owner has rights. To compel the transfer of a domain name, a brand owner must satisfy a three-prong test. The World Intellectual Property Organization recently issued a decision in a UDRP proceeding in which the Administrative Panel provided a unique interpretation of the third prong of the test.

The third prong of the UDRP test requires that the trade mark owner demonstrate that the domain name at issue has been registered and is being used in bad faith. Historically, this prong had been interpreted as requiring that the registrant acted in bad faith not only at the time that the domain name was registered but also that it continued to act in bad faith as of the date the UDRP complaint was filed. This requirement, therefore, has been applied in a manner that prevented a complainant from being successful in the UDRP proceedings if the domain name at issue was registered for a legitimate purpose but then later used by the registrant in bad faith.

However, in *Milly LLC v Domain Admins, Mrs Jello, LLC*, the Administrative Panel ruled that “the fact that Respondent may have registered the Disputed Domain Name prior to Complainant’s acquisition of trademark rights does not *per se* preclude a finding of bad faith”. Specifically, even though the respondent registered the domain name at issue before the complainant had trade mark rights, its subsequent change from using the domain name in a non-infringing manner to one that sought to take advantage of complainant’s goodwill in its mark evidenced “opportunistic bad faith” and was

sufficient to satisfy the third prong of the UDRP test.

The decision in *Milly* may signal an expansion of the protection available to trade mark owners in UDRP proceedings and provide them with greater flexibility in protecting their brands. On the other hand, it remains to be seen whether other WIPO Administrative Panels will follow the interpretation of the Panel in *Milly*.

In addition, while the *Milly* decision would seem to be a potential boon to brand owners, its holding may only have limited applicability since the respondent did not file an answer to the complaint. Therefore, the allegations surrounding the registration and use of the domain name at issue were not contested. In view of the relatively low evidentiary standard that a respondent must satisfy (compared to if the matter were before a court), the decision might have been different had the respondent addressed the allegations made in the complaint in even a cursory manner.