

ADMINISTRATIVE PANEL DECISION

HDT Software Limited v. Bryan Graves

Case No. D2022-0998

1. The Parties

Complainant is HDT Software Limited, Ireland, represented internally.

Respondent is Bryan Graves, United States of America (“United States”), represented by John Berryhill, Ph.d., Esq., United States.

2. The Domain Name and Registrar

The disputed domain name <hdt.com> 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 March 23, 2022. On March 24, 2022, the Center transmitted by email to the Registrar a request for registrar verification in connection with the disputed domain name. On March 24, 2022, the Registrar transmitted by email to the Center its verification response disclosing registrant and contact information for the disputed domain name which differed from the named Respondent and contact information in the Complaint. The Center sent an email communication to Complainant on March 25, 2022, providing the registrant and contact information disclosed by the Registrar, and inviting Complainant to submit an amendment to the Complaint. Complainant filed a first amended Complaint on March 25, 2022. On March 25, 2022, Respondent emailed the Center with a list of preliminary arguments. On March 28, 2022, Complainant filed a second amended Complaint, replying to Respondent’s email.

The Center verified that the Complaint together with the amended Complaints 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 Respondent of the Complaint, and the proceedings commenced on April 1, 2022. In accordance with the Rules, paragraph 5, the due date for Response was April 21, 2022. The Response was filed with the Center on April 4, 2022.

The Center appointed Stephanie G. Hartung as the sole panelist in this matter on April 7, 2022. The Panel finds that it was properly constituted. 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

Complainant is a company organized under the laws of Ireland that is active in the computer software industry. It has provided evidence to be the registered owner of the following European Union trademarks (EUTMs) relating to Complainant's company name and brand "HDT":

- Word mark HDT, European Union Intellectual Property Office (EUIPO), registration number: 018543943, registration date: December 11, 2021, status: active;
- Word/design mark HDT, EUIPO, registration number: 018543931, registration date: December 15, 2021, status: active.

Respondent, in turn, is a resident of the United States that is somehow engaged in monetizing domain names, including short and/or generic domain names.

On the basis of both Parties' contentions and the case file as such, it is undisputed between the Parties that:

- Respondent acquired the disputed domain name on June 12, 2013, for a sales price at USD 8,500;
- Complainant contacted Respondent via email on July 27, 2015 about the availability of the disputed domain name for sale and offered a sales price of USD 11,000. However, no sales agreement was reached between the Parties as Respondent was asking for a sales price of USD 75,000, but Complainant indicated that if its business was that successful, it might contact Respondent again in the future;
- Complainant was incorporated on August 4, 2015, and by then started using the HDT brand and the domain name <hdt-software.com>;
- Respondent received an email by the domain name broker Afternic.com on August 6, 2020 (9:45 a.m. EST), in relation to an offer for the disputed domain name in the range of USD 120,000;
- Respondent contacted Complainant via email on August 6, 2020, referring to the Parties' earlier correspondence of 2015 and checking if Complainant still had an interest in purchasing the disputed domain name, thereby indicating that this was a limited time opportunity;
- Complainant got back to Respondent via email on August 11, 2020, entering into new negotiations between the Parties on buying the disputed domain name, with Respondent indicating that it had received an "initial offer" for the disputed domain name in the low six figure range which Complainant rejected as "Way too much for our budget.", but still thanked Respondent "for the heads-up!";
- Complainant contacted Respondent again via email on February 6, 2021, checking whether Respondent was still holding the disputed domain name and needed "to offload it at a discount", which Respondent denied the very same day, indicating that "the value of this domain has increased since we last exchanged emails. We have had offers in excess of our old offer price.".
- Complainant applied for registration of EUTM 018543943 HDT (word mark) on August 28, 2021, which was registered on December 11, 2021, and for registration of EUTM 018543931 HDT (word-/design mark) also applied for on August 28, 2021, which is registered on December 15, 2021.

Complainant requests that the disputed domain name be transferred to Complainant, while Respondent concludes that Complainant has failed to demonstrate that the disputed domain name was registered and used in bad faith.

5. Parties' Contentions

A. Complainant

Complainant contends that it started using the HDT trademark and associated logos in 2015 and sought to protect them through registration in mid-2021. By that time, Complainant claims to have started to investigate the situation of the disputed domain name which obviously was still up for sale and had not been transferred since 2013. Complainant, thus, quickly realized that Respondent had been deceptive about its alleged third-party offering claim and that earlier contacts in 2020 were just a failed extortion attempt, as Respondent did not disclose any exhibit proving that the initial offer was still active at the time of the alleged extortion attempt. Complainant's trademark registrations, therefore, were the result of Respondent's scheming and a preemptive risk mitigation.

Complainant submits that the disputed domain name is identical to Complainant's HDT trademark. Moreover, Complainant asserts that Respondent has no rights or legitimate interests in respect of the disputed domain name since, given that the disputed domain name has been parked for sale, Respondent is clearly making no use in respect of the disputed domain name other than the purpose of speculative selling, or otherwise transferring it for a hefty fee. Finally, Complainant argues that Respondent has registered and is using the disputed domain name in bad faith since (1) Respondent acquired the disputed domain name for USD 8,500 in June 2013, and has not made fair use of it ever since, (2) the disputed domain name was clearly registered with the prospect of a significant gain derived from its sale and transfer, and (3) Respondent contacted Complainant in an unwanted solicitation of August 6, 2020, with a bogus claim to have received "an initial offer in the low six figure range" and invited Complainant to place a higher bid, apparently expecting a profit in the 100-fold, which was way in excess of the USD 8,500 acquisition value.

B. Respondent

Respondent stresses that Complainant omitted to mention that its principal had begun corresponding with Respondent to buy the disputed domain name in July 2015, before Complainant had even been formed as a company or started using its HDT trademark. Against this background, there was no "unsolicited" communication by Respondent on August 6, 2020, in view of Complainant's own multiple solicitations to buy the disputed domain name for several years.

Respondent admits that the disputed domain name is identical or confusingly similar to Complainant's HDT trademark, which, however, was obtained only in 2021, thus many years after Respondent obtained the disputed domain name. Moreover, Respondent argues that the term at issue is a common acronym which may stand for any number of things and that the registration of a valuable three-letter domain name for resale, having the range of generic meanings and no famous or exclusive associations with any trade or service mark, is a legitimate purpose for having acquired it at substantial expense for investment purposes. Finally, Respondent points to the fact that (1) at the time of the acquisition of the disputed domain name, neither Complainant nor its HDT trademark even existed, and that in such cases, panels were normally not to find bad faith on the part of respondent, (2) Complainant contacted Respondent in July 2015, thus, two years after Respondent acquired the disputed domain name, and at a point of time when Complainant was still free to choose any name for its business which was formed only in August 2015, and (3) Respondent had been contacted not only by Complainant, but by many parties over the years to inquire to purchase the disputed domain name, and that the "initial offer" mentioned by Respondent in its email correspondence of August 11, 2020, was completely true and that Respondent was under no obligation to accept an initial offer from Complainant or anyone else.

6. Discussion and Findings

Under paragraph 4(a) of the Policy, Complainant carries the burden of proving:

- (i) that the disputed domain name is identical or confusingly similar to a trademark or service mark in which Complainant has rights;

- (ii) that Respondent has no rights or legitimate interests in respect of the disputed domain name; and
- (iii) that the disputed domain name has been registered and is being used in bad faith.

In this context, and as a general introductory remark, the Panel wishes to draw both Parties' attention again to the fact that the Policy has been set in place to address cross-border trademark-abusive domain name registrations, widely known as cybersquatting, thereby providing at the same time *e.g.*, an efficient remedy for brand owners as well as predictability for domainers (see WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Third Edition ("WIPO Overview 3.0"), Introduction). And a complaint brought under the Policy may only be successful if all the three elements set forth above are fulfilled.

A. Supplemental Filings

Paragraphs 10 and 12 of the Rules grant the Panel sole discretion to determine the admissibility of unsolicited (late or even early) supplemental filings. While paragraph 10(d) states that: "The Panel shall determine the admissibility, relevance, materiality and weight of the evidence", paragraph 12 provides that: "In addition to the complaint and the response, the Panel may request, in its sole discretion, further statements or documents from either of the Parties".

The principles which the Panel should apply in deciding whether or not to admit unsolicited supplemental filings have been considered in many cases under the Policy and have meanwhile been widely agreed among UDRP panels, in that such supplemental filings should be generally discouraged and only be accepted in "exceptional circumstances" (WIPO Overview 3.0, section 4.6).

In the case at hand, both Parties expressed throughout the proceeding that they wished to communicate in a manner which is typically not foreseen by the UDRP (*e.g.*, Respondent, even before filing an official response, emailed the Center on March 25, 2022, with some preliminary arguments encouraging Complainant to withdraw the Complaint, while Complainant submitted supplemental filings to the Center on April 7, 2022, to which Respondent, in turn, came back with own supplemental filings on April 8, 2022). Against this background, the Panel has been willing to accept that "exceptional" circumstances are present in the case at hand, and that it would take all correspondence mentioned above into consideration in its decision-making process, in order to treat both Parties equally and fair and finally come to a just and sound decision.

B. Identical or Confusingly Similar

The Panel concludes that the disputed domain name is identical to Complainant's HDT trademark, and that Complainant, thus, has standing to file this UDRP Complaint.

The disputed domain name exclusively incorporates the entire HDT trademark. Moreover, it has been held in many UDRP decisions and has become a consensus view among panelists (see WIPO Overview 3.0, section 1.11) that the applicable top-level domain (TLD) in a domain name is generally viewed as a standard registration requirement and as such is disregarded under the first element test. Accordingly, the existence of the generic TLD ".com" does not dispel the finding of identity arising from the entire incorporation of Complainant's HDT trademark in the disputed domain name.

The Panel further notes that there is a consensus view among UDRP panels according to which the fact that a domain name has been registered before a complainant has acquired trademark rights does not by itself preclude a complainant's standing to file a UDRP case, nor a panel's finding of identity or confusing similarity under the first element, provided that complainant's trademark rights are in existence at the time the complaint is filed (see WIPO Overview 3.0, section 1.1.3). Accordingly, the fact that the disputed domain name was registered by Respondent already on June 14, 2013, while *e.g.*, Complainant's HDT trademark was registered only in December 2021, is not in contrast to find that Complainant has standing to file this UDRP Complaint, but need be evaluated in the context of the third element of the UDRP (see Section D. below).

Therefore, Complainant has established the first element under the Policy set forth by paragraph 4(a)(i).

C. Rights or Legitimate Interests

This Complaint brought under the UDRP, moreover, requires Complainant to prove that Respondent has no rights or legitimate interests in respect of the disputed domain name (paragraph 4(a)(ii) of the Policy).

From the case file, including Respondent's own contentions, little is known about Respondent's actual business or other activities, apart from that Respondent is somehow engaged in monetizing domain names, including short and/or generic domain names, and that Respondent has been offering the disputed domain name for years online for sale. In this context, panels have generally accepted that aggregating and holding domain names (usually for resale) consisting of acronyms (such as the disputed domain name), dictionary words, or common phrases can be *bona fide* and is not *per se* illegitimate under the UDRP (see WIPO Overview 3.0, section 2.1). And Respondent points correctly to the fact that the acronym "HDT" as reflected in both Complainant's HDT company name and trademark as well as in the disputed domain name, with no additives whatsoever, may stand for any number of things with a whole range of generic meanings and obviously has no famous or exclusive associations with any specific trademark or service mark, not even with Complainant's HDT trademark.

The Panel, however, has decided not to deal further in detail with the question of the (non-)existence of Respondent's rights or legitimate interests in respect of the disputed domain name, since in any case – as set out in detail under Section D. below – the third element under the UDRP is not fulfilled.

D. Registered and Used in Bad Faith

Paragraph 4(a)(iii) of the Policy finally requires that the disputed domain name must have been registered and must be used in bad faith by Respondent, if the Complaint shall be successful. The notion of bad faith is, thereby, broadly understood to occur where a respondent takes unfair advantage of or otherwise abuses a complainant's trademark (see WIPO Overview 3.0, section 3.1).

The decisive starting point for the examination of whether or not a bad faith acting can be found on the part of Respondent is the fact that the disputed domain name was acquired by Respondent already on June 14, 2013. At that time, Complainant's company undisputedly was neither founded nor was there any sign of Complainant's (planned) business activities or the like, that would have allowed to even anticipate such a foundation. According to its own contentions, Complainant was incorporated on August 4, 2015, and only by then started using the HDT brand and the domain name <hdt-software.com>. And in addition, Complainant's HDT trademark was registered even later, namely only in December 2021. Given such specific timing, as indicated already under Section B. above, it is important to note UDRP panels' consensus agreement that where a domain name has been registered before a complainant has acquired trademark rights, only in exceptional cases would a complainant be able to prove a respondent's bad faith (see WIPO 3.0, section 1.1.3).

Determining whether or not such an "exceptional case" is given here, this Panel has examined all of the Parties' pre-procedural communications and in particular the negotiations on a possible sale of the disputed domain name by Respondent to Complainant in detail.

There is simply no evidence that Respondent would have had a view of Complainant's then-nascent trademark rights when it acquired the disputed domain name.

At this point of time, and according to Complainant's own contentions, Complainant had not yet even started to use the acronym HDT for any business activities. Complainant, however, apparently decided to accept that the sales price asked for by Respondent was simply far too high, but that if its business was that successful, it might contact Respondent again in the future.

In sober reflection, what lays here on the table are sales negotiations, originally initiated by Complainant itself, on the disputed domain name (which consists of a three-letter acronym with a wide range of possible meanings), and diverging price expectations of the Parties, with apparently only one offer ever submitted by

Complainant in an amount of USD 11,000, which does not much exceed the investments made by Respondent in the disputed domain name, namely a sales price of USD 8,500 in June 2013.

While this Panel recognizes, in line with Complainant's argumentation, that it somehow rests in the dark why Respondent so far never yet accepted any of the competing offers made in relation to an acquisition of the disputed domain name given that its business seems to be investing in domain names for resale, it is also true that, absent of any abuse of Complainant's or other third party trademark rights, Respondent is not at all compelled to accept any submitted offer, and under the given circumstances to this case is free to keep the disputed domain name as it sees fit.

In summary, all of the facts set out above clearly draw a picture that gives no reason to find for an "exceptional case" to the general rule that a respondent's bad faith in registering the disputed domain name may not be found if, by the time of the registration, complainant's trademark rights did not yet exist – as it is in the case at hand, both in relation to registered trademark rights in the strict sense of the meaning which emerged only in December 2021, or in the broader sense of the meaning *e.g.*, as company name rights, which emerged not before August 2015.

As a result, the requirements of paragraph 4(a)(iii) of the Policy are not met, which is why this Complaint may not succeed.

7. Decision

For the foregoing reasons, the Complaint is denied.

/Stephanie G. Hartung/

Stephanie G. Hartung

Sole Panelist

Date: April 21, 2022