



DECISION

Charles Schwab & Co., Inc. v. Simon Schwab

Claim Number: FA2210002017845

PARTIES

Complainant is **Charles Schwab & Co., Inc.** ("Complainant"), United States, represented by **Amanda Martson** of **Holland & Hart LLP**, United States.

Respondent is **Simon Schwab** ("Respondent"), United States, represented by **Jason Schaeffer** of **ESQwire.com, P.C. The Domain Name Law Firm**, United States.

REGISTRAR AND DISPUTED DOMAIN NAME

The domain name at issue is **<schwabfinancialcare.com>**, registered with **Google LLC**.

PANEL

The undersigned certify that they have acted independently and impartially and to the best of their knowledge have no known conflict in serving as Panelists in this proceeding.

Alan L. Limbury, The Honorable Neil Anthony Brown KC, and David E. Sorkin (chair), Panelists.

PROCEDURAL HISTORY

Complainant submitted a Complaint to FORUM electronically on October 27, 2022; FORUM received payment on October 27, 2022. The Complaint was withdrawn and subsequently re-initiated on December 2, 2022.

On December 2, 2022, Google LLC confirmed by email to FORUM that the <schwabfinancialcare.com> domain name is registered with Google LLC and that Respondent is the current registrant of the name. Google LLC has verified that Respondent is bound by the Google LLC registration agreement and has thereby agreed to resolve domain disputes brought by third parties in accordance with ICANN's Uniform Domain Name Dispute Resolution Policy (the "Policy").

On December 6, 2022, FORUM served the Complaint and all Annexes, including a Written Notice of the Complaint, setting a deadline of January 3, 2023 by which Respondent could file a Response to the Complaint, via email to all entities and persons listed on Respondent's registration as technical, administrative, and billing contacts, and to postmaster@schwabfinancialcare.com. Also on December 6, 2022, the Written Notice of the Complaint, notifying Respondent of the email addresses served and the deadline for a Response, was transmitted to Respondent via post and fax, to all entities and persons listed on Respondent's registration as technical, administrative, and billing contacts.

A timely Response was received and determined to be complete on January 3, 2023. Additional Submissions were received from both parties on January 17, 2023.

On January 16, 2023, pursuant to Respondent's request to have the dispute decided by a three-member Panel, FORUM appointed David E. Sorkin as chair of the Administrative Panel, and Alan L. Limbury and The Honorable Neil Anthony Brown KC, as Panelists.

Having reviewed the communications records, the Panel finds that FORUM has discharged its responsibility under Paragraph 2(a) of the Rules for Uniform

Domain Name Dispute Resolution Policy (the "Rules") "to employ reasonably available means calculated to achieve actual notice to Respondent" through submission of Electronic and Written Notices, as defined in Rule 1 and Rule 2.

RELIEF SOUGHT

Complainant requests that the domain name be transferred from Respondent to Complainant.

PARTIES' CONTENTIONS

A. Complainant

Complainant has offered financial services, including investment and loan services, under SCHWAB-formative marks for nearly four decades. Complainant and its affiliates manage some \$6.69 trillion in client assets and services, 29.6 million active brokerage accounts, over 2.1 million corporate retirement plan participants, and 1.5 million banking accounts. Complainant owns numerous trademark registrations worldwide, including longstanding United States trademark registrations for SCHWAB and various SCHWAB-formative marks in standard character form. Complainant also claims common law rights in the SCHWAB mark and asserts that the mark is famous.

Respondent registered the disputed domain name **<schwabfinancialcare.com>** on February 3, 2021. The domain name is registered in the name of a privacy registration service on behalf of Respondent. Complainant states that it has not given Respondent permission to use the SCHWAB mark.

Complainant acknowledges that Respondent is listed in the whois domain name registration record as "Simon Schwab," but states that there is no evidence that this is Respondent's name, nor that Respondent is commonly known by "Schwab Financial Care." Complainant references a LinkedIn profile for an individual

named Simon Schwab, which it believes may be Respondent's profile, and notes that it makes no mention of Schwab Financial Care nor any business with a SCHWAB-formative name; the profile identifies Simon Schwab's place of employment as Care Security Systems. (In his Response, Respondent explains that this is actually the profile page of his cousin, and that Care Security Systems is a multinational security business owned and operated by Respondent's family.) Complainant states that it was unable to find any business registrations for Schwab Financial Care, nor any third party reviews for such a company. A Google search for "schwab financial care" retrieved only a link to the website at the disputed domain name — in the fourth page of search results — along with several pages of results relating to Complainant. Complainant states further that in communications between the parties, Respondent's counsel has provided no evidence that the disputed domain name has actually been used to provide any services.

Complainant argues that pairing Respondent's purported surname, which is identical to Complainant's SCHWAB mark, with terms that are descriptive of Complainant's services does not establish that Respondent has rights or legitimate interests in the resulting domain name.

The disputed domain name has been used for a website offering alternative lending services under the "Schwab Financial Care" name, although Complainant states that the website is not currently active, and alleges that Respondent is passively holding the domain name. Complainant argues that even if Respondent actually provides financial services, such services would be closely related to those offered by Complainant and therefore competitive and infringing. Complainant also cites Respondent's use of a privacy registration service as indicative of bad faith. Complainant alleges that the disputed domain

name could not have been selected for any reason other than to unduly profit from the considerable goodwill and reputation attached to Complainant's mark.

Complainant contends on the above grounds that the disputed domain name <schwabfinancialcare.com> is confusingly similar to its SCHWAB mark; that Respondent lacks rights or legitimate interests in the disputed domain name; and that the disputed domain name was registered and is being used in bad faith.

B. Respondent

Respondent describes this proceeding as "a large brand owner bullying an individual who shares the same last name as the brand's founder." The Response describes Respondent as "a young entrepreneur" who began providing loans to customers during the pandemic. Respondent registered the disputed domain name in February 2021 and used it to create a website, which he started using to allow customers to apply online. Respondent notes that Complainant withdrew its original Complaint when Respondent's name was revealed by the unmasking of the whois information; that Respondent's counsel subsequently placed Complainant on clear notice of Respondent's rights in the domain name; and that Complainant re-initiated this claim despite its awareness of Respondent's rights.

Respondent states that his surname is "Schwab," substantiating this with a redacted copy of his New York State driver's license. He states that "[d]uring the pandemic, [he] was involved with many financial services related business and decided that [he] needed to create a single online presence for [his] business." He therefore registered the disputed domain name and hired a developer to create a website. (Documentation accompanying the Response indicates that Respondent engaged a WordPress developer via Fiverr.com on February 4, 2021, and paid the developer \$180 to build the website.) Respondent states that

this website has been active since approximately February 12, 2021, and that he has added a disclaimer at the footer of each page, stating that Simon Schwab and Schwab Financial Care are not affiliated with Charles Schwab & Co. Inc.

Respondent asserts that he has a legitimate interest in the domain name because it includes his surname and relates directly to his business. He states that he did not register the domain name with Complainant's trademark in mind or with the intent to sell it to Complainant, to disrupt Complainant's business, or to confuse consumers seeking Complainant's website. He denies having registered or used the domain name in bad faith, noting the lack of similarities between his website and that of Complainant; the disclaimer that appears on each page of Respondent's website; and his assertion that his business does not compete directly with Complainant. Respondent contends that Complainant refiled the Complaint knowing that the disputed domain name corresponds to Respondent's name and knew or should have known that Respondent was using the domain name in good faith, and asks the Panel to make a finding of reverse domain name hijacking.

C. Additional Submissions

In its Additional Submission, Complainant responds to various points made in the Response, and contends that the disclaimer was added to Respondent's website only very recently and is insufficient to dispel confusion.

Respondent states in his Additional Submission that he added the disclaimer voluntarily, as a good faith gesture. He reiterates that the domain name is his surname and that he began using it to operate a legitimate website long prior to any notice of the dispute.

FINDINGS

The Panel finds that the disputed domain name is confusingly similar to a mark in which Complainant has rights, but finds that Complainant has not proved that Respondent lacks rights or legitimate interests in respect of the disputed domain name, nor that the disputed domain name was registered and is being used in bad faith. In addition, the Panel finds that the Complaint was brought in bad faith, in an instance of reverse domain name hijacking, and constitutes an abuse of the administrative proceeding.

DISCUSSION

Paragraph 15(a) of the Rules instructs this Panel to "decide a complaint on the basis of the statements and documents submitted in accordance with the Policy, these Rules and any rules and principles of law that it deems applicable."

Paragraph 4(a) of the Policy requires that Complainant must prove each of the following three elements to obtain an order that a domain name should be cancelled or transferred:

- (1) the domain name registered by Respondent is identical or confusingly similar to a trademark or service mark in which Complainant has rights; and
- (2) Respondent has no rights or legitimate interests in respect of the domain name; and
- (3) the domain name has been registered and is being used in bad faith.

Identical and/or Confusingly Similar

The disputed domain name <schwabfinancialcare.com> incorporates Complainant's registered SCHWAB trademark, adding the generic terms "financial" and "care" and the ".com" top-level domain. These additions do not

substantially diminish the similarity between the domain name and Complainant's mark. *See, e.g., Charles Schwab & Co., Inc. v. Eazy Junior*, FA 1974799 (FORUM Dec. 28, 2021) (finding <schwabs.live> confusingly similar to SCHWAB); *Toronto-Dominion Bank v. Robert Smith*, FA 1882697 (FORUM Mar. 12, 2020) (finding <tdfinancialtrust.com> confusingly similar to TD); *Capital One Financial Corp. v. Ryan G Foo / PPA Media Services*, FA 1579892 (FORUM Nov. 5, 2014) (finding <mycapitalonecare.com> confusingly similar to CAPITAL ONE). The Panel considers the disputed domain name to be confusingly similar to a mark in which Complainant has rights.

Rights or Legitimate Interests

Under the Policy, the Complainant must first make a prima facie case that the Respondent lacks rights and legitimate interests in the disputed domain name, and then the burden shifts to the Respondent to come forward with concrete evidence of such rights or legitimate interests. *See Hanna-Barbera Productions, Inc. v. Entertainment Commentaries*, FA 741828 (FORUM Aug. 18, 2006).

Paragraph 4(c) provides that a Respondent's rights or legitimate interests shall be demonstrated if the Panel finds any of the following circumstances to be proved:

- (i) before any notice to [Respondent] of the dispute, [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) [Respondent] (as an individual, business, or other organization) have been commonly known by the domain name, even if [Respondent has] acquired no trademark or service mark rights; or

(iii) [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.

The disputed domain name incorporates SCHWAB, which happens to be both Complainant's registered mark and Respondent's surname. It is being used for a website that offers alternative lending services under the "Schwab Financial Care" name. The website has been active for nearly two years, long before Respondent had any contact with Complainant.

As many previous decisions under the Policy have noted, an individual is entitled to register and use a domain name that corresponds to the individual's actual name. *See, e.g., Boller, Winkler AG v. Craig Schlossberg, Image Info, LLC*, D2022-2222 (WIPO Aug. 9, 2022) (finding rights or interests in domain name corresponding to respondent's surname); *Samet Kalıp Ve Madeni Eşya Sanayi Ve Ticaret A.Ş v. Samet & Co., Inc.*, D2022-1449 (WIPO June 23, 2022) (same); *Law & Business Enterprises Worldwide S.L. v. Ann Labe*, D2022-1040 (WIPO May 27, 2022) (same); *Mattel, Inc. v. Gopi Mattel*, FA 372847 (FORUM Feb. 15, 2005) (same); *see also G.A. Modefine S.A. v. A.R. Mani*, D2001-0537 (WIPO July 20, 2001) (finding rights or interests in domain name corresponding to respondent's initials and surname).

The inclusion of "financial" in the disputed domain name may suggest some sort of connection to Complainant, but Respondent has not actively contributed to any such confusion, and it is far from clear that the services he is offering compete

directly with those offered by Complainant. Respondent denies having targeted Complainant or its mark, and under the circumstances a majority of the Panel considers that denial to be plausible. To the extent that Respondent's activities are infringing, such a determination is not an appropriate matter for resolution in this proceeding.

[The Policy] calls for administrative resolution for only a small, special class of disputes. Except in cases involving "abusive registrations" made with bad-faith intent to profit commercially from others' trademarks (e.g., cybersquatting and cyberpiracy), the adopted policy leaves the resolution of disputes to the courts (or arbitrators where agreed by the parties) and calls for registrars not to disturb a registration until those courts decide. The adopted policy establishes a streamlined, inexpensive administrative dispute-resolution procedure intended only for the relatively narrow class of cases of "abusive registrations." Thus, the fact that the policy's administrative dispute-resolution procedure does not extend to cases where a registered domain name is subject to a legitimate dispute (and may ultimately be found to violate the challenger's trademark) is a feature of the policy, not a flaw. The policy relegates all "legitimate" disputes — such as those where both disputants had longstanding trademark rights in the name when it was registered as a domain name — to the courts; only cases of abusive registrations are intended to be subject to the streamlined administrative dispute-resolution procedure.

Second Staff Report on Implementation Documents for the Uniform Domain Dispute Resolution Policy, § 4.1(c) (Oct. 24, 1999), available at <http://archive.icann.org/en/udrp/udrp-second-staff-report-24oct99.htm>.

Accordingly, a majority of the Panel concludes that Complainant has failed to prove that Respondent lacks rights or legitimate interests in the disputed domain name.

Panelist Sorkin expresses concern regarding the lack of evidence that Respondent has engaged in any bona fide business activity whatsoever using the disputed domain name or otherwise under the name "Schwab Financial Care," noting that the only preparations that Respondent appears to have made for use of the domain name over a period of nearly two years are to register the domain name and pay a small fee to a web developer to build the corresponding website. Where information is likely to be within the exclusive knowledge and control of one party, it is appropriate for the Panel to draw an adverse inference from its absence. *See, e.g., Valeant International Bermuda v. DNS Administrator*, FA 1573544 (FORUM Sept. 15, 2014) (drawing adverse inference from respondent's failure to provide evidence of use of domain name other than self-serving affidavits prepared for purposes of UDRP proceeding); *Mary-Lynn Mondich & American Vintage Wine Biscuits, Inc. v. Shane Brown, d/b/a Big Daddy's Antiques*, D2000-0004 (WIPO Feb. 16, 2000) (drawing adverse inference from respondent's failure to present evidence). While an individual normally has a right to register a domain name incorporating the individual's own legal surname, one does not automatically acquire rights or legitimate interests in a domain name that has been selected for the purpose of targeting and exploiting confusion with Complainant or its mark rather than because of its correspondence to the person's own name. *See, e.g., Dow Chemical Co. v. Osama Ali, ITC*, D2019-2608 (WIPO Dec. 3, 2019) (ordering transfer of domain name incorporating part of respondent's surname based upon inference that domain name was selected to take advantage of similarity to Complainant's mark); *cf. California Milk Processor Board v. Center Ring Productions, LLC*, D2011-1689 (WIPO Dec. 1, 2011) (finding rights or interests in domain name

incorporating respondent's surname where domain name was used solely for personal, noncommercial purposes); *Harrods Ltd. v. HDU Inc.*, D2004-0093 (WIPO Apr. 27, 2004) (finding rights or interests in domain name incorporating respondent's surname where respondent had operated a business under the name for ten years).

Panelist Sorkin would find that Respondent is not commonly known by the disputed domain name or "Schwab Financial Care"; that he has neither used nor made demonstrable preparations to use the domain name in connection with a bona fide offering of goods or services; and that he selected the domain name with the intent to target and exploit confusion with Complainant. Panelist Sorkin therefore dissents from the Panel's finding on the issue of rights or legitimate interests.

Registration and Use in Bad Faith

Finally, Complainant must show that the disputed domain name was registered and is being used in bad faith. Under paragraph 4(b)(i) of the Policy, bad faith may be shown by evidence that a domain name was acquired "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 [Respondent's] documented out-of-pocket costs directly related to the domain name." Under paragraph 4(b)(iii), bad faith may be shown by evidence that Respondent registered the disputed domain name "primarily for the purpose of disrupting the business of a competitor." Under paragraph 4(b)(iv), bad faith may be shown by evidence that "by using the domain name, [Respondent] intentionally attempted to attract, for commercial gain, Internet users to [Respondent's] web site 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 [Respondent's] web site or location or of a product or service on [Respondent's] web site or location."

To have registered the domain name in bad faith, Respondent must have been aware of Complainant or its mark when he registered the domain name, and the registration must in some way have been targeted at Complainant or its mark. *See Vanity Shop of Grand Forks, Inc. v. Domain Administrator / Vertical Axis Inc.*, FA 1595932 (FORUM Jan. 20, 2015); *Kanal, Inc. v. Domain Admin*, FA 1478238 (FORUM Feb. 12, 2013). As noted above, Respondent denies having registered or used the domain name with any intent to target Complainant or its mark, and a majority of the Panel considers that denial to be plausible. Accordingly, the Panel finds that Complainant has failed to prove that Respondent registered and is using the disputed domain name in bad faith.

Panelist Sorkin dissents from this finding, noting that Respondent knew of Complainant's famous mark, chose to register a domain name combining the mark with a generic term for Complainant's industry, and is using it for a website purporting (apparently falsely) to provide services related to that industry. There does not appear to be a bona fide business operating as "Schwab Financial Care" or indeed any legal entity registered under that name, and Respondent has failed to come forward with any evidence of bona fide use occurring over the nearly two years since he registered the domain name and launched the corresponding website. *See Raine Group LLC v. reinefinance036 ltd*, FA 1928554 (FORUM Feb. 15, 2021) (finding bad faith where respondent used <rainefinance.com> for website purporting to offer financial services under the name "Raine Finance LLC," but evidence indicated that such an operation did not exist beyond the domain name and website, and supported inference that domain was registered with intent to target Complainant and exploit confusion

with its mark). Panelist Sorkin would infer that Respondent registered the disputed domain name not for use in connection with a bona fide financial services business, as he claims, but rather to create and exploit confusion with Complainant's mark, most likely either by using the domain name to attract Internet users seeking Complainant or possibly by selling the domain name to Complainant or a competitor thereof. He therefore dissents from the Panel's finding as to the issue of registration and use in bad faith.

Reverse Domain Name Hijacking

Under Paragraph 1 of the Rules, "Reverse Domain Name Hijacking" (RDNH) is defined as "using the Policy in bad faith to attempt to deprive a registered domain-name holder of a domain name." Paragraph 15(e) of the Rules provides that if "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."

Such a finding is justified only in rare cases, such as instances where a complainant proceeds despite the fact that it knew or should have known that it did not have a colorable claim under the Policy. *See, e.g., Brime, LLC v. Jack Zhang*, FA 1945815 (FORUM July 6, 2021) (finding RDNH in "Plan B" scenario, where complainant brought complaint following unsuccessful attempt to purchase domain name, knowing it would not be able to make the showings required by the Policy).

In the view of a majority of the Panel, this case is such an instance. Complainant re-initiated the Complaint in this matter on December 2, 2022, knowing of

Respondent's rights or interests in the disputed domain name. A letter from Complainant's counsel to Respondent dated November 10, 2022, included the following statements: "Our client has recently learned that you registered the domain name schwabfinancialcare.com and are operating a website under the trade name SCHWAB FINANCIAL CARE that offers alternative lending services. . . . Our client recognizes that 'Schwab' is your last name"

The members of the Panel are unanimous in expressing concern regarding the lack of candor in the Complaint. The Complaint disingenuously refers to "Schwab" as "Respondent's purported surname." Complainant did not include any screenshots of Respondent's website, despite having itself accessed the website and having previously received such screenshots from Respondent; indeed, the Complaint accuses Respondent of "passively holding the domain name by directing it to an inactive website," apparently based solely on Complainant's counsel having received a delivery failure error notification after attempting to send a message to an email address that was displayed on the website.

Complainant is represented by competent counsel that should have recognized its inability to prove the elements set forth in the Policy. Accordingly, the Panel finds that the Complaint in this matter was brought in bad faith in an instance of reverse domain name hijacking and constitutes an abuse of the administrative proceeding. Panelist Sorkin dissents from this finding.

DECISION

Having considered the three elements required under the ICANN Policy, the Panel concludes that relief shall be **DENIED**.

Accordingly, it is Ordered that the <schwabfinancialcare.com> domain name
REMAIN WITH Respondent.

David E. Sorkin, Chair

Alan L. Limbury, Panelist

The Honorable Neil Anthony Brown KC, Panelist

Dated: January 23, 2023