

## **ADMINISTRATIVE PANEL DECISION**

G.W.H.C. - Serviços Online Ltda., E-Commerce Media Group Informação e Tecnologia Ltda. v. eRealEstate.com  
Case No. D2012-0498

### **1. The Parties**

The Complainant is G.W.H.C. - Serviços Online Ltda., E-Commerce Media Group Informação e Tecnologia Ltda. of Sao Paulo, Brazil, represented by Almeida Advogados, Brazil.

The Respondent is eRealEstate.com of Boca Raton, Florida, United States of America, represented by Howard M. Neu, Esquire, United States of America.

### **2. The Domain Name and Registrar**

The disputed domain name <saveme.com> is registered with DirectNIC, LTD.

### **3. Procedural History**

The Complaint was filed with the WIPO Arbitration and Mediation Center (the "Center") on March 14, 2012. On March 14, 2012, the Center transmitted by email to DirectNIC, LTD a request for registrar verification in connection with the disputed domain name. On the same date, DirectNIC, LTD transmitted by email to the Center its verification response confirming that the Respondent is listed as the registrant and providing the contact details. On March 19, 2012, the Center notified the parties regarding the Complaint's following formal deficiencies: absence of the signature of the Complainant's authorized representative and the lack of argument as to the use of the disputed domain name in bad faith (third element of the Policy), and invited the Complainant to submit an amendment to the Complaint. The Complainant filed an amended Complaint on March 24, 2012.

The Center verified that the Complaint together with the amended 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(a) and 4(a), the Center formally notified the Respondent of the Complaint, and the proceedings commenced April 5, 2012. In accordance with the Rules, paragraph 5(a), the due date for Response April 25, 2012. The Response was filed with the Center on April 24, 2012.

The Center appointed Adam Taylor, Rodrigo Azevedo and The Hon Neil Brown Q.C. as panelists in this matter on May 18, 2012. 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 Complainants are corporations incorporated in Brazil. Their relationship with each other has not been explained but the Panel infers that they are part of the same corporate group. The Panel will refer to them collectively as “the Complainant” unless there is a reason to mention either one separately.

Since mid-2010, the Complainant has operated a daily deals website at “www.saveme.com.br”. The site is branded “Save Me”.

On October 14, 2010, the Complainant filed an application for a Brazilian trade mark for the stylized words “save me” plus device (No. 903036983). That application is still pending.

According to the Registrar’s verification response, the Respondent registered the disputed domain name on August 22, 1996.

On August 18, 2011, the Complainant’s lawyer emailed the Respondent from his personal email account stating that he would like to buy the disputed domain name for a “start up project” and asking for the “initial price tag”. The Complainant responded the next day stating “Well into the 6 figs.” On August 26, 2011, the Complainant’s lawyer enquired: “What about 10k?”. To which the Respondent responded on the same day: “Not even \$100k”. On September 14, 2011, the Complainant’s lawyer emailed to put forward a final offer of US\$ 50,000. The Respondent did not reply.

#### **5. Parties’ Contentions**

##### **A. Complainant**

##### **Identical or Confusingly Similar**

The Complainant’s “Save Me” service has “wide prestige” amongst Brazilian users with hundreds of thousands of monthly visits. The service is also available in other Latin American countries such as Argentina, Peru, Colombia, Venezuela and Mexico.

This is in line with the Complainant’s other websites. Overall, the Complainant has a presence in more than 20 countries worldwide receiving over 20 million visits and 5 million page views per month.

According to Alexa.com, the website at “www.saveme.com.br” is the 103<sup>rd</sup> most popular website amongst Brazilian users.

In addition to <saveme.com.br>, the Complainant owns and operates other similar ccTLDs such as <saveme.ar>, <saveme.co>, <saveme.pe>, <saveme.cl>, <saveme.mx> and <saveme.ve> illustrating the reach of the Complainant’s services.

Trade mark laws worldwide, including Article 130 of Brazilian Law 9.279/96, give trade mark applicants “the right to protect a trade mark’s reputation”.

Despite not being granted due to the backlog at the Brazilian Trademark Office, the Complainant’s mark is famous, not just in Brazil but in other Latin American countries.

Previous UDRP cases have held that the Policy applies to unregistered as well as registered trade marks.

The Complainant's international fame and steps towards protecting its trade mark rights constitute trade mark rights under the Policy.

The disputed domain name is identical to the Complainant's trade mark.

Confusion is undeniable as the disputed domain name is a simple typographical error away from the Complainant's domain names.

### **Rights or Legitimate Interests**

The disputed domain name has been used for many years as a parking page and never for actually hosting a website, in connection with a *bona fide* offering of goods or services. Nor has the Respondent ever been commonly known by the disputed domain name or even making a legitimate noncommercial or fair use of the disputed domain name.

The Respondent admits that it owns more than 6,000 domain names. Many of these are used for pay-per-click domain name parking to profit from diverted consumers or for sale to legitimate trade mark owners. Mr. Schwartz, the person controlling the Respondent, uses the Respondent to shield his activities.

After the success of the Complainant's "Save Me" portal, the disputed domain name has been used to direct Internet users to a pornographic content website causing damage to the Complainants' image; to a self-promoting website for the Respondent; to speculate on the aftermarket value of the disputed domain name in light of the Complainant's success; and for a pay-per-click page which passes off as the Complainant itself.

Use of somebody else's trade mark as a porn site does not constitute a *bona fide* offering. *Motorola, Inc. v. NewGate Internet, Inc.*, WIPO Case No. D2000-0079.

Any supposed *bona fide* use is barred due to the unfair advantage obtained by the Respondent. *Google Inc. v. Billa Rajinikar Reddy*, WIPO Case No. D2009-1390.

### **Registered and Used in Bad Faith**

After being notified of the Complaint, the Respondent has engaged in reprehensible actions by posting unlawful, abusive and defamatory comments concerning the Complainant and the Complainant's representative, serving to demonstrate his bad faith and total disrespect towards the parties, this procedure and the Center itself. The Respondent also forwarded some pornographic domain names to the website of the law firm representing the Complainant.

The Complainant's sole interest in this procedure is to avoid having its customers misled and becoming subject to the Respondent's unlawful and exploitive actions. The uses to which the disputed domain name has been put are damaging the Complainant's brand and are generating illegal profit for the Respondent.

Alexa.com statistics show that 100% of visitors to the Respondent's website visit the Complainant's thereafter. The Respondent has used the disputed domain name to generate pay-per-click profit from confused customers and to profit from sale of the disputed domain name for an enormous sum after becoming aware of the Complainant's success. The Respondent has also damaged the Complainant by using the disputed domain name for pornography.

According to Alexa.com, from the time the Complainant's service started, almost 43% of visits to the Respondent's site were by Brazilian users, further demonstrating confusion.

Mr. Schwartz / the Respondent were found to have registered and used domain names in bad faith in a number of UDRP cases involving domain names consisting of a trade mark plus the word "sucks" being used for porn sites. See *ADT Services AG v. ADT Sucks.com*, WIPO Case No. D2001-0213.

The Respondent intends to defend himself on the basis that the disputed domain name has been previously registered. That fact alone cannot prevent the Complainant from seeking a remedy, because the Policy and WIPO jurisprudence provide sufficient basis for this Complaint to succeed.

The Respondent has used the disputed domain name in bad faith in that it has intentionally attempted to attract, for the purposes of commercial gain, self-exposure and unlawful activities, Internet users to the Respondent's web site or other on-line location due to the likelihood of confusion with the Complainant's trade mark in accordance with paragraph 4(b)(iv) of the Policy. If established, this is evidence of bad faith registration and use for the purpose of paragraph 4(a)(iii) of the Policy.

As passive use can constitute bad faith use, similarly, bad faith registration can occur without regard to the state of mind of the registrant at the time of registration if the domain name is subsequently used to trade on the goodwill of the mark holder.

The Respondent's actions have violated paragraph 2(d) of the Policy, whereby domain name registrants warrant that they will not knowingly use the domain name in violation of any applicable laws or regulations. By breaching such warranty, use in bad faith renders the original registration as having been made in bad faith retroactively. *Octogen Pharmacal Company, Inc. v. Domains By Proxy, Inc. / Rich Sanders and Octogen e-Solutions*, WIPO Case No. D2009-0786.

The Respondent's bad faith is also demonstrated by the Respondent mentioning a six-figure price tag for the disputed domain name in light of the popularity of the Complainant's services.

Eventual reverse domain name hijacking allegations, as anticipated by the Respondent, must not be upheld as the Respondent has only sought cancellation of the disputed domain name.

## **B. Respondent**

### **Identical or Confusingly Similar**

The Complainant claims that it has a trade mark but produces no evidence. It has no trade mark.

The Complainant alleges confusion, not with a trade mark, but with its country code top-level domain, which is a novel approach but not within the rules.

### **Rights or Legitimate Interests**

The Respondent buys domain names and develops them into active websites. Only a certain number of domains can be developed at any one time and so the others are parked at reputable monetizing companies in the meantime.

Since registration in 1996, the disputed domain name has been used at various times to promote the Respondent's activities as well as for a range of parking pages.

Many WIPO panels have held that parking a domain name at a monetizing company is a *bona fide* use where keyed to the descriptive meaning of the domain name. Here, "save" and "me" are dictionary words with a common meaning, and Respondent's landing page did appear to have advertising related to that dictionary meaning.

## **Registered and Used in Bad Faith**

The Complainant did not even exist until 2010 and so the Respondent could not have registered the disputed domain name in bad faith in 1996.

The Respondent did not initiate the conversation regarding purchase of the disputed domain name. The Respondent was disinterested in the Complainant's offers, to the point of not even answering the last offer of \$50,000.

The only bad faith that can be proved in this case is that of the Complainant. It registered <saveme.com.br> knowing that the Respondent had been using the disputed domain name for over 15 years and had developed substantial traffic to the site. The Complainant wanted to steal that traffic for its own use.

The Complainant is wrong to claim that the Respondent is acting in bad faith if the disputed domain name is subsequently used to trade on the goodwill of the mark holder. Even if the Complainant had a mark, there are no similarities whatever between the respective websites and the Respondent does not sell any goods or services which could be considered as trading on the Complainant's goodwill.

The Complainant's allegations concerning Mr. Schwarz are irrelevant and libellous.

## **Reverse Domain Name Hijacking**

The Complainant knew that it was guilty of Reverse Domain Name Hijacking as it stated this in its Complaint.

The attorney for the Complainant knew that the domain could not have been registered in bad faith, that the Complainant had no trade mark, that no proof of common law trade mark had been presented that would give rise to secondary meaning. Because the Complainant's offer to purchase the domain name for \$50,000.00 was rejected by the Respondent, the Complainant decided that it would try to get the domain name at a substantially lower cost by filing this UDRP action. This is a classic case of Reverse Domain Name Hijacking.

## **6. Discussion and Findings**

### **A. Identical or Confusingly Similar**

The Complainant relies, first, on a pending trade mark application in Brazil.

Paragraph 4(a)(i) of the Policy requires a complainant to establish the existence of a trade mark or service mark in which the complainant has rights.

The Complainant argues that, once a Brazilian trade mark application has been filed, the applicant has a right under Brazilian law to "protect a trade mark's reputation". The Complainant invokes Article 130 of the Brazilian Industrial Property Act (Statute no. 9.279), which states: "To the trade mark owner or the depositor is also guaranteed the right to ... (III) ensure its material integrity or reputation."

However, the member of this Panel who is qualified to practice law in Brazil observes that, according to Article 129 of the Brazilian Industrial Property Act (Statute No. 9.279/96), ownership of a trade mark is acquired by a registration validly granted. While Article 130(III) does guarantee the right to trade mark applicants to safeguard its "material integrity or reputation", this does not warrant its exclusive use throughout national territory, which can only be achieved by means of the proper registration.

Accordingly, the Panel declines to find that the Complainant's Brazilian trade mark application of itself is sufficient to generate trade mark rights under the Policy.

The Complainant also relies on unregistered trade mark rights in the term "Save Me".

Paragraph 1.7 of the WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Second Edition ("WIPO Overview 2.0") sets out the consensus view as to what a complainant needs to show in order to successfully assert unregistered trade mark rights:

"The complainant must show that the name has become a distinctive identifier associated with the complainant or its goods or services. Relevant evidence of such "secondary meaning" includes length and amount of sales under the trademark, the nature and extent of advertising, consumer surveys and media recognition... For a number of reasons, including the nature of the Internet, the availability of trademark-like protection under passing-off laws, and considerations of parity, unregistered rights can arise for the purposes of the UDRP even when the complainant is based in a civil law jurisdiction. However, a conclusory allegation of common law or unregistered rights (even if undisputed) would not normally suffice; specific assertions of relevant use of the claimed mark supported by evidence as appropriate would be required. Some panels have also noted that in cases involving claimed common law or unregistered trademarks that are comprised of descriptive or dictionary words, and therefore not inherently distinctive, there may be a greater onus on the complainant to present compelling evidence of secondary meaning or distinctiveness. Some panels have noted that the more obvious the viability of a complainant's claim to common law or unregistered trademark rights, the less onus there tends to be on that complainant to present the panel with extensive supporting evidence. However, unless such status is objectively clear, panels will be unlikely to take bald claims of trademark fame for granted."

Here, the claimed unregistered trade mark consists of descriptive words and is not inherently distinctive. It therefore falls into that category of cases where there is a greater onus on a complainant to present compelling evidence of secondary meaning or distinctiveness. Yet the Complainant supplies little evidence in support of its claims as to unregistered rights.

Apart from printouts of the Complainant's website at "www.saveme.com.br" and proof of ownership of "saveme" country code top-level domains in other Latin American countries, none of which cast much light on the extent of recognition of its name, there is only a January 2012 Alexa.com printout showing that the Complainant's site has a traffic rank of 4,275 worldwide and 103 in Brazil.

While, on the face of it, these do appear to be high rankings indicative of substantial traffic volume, one cannot be sure as this is a purely comparative measure. The Complainant asserts that its "Save Me" service has achieved "wide prestige" amongst Brazilian Internet users "with some hundreds of thousands of monthly visits". It would surely have been a straightforward matter for the Complainant to produce website analytics screenshots backing up this claim, yet it has not done so. Nor is there any other information of the kind one might expect to see in support of a claim as to unregistered rights - such as proof of revenue, sales figures, advertisements and media coverage generated by reference to the name "Save Me".

In the Panel's view, the few documents provided by the Complainant fall short of the "compelling" evidence required to establish rights in the descriptive name at issue in this case.

The Panel therefore finds that the Complainant has not established the first element of paragraph 4(a) of the Policy. Even had the Complainant succeeded under this head, however, it would in any case have failed for the reasons stated below.

## **B. Rights or Legitimate Interests**

The Panel does not propose to address this aspect in view of its findings in relation to "bad faith" below.

## **C. Registered and Used in Bad Faith**

There is a fatal flaw in the Complainant's case, namely that the Respondent registered the disputed domain name in 1996, some 14 years before the Complainant started trading in 2010, and could not therefore have registered the disputed domain name in bad faith.

Paragraph 4(a)(iii) of the Policy requires the Complainant to establish that the disputed domain name has been registered and is being used in bad faith.

The Complainant invokes various uses by the Respondent of the website at the disputed domain name since 2010 including for pornography and for pay-per-click links allegedly designed to capitalise on the Complainant's reputation. However, there is no need for the Panel to address any of these issues because, even if the Complainant establishes that the Respondent later used the disputed domain name in bad faith, and no matter how reprehensible such activities might be (as to which the Panel expresses no view), the Respondent still cannot show that the disputed domain name was registered in bad faith.

Paragraph 3.1 of WIPO Overview 2.0 states the following consensus view:

"Generally speaking, although a trademark can form a basis for a UDRP action under the first element irrespective of its date . . . , when a domain name is registered by the respondent before the complainant's relied-upon trademark right is shown to have been first established (whether on a registered or unregistered basis), the registration of the domain name would not have been in bad faith because the registrant could not have contemplated the complainant's then non-existent right."

It is true that the consensus view that the Policy requires bad faith at the time of registration of the domain name has been challenged in some recent UDRP decisions, including *City Views Limited v. Moniker Privacy Services / Xander, Jeduyu, ALGEBRALIVE*; WIPO Case No. D2009-0643 ("Mummygold") and *Octogen Pharmacal Company, Inc. v. Domains By Proxy, Inc. / Rich Sanders and Octogen e-Solutions*, WIPO Case No. D2009-0786 ("Octogen").

The Complainant relies on *Octogen* and also quotes the following from Paragraph 3.1 of WIPO Overview 2.0:

"Irrespective of whether the domain name was registered before the relevant trademark was registered or acquired, a small number of panels have begun to consider the effect of the requirement of paragraph 2 of the UDRP, which states: "By applying to register a domain name, or by asking us to maintain or renew a domain name registration, you hereby represent and warrant to us that . . . (d) you will not knowingly use the domain name in violation of any applicable laws or regulations. It is your responsibility to determine whether your domain name registration infringes or violates someone else's rights." Some panels have regarded this as a warranty at the time of registration that the domain name will not be used in bad faith, finding that, by breaching such warranty, use in bad faith may render the registration in bad faith. Other panels have looked at the totality of the circumstances in assessing "registration and use in bad faith," as a unitary concept, given that some of the circumstances listed as evidence of bad faith registration and use in paragraph 4(b) of the UDRP appear to discuss only use and not registration."

The Complainant omits the final two sentences from this paragraph, which state:

"Still other panels that have considered these approaches have instead reaffirmed the "literal" interpretation of bad faith registration and bad faith use regardless of paragraphs 2 or 4(b) of the UDRP. This is a developing area of UDRP jurisprudence."

In *Mile, Inc. v. Michael Burg*, WIPO Case No D2010-2011 ("Mile"), the panel observed that "[T]he consensus view since the Policy was implemented in 1999 has been that the conjunctive "and" indicates that there must be bad faith both at the time of registration and subsequently".

In the *Mile* case, the panel considered numerous decisions rendered after the *Mummygold/Octogen* cases and concluded as follows:

“If a consensus developed that a line of prior decisions had reached the wrong result, and if panels generally adopted a new approach on an issue, this Panel also would be open to considering whether a new approach was appropriate, both substantively under the Policy and in order to promote consistency. However, the *Mummygold/Octogen* reasoning has not prompted any such consensus; to the contrary, a number of decisions have expressly considered and rejected it. See, e.g., *Validas, supra*; *Eastman Sporto, supra*; *Torus Insurance Holdings Limited v. Torus Computer Resources*, WIPO Case No. D2009-1455; *Camon S.p.A. v. Intelli-Pet, LLC*; WIPO Case No. D2009-1716; *Tata Communications International Pte Ltd (f/k/a VSNL International Pte Ltd) v. Portmedia Inc. / TRUERROOTS.COM c/o Nameview Inc. Whois*; WIPO Case No. D2010-0217 (majority opinion); *Burn World-Wide, Ltd. d/b/a BGT Partners v. Banta Global Turnkey Ltd*; WIPO Case No. D2010-0470; *A. Nattermann & Cie. GmbH and Sanofi-aventis v. Watson Pharmaceuticals, Inc.*; WIPO Case No. D2010-0800 (majority opinion). The fact that so many panelists have declined to follow the *Mummygold/Octogen* approach argues against an emerging consensus to overturn a long-established doctrine and provides yet another reason for this Panel to decline to adopt the *Mummygold/Octogen* reasoning.”

This Panel respectfully adds its voice to those who decline to follow the *Mummygold/Octogen* approach and sees no reason to depart from the long-held and consistent view of UDRP panels (with the concomitant benefit of clarity and certainty for parties to UDRP cases) that paragraph 4(a)(iii) means what it appears to say, namely that the conjunctive “and” indicates that there must be bad faith both at the time of registration and subsequently.

The Panel therefore finds that the Complainant has failed to establish the third element of paragraph 4(a) of the Policy.

Accordingly, there is no need for the Panel to consider the other issues raised by the Complainant concerning bad faith including the alleged pattern of UDRP bad faith findings against Mr. Schwarz and also the price sought by the Respondent to sell the disputed domain name following the Complainant’s approach. None of this can retrospectively alter the lack of bad faith at the time of registration of the disputed domain name. The Complainant’s remedy, if there is one, arising from its many grievances against the Respondent must lie in the courts.

#### **D. Reverse Domain Name Hijacking**

Paragraph 15(e) of the 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 .... 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 (“RDNH”) is defined in paragraph 1 of the Rules as “using the Policy in bad faith to attempt to deprive a registered domain-name holder of a domain name.”

A number of UDRP cases have considered the principles of RDNH. For example, the panel in *Yell Limited v. Ultimate Search*, WIPO Case No. D2005-0091 noted that whether a complainant should have appreciated at the outset that its complaint could not succeed will often be an important consideration.

In *Prime Pictures LLC v. DigiMedia.com L.P.*, WIPO Case No. D2010-1877, the panel made a finding of RDNH in circumstances where, as here, the complaint failed because the relevant rights post-dated the domain name in issue. The panel considered it unlikely that the deficiency was overlooked by the complainant’s counsel and, more probably, that it was deliberately ignored in framing the Complaint.

In this case, the Panel is satisfied that the Complainant’s representatives were well aware of the importance of the chronological issue. The Complainant’s representatives are evidently familiar with the UDRP and both the Complaint and Amended Complaint make extensive reference to previous UDRP decisions. Yet the version of the Complaint originally filed simply ignored the issue of registration in bad faith, labelling the third factor as “Bad Faith In the Domain Name Use”. This must have involved deleting the reference to registration in bad faith from WIPO’s complaint template. After the Centre drew attention to this deficiency,



the Complainant filed the Amended Complaint which belatedly addressed the issue of bad faith registration and, for the first time, invoked *Octogen*, seemingly as an afterthought.

Furthermore, the Complainant even predicted in the Amended Complaint that the Respondent would make an allegation of RDNH and so the Complainant clearly knew that it was skating on very thin ice.

The Complainant argued that RDNH cannot arise because the Complainant has merely sought cancellation of the disputed domain name, not transfer. The Panel disagrees. First, complainants should not be allowed to file cases known to be fatally flawed without the possibility of a finding of RDNH against them, by simply fine tuning the remedy sought. Second, as mentioned above, RDNH is defined as use of the Policy in bad faith "to attempt to deprive" a registrant of a domain name. If the Panel had ordered cancellation, the disputed domain name would in due course return to the domain pool where it would no doubt be subject to the attentions of the Complainant and others, with only a possibility that the Respondent itself might ultimately re-register it (assuming the Respondent sought to do so). Accordingly, the Complainant's request for cancellation is no less an attempt to deprive the Respondent of the disputed domain name than a request for transfer would have been.

For the above reasons, the Panel finds that there has been RDNH in this case.

## **7. Decision**

For all the foregoing reasons, the Complaint is denied and the Panel declares that it was brought in bad faith and constitutes an abuse of this proceeding.

**Adam Taylor**  
Presiding Panelist

**Rodrigo Azevedo**  
Panelist

**The Hon Neil Brown Q.C.**  
Panelist  
Dated: May 31, 2012