WIPO Arbitration and Mediation Center

ADMINISTRATIVE PANEL DECISION

Hydentra, LP. v. Xedoc Holding SA

Case No. D2008-0454

1. The Parties

1.1 The Complainant is Hydentra, LP. of Santa Monica, California, United States of America, represented by Davis Wright Tremaine LLP, of United States of America.

1.2 The Respondent is Xedoc Holding SA, of Luxembourg, represented by Renova, Ltd., Spain.

2. The Domain Name and Registrar

2.1 The disputed domain name <metart.com> (the "Domain Name") is registered with Fabulous.com (the "Registrar").

3. Procedural History

3.1 The Complaint was filed with the WIPO Arbitration and Mediation Center (the "Center") on March 21, 2008. On March 26, 2008, the Center transmitted by email to the Registrar a request for registrar verification in connection with the domain name at issue. On March 27, 2008, the Registrar transmitted by email to the Center its verification response confirming that the Respondent is listed as the registrant and providing the contact details. The Center verified that the Complaint satisfied the formal requirements of the Uniform Domain Name Dispute Resolution Policy (the "Policy"), 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").

3.2 In accordance with the Rules, paragraphs 2(a) and 4(a), the Center formally notified the Respondent of the Complaint, and the proceedings commenced on April 8, 2008. In accordance with the Rules, paragraph 5(a), the due date for Response was April 28, 2008. The Response was filed with the Center on April 28, 2008.

3.3 The Center appointed Matthew S. Harris, Peter L. Michaelson and David E. Sorkin as panelists in this matter on May 29, 2008. 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.

3.4 Having reviewed the parties' submissions the Panel issued a procedural order in this matter on May 30, 2008 (the "Procedural Order"). It ordered that the Complainant address the issue of the Complainant's existence and standing raised in the Response, and that the Respondent provide further details regarding its acquisition of the Domain Name, by no later than June 9, 2008. The Procedural Order provided that each party be permitted to respond to the other's submission by June 16, 2008 and that time for the delivery of this decision be extended to June 23, 2008. The Procedural Order stated that a failure by either party to provide further submissions sought might result in the Panel drawing inferences of fact adverse to that party.

3.5 On May 30, 2008, the Complainant, not yet having had sight of the Procedural Order filed a supplemental submission. The Panel informed the Complainant that it was open to the Complainant, if it so wishes, to designate its submission as its additional submission for the purposes of the Procedural Order.

3.6 Later the same day the Panel received a communication from the Respondent's representative requesting an extension of time to comply with the requirements of the Procedural Order. The Panel consented to this request and ordered that

(i) The time for the Respondent to submit its supplemental submission be extended until June 16, 2008;

(ii) The time for the Complainant to put in an additional submission in response to the Respondent's submission be extended to 6pm GMT, June 23, 2008;

(iii) The date by which the Panel should issue its decision be extended to June 30, 2008.

3.7 On June 9, 2008 the Complainant submitted a submission pursuant to the Procedural Order (into which its earlier supplemental submission was incorporated) (the "Complainant's Supplemental Submission").

3.8 On June 16, 2008, the Respondent submitted a submission pursuant to the Procedural Order (the "Respondent's Supplemental Submission") and a submission in response to the Complainant's Supplemental Submission ("Respondent's Response to the Complainant's Supplemental Submissions").

3.9 On June 23, 2008, the Complainant submitted a submission in response to the Respondent's Supplemental Submission ("Complainant's Response to the Respondent's Supplemental Submissions").

3.10 Given the volume of the parties submission, the Panel further ordered on June 30, 2008, that the time by which the Panel should issue its decision be extended to July 7, 2008.

3.11 On July 1, 2008, the Center received a further submission from the Complainant ("Complainant's Non-standard Submission"). On July 3, 2008, the Center also received a further submission from the ("Respondent's Non-standard Submission").

4. Factual Background

4.1 The current standing of the Complainant is disputed and this issue is addressed in greater detail later on in this decision. Nevertheless it is clear that at least historically, the Complainant took the form of a limited liability partnership, under the law of Delaware, that was formed in January 2003. The Complainant's general partner is HLP General Partner Inc ("HLP"), a corporation registered in the state of Texas.

4.2 The Complainant is engaged in the business of the operation of a web site that provides high resolution nude photography. The web site first was made available in 1999 from the url "www.mosteroticteens.com". It has subsequently used a number of additional domain names including, in January 2002, <met-art.com>. The web site receives in excess of 700,000 visitors a day from around the world. In the period April 20, 2008 to May 20, 2008 it had over 29 million visitors, over 9 million of which came from the United States, whilst in excess of 6 million came from Europe[1].

4.3 The Complainant is the owner of a number of US registered trade marks including:

(i) No. 2,908,577 dated December 7, 2004 in the following form:

(ii) No. 3,152,759 dated October 10, 2006, for the word "METART"

4.4 The Respondent is a Luxembourg corporation. It acquires domain names for use in what it terms "direct Navigation and affiliation programs".

4.5 The Domain Name was originally registered in 1997 in the name of Met Art Inc. It was subsequently transferred to Omega Trading Limited before being transferred to the Respondent in about November 2007.

4.6 Upon transfer to the Respondent, the web site operating from the Domain Name looked like a search engine that basically comprised little more than the text of the Domain Name in large letters, a text box next to a "search" button and the words "The Searching Revolution". This "search engine" would produce sponsored results dependent upon the exact term entered by the user. However,

[1] The figure is taken from the figures for Germany (3 million), United Kingdom (1.5 million), France (1.3 million) and Poland (0.7 million) provided by the Complainant.

when the internet user sought to click away from this search engine a further pop up page appeared with links to various terms. These included such terms as "Met Art Photography, "Met Art", "Met Art Models", "Met Art Jpg" and "Mosteroticteens", but also terms such as "Art Gallery", "Photo Gallery", "Matisse" and "Portrait".

4.7 At some point since that date, (and, significantly, after the Complaint was filed in these proceedings)[2] the use of the Domain Name changed to redirect internet users to the web site operating at <metropolitanart.com>, which indirectly offers for sale poster copies of various art works produced by the third party, "Art.com". This web site remains operational at the date of this decision.

5. Parties' Contentions

A. Complaint

5.1 Whilst the Complaint is brought in the name of "Hydentra, LP", it contends that the Complaint is also brought in the name of its general partner, HLP and that the term "Complainant" in its submissions should be understood accordingly.

5.2 The Complainant refers to the registered trade marks already described in this decision and provides further evidence of the fame and reputation of its business. As a consequence it claims both registered and common law rights in the terms MET and METART. The Domain Name is therefore said to be identical or confusingly similar to a trade mark in which the Complainant has rights.

5.3 On the question of rights and legitimate interests the Complainant contends that the Domain Name has only been used for domain name parking purposes and that it is therefore clear that the Domain Name has been used to generate click-through income from internet users seeking the Complainant's web site. It claims that domain name parking use does not provide a legitimate right or interest for the purposes of the Policy.

5.4 The Complainant contends that the registration and use of the Domain Name in this fashion was in bad faith. On the question of bad faith registration it contends that the recent transfer of the Domain Name to the Respondent constitutes a new registration for the purposes of the Policy. Therefore although the Domain Name was initially registered in 1997, the question of bad faith registration in this case is to be judged as at November 2007.

B. Response

5.5 Before addressing individually the relevant elements of the Policy, the Respondent contends that the Complainant is unable to bring these proceedings. The reasoning offered is as follows:

(i) HLP's charter was irrevocably forfeited by the State of Texas on February 7, 2007 for failure to pay taxes (and evidence of this is provided).

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[2] This is clearly alleged in the Complaint and although the Respondent alleges that this site became live "shortly after" January 2008, this specific assertion is not contested. In the circumstances, the Panel does not consider this to be substantively disputed by the Respondent.

(ii) HLP is the sole general partner of Hydentra, LP and under Delaware Corporate Code a limited partnership (LP) may only act through its general partner and ceases to be a general partner upon the revocation of its charter.

(iii) There being no legally existing general partner, the Complainant does not legally exist and thus has no standing in this matter.

5.6 The Respondent contentions so far as legitimate interests, and bad faith are concerned are lengthy but it offers a summary of what it contends the relevant facts to be. This (with some of the Respondent's references omitted) is as follows:

"Xedoc acquired the Domain Name in an open and transparent manner from the prior registrant. The Domain Name was first registered in 1997 by Metart, Inc. …. It was subsequently transferred to Omega Trading Ltd … Sedo subsequently approached Xedoc with an offer to have SEDO broker a transaction and the domain was thereafter transferred to Xedoc in the above arms-length transaction.

Xedoc's use of the Domain Name is consistent with its contextual meaning. The Domain Name resolves to a centralized web site associated with artwork in general. Xedoc also owns other art related domain names including metropolitanart.com and abstractart.com, both of which also resolve to the same website. …

Xedoc's sole interest in the Domain Name was because it was a short, generic/descriptive term and therefore valuable to Xedoc in its business. As noted, Xedoc has many other generic/descriptive domain names that are directly related to the same theme.

Xedoc had no knowledge of … the existence, let alone the business or trademark claims being asserted by Complainant until it received a copy of the Complaint in this action. By then it had long ago paid the purchase price and had used the Domain Name as noted above. That Complainant may have a trademark registered at the USPTO does not place Xedoc on actual or constructive knowledge. Xedoc is a Luxembourg corporation. …

Any lack of knowledge is reasonable and not wilful ignorance. Both "met" and "art" are common English words used by millions in association with paintings, museums, and art in general. The definition of "met" includes: "To become introduced, to assemble, and to occur together". It is widely used colloquially to describe a location where art may be viewed, purchased or otherwise enjoyed as in the New York Metropolitan Opera Company, New York Metropolitan Opera House, or Metropolitan Art Museum. "Art" is of course widely defined and includes: "The quality, production, expression, or realm, according to aesthetic principles, of what is beautiful, appealing, or of more than ordinary significance, and the class of objects subject to aesthetic criteria; works of art collectively, as paintings, sculptures, or drawings: a museum of art; an art collection. …

Complainants claim to have selected the name because metart.com had been registered since 1997. Thus, they intentionally chose the domain name met-art.com knowing full well that metart.com existed. Any goodwill associated or attributed to the Domain Name was that of the prior registrant and not to Complainant. Having been held by a third party for over ten (10) years, it is inherently illogical to presume that after so much time, Complainant's customers

are now mysteriously (and suddenly) typing in the Domain Name in the hopes of now reaching Complainant. One cannot suddenly claim confusion and misappropriation of good will simply because Xedoc has now acquired the Domain Name. These two domain names have peacefully co-existed for many years with the full knowledge of Hydentra."

5.7 As to the Complainant's contentions that the web sites operating from the Domain Name generated "pop-up" with sponsored links with an adult theme, the Respondent responds as follows:

[The Exhibit to the Complaint that contains this material] is completely unknown and cannot be verified. It bears no date stamp or even a footer typical of a pdf of a web site. There is simply no way of knowing the source or date of this Exhibit. The site is completely inconsistent with [other Exhibits]. Xedoc does not operate with pop-up or pop-under pages. Even if [the Exhibit] was correct, it would not be sufficient to show bad faith registration. All of the other evidence shows a general and generic use.

5.8 In these circumstances, the Respondent claims that it has a legitimate interest in the Domain Name and denies that the Domain Name was registered and used in bad faith. A very large amount of previous case law under the UDRP is cited in support of its contentions in this respect.

5.9 The Respondent also contends that in this case the circumstances are such that the Complainant's actions constitute reverse domain name hi-jacking.

C. Complainant's Supplemental Submission

5.10 The Complainant contends that even if the Respondent's contentions in respect of HLP are correct, it makes no difference since it maintains that as a matter of US law even where a corporation technically ceases to exist, by virtue of having involuntarily forfeited its state charter, it continues as an unincorporated association which may still sue or be sued in federal court to enforce a trade mark right. It refers in this respect to the decision of *Committee for Idaho's High Desert v. Yost*, 92 F.3d 814 (9th Cir 1996).

5.11 Further, whilst it accepts that HLP is "temporarily not in good standing" under Texas law, this is due to a failure to make certain tax payments that is in the process of being corrected. Once done the company will have be deemed to have continued without interruption from the date of dissolution. In any event evidence is provided that HLP remains in good standing as a matter of Delaware law.

5.12 The Complainant also makes further comments on the assertions of fact to be found in the Response. In particular it contends that whilst the Respondent annexes exhibits to its response material that purport to show registration dates for other art-related domain names in its possession of November 2003 and September 1999, it provides evidence in the form of a print out from the "DN Journal, the Domain Industry News Magazine" that suggest that the Respondent actually acquired these domain names in late January / early February 2008; i.e. after the date of acquisition of the Domain Name.

5.13 The Complainant also further contends that the Respondent is in reality controlled by Slavik Viner, who is a US resident and "a major player in the pornographic

web site business and a regular participant in such important domain name industry events as the World Association of Domain Name Developers annual TRAFFIC and TRAFFIC West conferences and auctions". Further it contends that previous domain name decisions suggest that Xedoc's business model is to "purchase domain names that have a history of generating significant traffic or contain generic terms or descriptive terms that, by virtue of their acquired distinctiveness by a trade mark holder, have the potential to generate significant traffic, and associates them with inexpensive parking pages to generate revenues through pay-per click links or targeted searches". In the circumstances, it is said to be "inconceivable" that at the time the Respondent registered the Domain Name that it was unaware of the Complainant's mark.

5.14 The Complainant also makes reference to a number of WIPO decisions which are said to support the contention that "a professional domainer has a duty to make a good faith effort to avoid the likelihood of confusion with another's trademark".

D. Respondent's Supplemental Submissions

5.15 The Respondent produces a list of further domain names that it has registered since 2004[3] and which it states constitute further evidence of its intention. Xedoc's activities are said to be consistent with its overall business model of securing generic/descriptive terms as domain names (of which it says it owns "thousands").

5.16 The Respondent characterises its domain name acquisition policy as follows:

"While Xedoc continues to generally expand its portfolio to include individually valuable generic/descriptive domains, it attempts to focus its activities on vertical market areas, striving to obtain the domain names that are as close as possible to the "top of class" generic/descriptive domain name in targeted verticals."

5.17 The Respondent claims that it first became aware of the Domain Name when it was listed for sale on Sedo in late April 2007. It was interested in acquiring it with a view to "further expanding its art-domain vertical" but the price sought (i.e. US$ 300,000) was too expensive. It then further became aware of it in late spring 2007 when the Domain Name was listed for deletion. It was at this stage that the Respondent approached Sedo to purchase the Domain Name, which it did in return for a payment of US$100,000 plus a US$10,000 commission. Various emails between Sedo and the Respondent are exhibited in this respect. Some of these are redacted but an explanation of this is given in a footnote. In particular, the Respondent states:

"Some documents may have been partially redacted so as to preclude the inadvertent disclosure of highly confidential information such as bank account numbers, user names, passwords and the like."

5.18 The Respondent provides a description as to the mechanism of transfer of the Domain Name to it. In particular the Domain Name was transferred to "SEDO's escrow account at Key-Systems" and arrived at the Respondent's account at the Registrar in October 2007. The Registrar then imposed its "standard default

[3] The Respondent requests that the list of names provided be kept confidential since its disclosure might be useful to its competitors and/or might result in domain names in which it is interested becoming unavailable.

settings". By November 2007, the web site operating from the Domain Name showed a "general search page with no listings whatsoever".

5.19 As a result of other business projects (which are described) the Respondent contends that it was unable to turn its mind to development of a site operating from the Domain Name. It claims that:

"It is for this reason that the Domain Name continued to appear as a generic text box for searches through the fall of 2007 and early 2008. The search box is the generic default that is set for all domain names newly arriving in Xedoc's account at Fabulous.com."

5.20 The Respondent also contends that it is not odd that robot.txt has been used in such a way that it prevents the retrieval of historical records for the Domain Name from the archive.org web sites. The explanation given for this is that:

> "advertisers regularly require that a publisher exclude "clicks" generated by automated systems. The spiders and crawlers used by Archive.org to generate images are in fact automated systems and their entry to the website would trigger prohibited "clicks". These same principals apply in Direct Navigation (PPC) pages where Google (or Yahoo) and its publishers prohibit the use of automated systems that generate clicks."

5.21 The Respondent also further elaborates on the "pop-up" page issue stating that it has "no idea" how the "pop under page appeared for this site and did not authorize anyone to provide it". It claims that these may have been generated as a consequence of the Complainant's own searches on the "generic" search engine provided from the Domain Name.

5.22 In support of its position, the Respondent also files a declaration in the name of Paul Raynor Keating that is said to be given "under the penalty of perjury". Mr. Keating asserts:

(i) That he is an attorney licensed to practice by the State of California.

(ii) That he is a director of the Respondent and familiar with the ownership of the corporation and that "Mr. Viner is not listed in the records of the corporation as a shareholder".

(iii) Prior to receipt of the Complaint he claims that he had "no knowledge of Hydentra, HLP General Partners Inc. or the asserted trade marks, websites or businesses". He also states that "I have communicated with the other directors and with any employees of the corporation. They have each informed me that they had no such knowledge prior to August 13, 2007 when MetArt was acquired."

E. Respondent's Response to the Complainant's Supplemental Submissions

5.23 The Respondent complains that elements of the Complainant's Supplemental Submissions fall outside of the scope of the Panel's Procedural Order, but goes on to address these submissions at length.

5.24 It makes submissions to the effect that the way in which Texas law operates means that HLP cannot be reinstated as a corporation. It also maintains that *the*

Committee for Idaho's High Desert v Yost case relied upon by the Complainant does not apply here because in that case the action was brought in the name of an unincorporated association rather than the dissolved corporation. Further it contends that although "Texas law allows some minor authority for a forfeited corporation to act, that authority is limited to winding up the business, not continuing it". Lastly it contends that the Certificate of Good Standing, under Delaware law should be disregarded because it "is more likely than not that in requesting the Certificate of Good Standing, Hydentra did not bother to mention" the status of HLP under Texas law.

5.25 So far as the Respondent's other art related domain names are concerned the Respondent claims that these were registered on various dates between 2004 and 2006. So far as the WhoIs information provided by the Respondent in relation to the <metropolitanart.com> and <abstractart.com> domain names are concerned, the Respondent contends that its lawyer when it performed the search inadvertently "failed to include a history search for the domain" and that "Any error caused was unintentional, entirely by Mr. Keating's firm and cannot be attributed to Xedoc".

5.26 As to the allegations regarding Mr. Viner, the Respondent contains that:

"Mr Viner does not control all or any part of Xedoc. Xedoc is a duly registered Luxembourg corporation. None of its shareholders are US citizens or residents. Its directors are publically listed. They include Mr. Keating who is a director of a number of corporations".

5.27 The fact that Xedoc owns several adult oriented domain names is said not to show that Xedoc had knowledge of the Complainant and the Respondent contends that "Xedoc has no knowledge of or experience in the adult sector".

5.28 As to the Complainant's contention that professional domainers have a duty to make a good faith effort to avoid the likelihood of confusion with another's trade mark, the Respondent's points to a number of decisions under the Policy that are said to hold otherwise.

F. Complainant's Response to the Respondent's Supplemental Submissions

5.29 The Complainant contends in this particular submission that notwithstanding the Respondent redaction of certain emails appended to its submissions, it was possible for the Complainant to see what was behind those redactions. In particular, some text was not fully obscured and when the pdf text was copied by it to a Microsoft Word file, the redactions disappeared in their entirety.

5.30 Once these redactions are removed, the Complainant contends that it is apparent that Mr. Slavik Viner was the individual who conducted the negotiations with Sedo in relation to the purchase of the domain name[4].

5.31 As a consequence the Complainant contends that the Respondent has sought to deliberately hide Mr. Viner's connection with the Respondent. Further, since the material discloses Mr. Viner's email address, the Complainant has been able to

[4] The Complainant also refers to a redacted email in relation to another domain name which is said to support the Complainant's case. However, given that this may be an email seeking advice from Mr. Keating, the Panel has out of an abundance of caution decided to disregard this material for the purposes of this decision.

discover further evidence to show that Mr. Viner frequently frequents and posts on various "adult webmaster forums" and it is "not conceivable that he would not be aware of one of the most well-known adult nude photography sites in existence".

5.32 Further, the Complainant contends that given these facts the Respondent's contentions about the knowledge of Xedoc and its directors and its registered shareholders and employees whilst perhaps strictly true are "disingenuous" and amount to an attempt to deliberately deceive the Panel.

5.33 The Complainant also contends that it is not conceivable that the Respondent could recoup an investment of US$110,000 in a domain name, from "a static webpage with 16 hyperlinks to art prints". It claims the only credible explanation is that the Respondent's intended to "tap into traffic attempting to reach [the] Complainant's web site".

G. Complainant's Non-Standard Submission

5.34 On July 1, 2008, the Complainant filed yet a further submission. It simply took the form of a letter to which were attached single paged documents from the Texas Comptroller of Public Accounts and a certificate from the Office of the Secretary of State. The certificate dated June 30, 2008, certified that HLP was now recognised by Texas to be in existence with an effective date of January 1, 2003.

H. Respondent's Non-Standard Submission

5.35 On July 3, 2008, the Respondent filed yet a further submission. The submission took the form of further argument and a declaration from two other directors of the Respondent. For reason's that are described later on in this decision, there is no need to set out the nature of this submission in any further detail.

6. Discussion and Findings

6.1 The Panel has reviewed the Complaint, Response, the parties' supplemental submissions and the documents annexed thereto. In the light of this material, the Panel finds as set out below.

6.2 Under the Policy the Complainant must satisfy the requirements set out in paragraph 4(a) of the Policy. Namely the Complainant must prove that:

(i) the Domain Name is identical or confusingly similar to a trade mark or service mark in which the Complainant has rights (paragraph 4(a)(i)); and

(ii) the Respondent has no rights or legitimate interests in respect of the Domain Name (paragraph 4(a)(ii)); and

(iii) the Domain Name has been registered and is being used in bad faith (paragraph 4(a)(iii)).

6.3 The Panel will consider each of these requirements in turn. Before it does so it is necessary to briefly address the Respondent's contention that elements of the Complainant's Supplemental Submission should be ignored as they fall outside of

the scope of the Procedural Order.

6.4 The Respondent is certainly correct that parts of the Complainant's Supplemental Submission fall outside of the scope of that part of the Procedural Order directed to the question of the Complainant's status. As such these parts of the document constitute a supplemental filing under the Policy. As a general rule, a supplemental filing will rarely be considered. In *DK Bellevue, Inc. d/b/a Digital Kitchen v. Sam Landers*, WIPO Case No. D2003-0780, the panel stated as follows:

"As is by now well-established, the Rules do not provide any right of reply. *Parfums Christian Dior S.A. v. Jadore*, WIPO Case No. D2000-0938 (November 3, 2000). Although supplemental submissions may be accepted to address new legal developments, see, e.g., *Pet Warehouse v. Pets.Com, Inc*., WIPO Case No. D2000-0105 (April 13, 2000), or to rebut unexpected factual assertions, see, e.g., *Pacific Fence & Wire Co. v. Pacific Fence and Jim Paradise,* WIPO Case No. D2001-0237 (June 11, 2001), they should be allowed sparingly."

6.5 However, the Panel have little hesitation in concluding that it should admit and consider these elements of the Complainant's Supplemental Submission. First, elements of this submission address new factual assertions on the part of the Respondent in the Response (for example the reliance by the Respondent on its purchase of the <metropolitanart.com> domain name). Second, those elements of the Complainant's Supplemental Submission that contain allegations about Mr. Viner simply anticipate the Respondent's Supplemental Submission as to the circumstances surrounding the registration. The Panel will not disregard them simply because they were made before rather than after the Respondent's Supplemental Submission.

6.6 There is also the question of the Complainant's and the Respondent's Non-Standard Submissions. The Panel is prepared to take the Complainant's Non-Standard Submission into account. The documents provided by the Complainant only came into existence as at the end of June 2008 and accordingly could not reasonably have been forwarded to the Panel at an earlier date. They are also highly pertinent to the parties' submissions on the issue of the Complainant's existence in relation to which the Panel had previously sought further submissions in its Procedural Order. In contrast, the Panel is not prepared to take into account the Respondent's Non-Standard Submission. There is nothing in that submission that the Panel considers relevant to these proceedings that could not have been disclosed to the Panel earlier. In any event, the Panel does not believe that there is much that is new in that submission and nothing were they to take this material into account that would lead it to come to a different conclusion on any of the issues in this case.

A. Identical or Confusingly Similar

6.7 Leaving aside the question of the status and standing of the Complainant, this aspect of the case is straight forward. The Complainant is the registered owner of two US registered trade marks, one of which comprises the word "METART" and the other a device in which the word "METART" is the predominant part. In the circumstances, the Panel has little difficulty in concluding that the Domain Name is confusingly similar, if not identical, to these marks.

6.8 However, the question of the Complainant's status and standing raises the

separate question that notwithstanding what is recorded on the US trade mark register, whether these are marks in which the Complainant has rights.

6.9 The Panel's initial reaction to the Respondent's claims here were one of scepticism. First, the Respondent at times seems to accept that the Complainant notwithstanding its alleged status in Texas could bring proceedings for the purposes of winding down the company. If so it is difficult to see how then the Respondent could sensibly object to the Complaint. The Respondent's complaint that the Complainant was actually doing this for the illegitimate purposes of continuing its trading activities is something that is not for this Panel to police, but for the relevant authorities and bodies in the United States. Second, this Panel is fundamentally reluctant to intervene or engage in a dispute regarding the status of an entity where conflicting material is brought before it as to the Complainant's status in two different US States. Third, there have been many previous cases under the Policy in which panels have expressed a reluctance to accept arguments that notwithstanding the existence of a registered US trade mark in the name of a complainant, that complainant nevertheless does not have rights for the purposes of the Policy. Admittedly, in most of these cases the attempted attack on the mark was on trade mark grounds (e.g. it is claimed that the mark lacks distinctiveness), but the Panel believes that there is a more general principle at stake here. That is that, if for any reason a party considers a trade mark registration to be invalid, ordinarily the appropriate place to challenge that mark is in the registry and not in proceedings under the Policy.

6.10 Nevertheless, ultimately it has not been necessary for the Panel to rule on these issues as it would appear from the Complainant's Non-Standard Submission that the question is now academic. HLP is now recognised as being in existence with retrospective effect in the State of Texas and consequentially the Respondent's arguments regarding the non-existence of the Complainant fall away.

6.11 In the circumstances the Complainant has made out the requirements of paragraph 4(a)(i) of the Policy.

B. Rights or Legitimate Interests

6.12 The parties' contentions on both the questions of "rights or legitimate interests" and "bad faith" are lengthy and each has cited a large number of cases in support of their respective positions. Very little of this has been of assistance to the Panel.

6.13 The issues in this case are straight forward and they are (as is often the case with decisions under the Policy) predominantly factual. The Respondent claims that it is in the business of registering "generic" domain names and maintains that it registered the Domain Name without any knowledge of the existence of the Complainant, its marks or business. It admits that the Domain Name was used for a while as a "generic search portal" which returned sponsored results. This, however, it claims was a legitimate use of the Domain Name. Further it contends that in this particular case this early use was only temporary as it then sought to "realise the potential" of the Domain Name (together with a number of other "art" related domain names) by using it in connection with a web site for the sale of reproductions of various art works.

6.14 If the Respondent's factual contentions in this case are correct, it will succeed. The Complainant, however, contends that they are not and that the Respondent

registered the Domain Name to take advantage of the reputation that the Complainant has built up in the METART mark.

6.15 For the reasons that are explained in greater detail under the heading of "bad faith" below, the Panel concludes that the Complainant is correct. The Panel does not believe that the Respondent was in any credible sense unaware of the Complainant's business under the METART name at the time it acquired the Domain Name. It is also of the view that the Respondent deliberately acquired the Domain Name with a view to generating revenue through a search portal (whether or generic or otherwise) from internet users endeavouring to find the Complainant's web site. Such use does not provide a right or legitimate interest for the purposes of the Policy (see, for example, the decision of three member panel in *Express Scripts, Inc. v Windgather Investments Ltd.*, WIPO Case No. D2007-0267 and paragraph 2.2 of the WIPO Panel Overview of WIPO Panel Views on Selected UDRP Questions).

6.16 In the circumstances the Complainant has made out the requirements of paragraph 4(a)(ii) of the Policy.

C. Registered and Used in Bad Faith

6.17 Key to the assessment of bad faith in this case is what the Respondent knew about the Complainant's business and marks at the time of registration.

6.18 The Complainant at one point contends that knowledge is not necessary because professional domainers have a duty to make a good faith effort to avoid the likelihood of confusion with another's trade mark. The Panel rejects that any such principle is applicable in this case. It accepts that there are a number of cases which suggest that persons engaged in automatic registration have a higher duty of enquiry placed upon them. However, these cases are controversial and not universally accepted (see for example *Promatic International Limited v. Name Administration Inc*. WIPO Case No. D2006-0673; *Media General Communications, Inc. v. Rarenames, WebReg*, WIPO Case No. D2006-0964). Further, the fact of the matter here is that there is no suggestion of automated registration. The Respondent sought to deliberately register the Domain Name as a result of negotiation with a broker and paid in excess of $100,000 for the Domain Name. The question is what the Respondent actually knew and actually intended.

6.19 In this case the Panel believes, for various reasons, that the Respondent was well aware of the Complainant's interest in the METART mark.

6.20 There are a number of factors that point in that direction in this case. One is the price paid for the Domain Name itself. It does not necessarily follow from the large price paid for a domain name that it has been registered because of its trade mark significance or connection. There are many examples of domain names that are worth very significant sums of money because of their truly generic attraction. However, there is a lack of any real explanation from the Respondent as to why the term "metart" might be so attractive in a generic sense to justify a price in excess of US$100,000. It is not an ordinary word in its own right and although it can be read as a contraction and conjunction of the words "metropolitan" and "art" no explanation is offered as to why these words in combination might be so valuable. In the circumstances, the high price paid for the Domain Name

supports an inference that the Respondent acquired it primarily because of its trade mark value.

6.21 Another factor is the Complainant's evidence that at the time that the Domain Name operated as a "generic search portal" that it also generated a "pop-up" or "pop-under" page that generated sponsored links to adult related material. The Respondent's contentions here are that it does not know how this page was created, it was not responsible for the content that appeared on this page and that it suspects that the page may have been generated as a result of searches that the Complainant has undertaken on the generic page when preparing the Complaint. However, in the Panel's view this is an inadequate response.

6.22 For reasons that have been explained in a number of previous decisions (see, for example, *Owens Corning v. N.A*, WIPO Case No. D2007-1143) the owner of a domain name that is used for "domain parking" or similar activities can influence by the use of key words and the like, the sponsored search results that appear. Therefore, where the sponsored results produced do not obviously correlate merely to the alleged "generic" meaning of terms embodied in the relevant domain name, a panel may well infer that it influenced those results and from that go on to infer knowledge on the part of the respondent of the trade mark significance of this term. "Metart" is not a term that could be said to be generically associated with the adult goods and services. Therefore, those links call out for a proper explanation and none was really forthcoming.

6.23 Even if the Respondent's contentions that it did not know why this "pop up" page appeared were taken at face value, it uniquely was in a position to provide evidence as to what was going on in this case as it is the party that had the relationship with the entity (i.e. Hit Farm) that produced that page. However, as the Complainant tellingly contends "while the Respondent contacted the broker of the Domain Name in order to locate information for its current submissions to the Panel, it conspicuously made no such effort to contact its own vendor, Hitfarm for information relating to the popup".

6.24 From these factors, the Panel can and does infer the Respondent's knowledge. But there is in this case far more direct, overwhelming and compelling evidence in the form of the emails with Sedo regarding the purchase of the Domain Name. In their un-redacted form they clearly show that Mr Viner was directly involved in the negotiations for the purchase of the Domain Name.

6.25 As the Complainant's evidence clearly shows, Mr Viner is an individual who is familiar with the adult internet industry. He has posted in adult content related forums in which the Complainant's site has been specifically mentioned. Given this and the size and the reputation of the Complainant's business, it is quite inconceivable that at the time he purchased the Domain Name, he was not aware of the Complainant[5].

[5] Although the Complainant also contends that as a United States citizen Mr Viner is "presumptively aware of [the] Complainant's pre-existing USPTO trademark registration" this does not form any part of the Panel's reasoning in this case. There have been a number of cases that have held that where both parties in proceedings are based in the United States then a respondent will have "constructive notice" of a US trade mark. The concept is controversial and has been firmly rejected in a number of cases (see for example *ServiceMaster Brands LLC v. Riel Roussopoulos*, WIPO Case No. D2007-0346). Further, the "local law" doctrine that underlies this concept has also been subject to extensive criticism (see *Housing Association Ltd. v. Mr. D. Morgan*, WIPO Case No. D2007-1461 and footnote 2 to *Henkel KGaA v. Mr. Augustin Sbinta* WIPO Case No. DRO2008-0003). However, it is not necessary to engage in that debate

6.26 Once this is accepted it is but a very short step to conclude that the reason why this Domain Name was registered was to take advantage of the reputation of the Complainant's business and name in mind so as to generate revenue from sponsored searches. Registration and use for this purpose is clearly in bad faith, falling within the scope of paragraph 4(b)(iv) of the Policy (see for example, *Express Scripts, Inc. v. Windgather Investments Ltd.*, WIPO Case No. D2007-0267). This is how the Domain Name was used in this case from the date of registration until at least these proceedings were commenced. Admittedly, (if one ignores the pop up page) the page initially displayed from the Domain Name was merely a search page with no specific sponsored links. But that does not matter. The search results returned from that page were all sponsored links and the Respondent earned revenue when those sponsored links were clicked upon by users.

6.27 The material that the Respondent brings forward to suggest otherwise is unconvincing. First there is the Respondent's other registrations. The Panel accepts that the Respondent holds many what might be loosely described as "art related" domain names. But given the wide meaning that the Respondent gives to the term "art related"[6] and its own admission that it holds "thousands" of domain names, this is not particularly surprising. Further as the Complainant points out many of these still point to sponsored search generating pages. This is rather strange, if the Domain Name was (as the Respondent contends) merely part of a broader strategy of purchasing domain names for use with a subsequent art related web site.

6.28 The Respondent's domain name <metropolitanart.com> is of a somewhat different character, clearly being far closer semantically to the alleged generic meaning of the Domain Name. However, this domain name was not registered until February 8, 2008, several months after the Domain Name was registered. As such it is far from compelling evidence of a pre-existing strategy at the time the Domain Name was registered.

6.29 Also there is the web site that now operates from the Domain Name. As far as the Panel can tell this is a web site that takes the form of representations of various art works that when clicked upon take the internet user to the corresponding page of a web site operated by the third party Art.com. It would appear that the Respondent has done little more than join up to art.com's affiliate programme[7]. Again this is far from compelling evidence of an intention at the time of registration to have registered the Domain Name with a view to genuine art related use.

6.30 According to the Respondent, the Respondent started work on this web site in January 2008, but no evidence is offered in relation to that alleged preparatory work. Significantly, the fact that the web site only took its current form with the commencement of these proceedings is highly telling. It is unlikely that this timing is coincidental. The obvious inference is that this web site was created as

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for the purposes of this decision. It is sufficient to note for present purposes that in this case the Panel has found actual knowledge to exist.

6 It includes for example <photographystore.com>, <photoprinters.com> and <danishcartoons.eu>. Incidentally the Panel notes in passing that the last of these domain names was registered at a time when the Jyllands-Posten Muhammad cartoons controversy was still the subject of much press coverage and public comment.

7 Details of which at the date of this decision can be found at http://affiliates.art.com/

an after thought in attempt to boost the Respondent's position in these proceedings. At one point the Respondent contends in its submissions that "the current site was quickly mounted". The Panel is prepared to accept that this is correct. However, the circumstances of its creation if anything undermine, rather than support the Respondent's case.

6.31 In the circumstances, the Complainant has made out the requirements of paragraph 4(a)(iii) of the Policy.

7. Decision

For all the foregoing reasons, in accordance with paragraphs 4(i) of the Policy and 15 of the Rules, the Panel orders that the domain name, <metart.com> be transferred to the Complainant.

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Matthew S. Harris
Presiding Panelist

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Peter L. Michaelson
Panelist

David E. Sorkin
Panelist

Dated: July 4, 2008