Businesses: Do Not Abuse the UDRP as Your "Plan B" for Acquiring a Domain Name - With John Berryhill

Watch the full video at:
http://www.domainsherpa.com/john-berryhill-udrp-interview/

If you think you can file a UDRP case to get control of a domain name after failing to negotiate the acquisition, think again. That could be a terrible decision for your business. Stay tuned to find out why.

Michael Cyger: I have three short sponsor messages before we get into today's show.

First, if you have a great domain name and nothing to show when people visit, you're missing out on potential advertising revenue, leads, and partnership opportunities. NicheWebsites.com can build you a site quickly with a price option to suit any need — but as their tagline says, they don't just build websites, they build businesses.

Second, if you're buying or selling a domain name or portfolio and you want an estimate of it's value, Estibot.com is the place to go. Just like you'd visit Zillow.com to get an estimate of a house value, Estibot.com provides key information about the most important statistics so you can make an informed decision based on data.

Finally, DNX.com is a domain name exchange that uses a reverse auction platform to provide fair market prices for quality domain names that are manually filtered by an experienced broker. At DNX.com, domain name prices drop until someone decides the price is right; but don't wait too long or a domain you love might be purchased by someone else.

All three sponsors have a clickable banner in the upper right hand corner of DomainSherpa.com.

Here's your program.

Michael Cyger: Hey everyone. My name is Michael Cyger, and I'm the Publisher of DomainSherpa.com - the website where you come to learn how to become a successful domain name investor and entrepreneur directly from the experts. The Uniform Dispute Resolution Policy (UDRP) was put in place by ICANN to streamline the process to resolve disputes between trademark holders and domain name registrants. But there has been what seems like an up swell of UDRP cases filed where the trademark holders is trying to use their trademark to take control of a domain name they may not have rights to. They start with Plan A: negotiate to buy the domain name, but if that fails, they quickly resort to Plan B: use the UDRP process to take the domain name away from the registrant.

Today we are going to examine one of these cases so that businesses, the leaders of those businesses, and their attorneys representing those businesses can learn from the situation. I would like to welcome to today's show, Intellectual Property Attorney, John Berryhill. John has represented many domain name registrants and has won more UDRP cases than he can likely keep track of. John, welcome to the show.

John Berryhill: Thank you very much. I was hoping you were not going to ask for a number.

Michael: I am going to ask you for a number, but first I have a warning. I want to start off saying that this interview is not legal advice. John and I are discussing a specific case, and this is general information only. If you are a domain name investor, or entrepreneur, or business owner faced with a UDRP-related issue, consult with a qualified attorney. So, John, how many cases? I am going to ask you that. Is it like ten? Is it one hundred? Is it one thousand?

John: It is about four or five per month.

Michael: Wow.

John: Really for the last couple of years. And I have been doing this since the policy started. It started in 1999, which means the first decisions started coming out in 2000. And so, I have been involved in really hundreds of cases.

Some of them settle. Many of them turn out well. Once in a while, you get a situation that is a difficult one, and it is sort of like being in the Emergency Room. You do not get to pick the condition of the patients that come in, but you do the best you can, and I think I have done pretty well.

Michael: Yeah. And we are going to be discussing a case, John, where you represented the domain name registrant, but are there cases where you will represent the trademark owner as well?

John: Yeah, there are a few. And actually it is kind of funny that you mention that because one of the interesting things is that there is an argument that comes up because I have done so many cases. Sometimes there is an argument that comes up that essentially says, well, because the respondent is being represented by John Berryhill, he must be a cyber squatter, which is kind of a funny one given my record. But I did have an instance where someone had listed a number of cases in which I had represented people where the domain name had been transferred, and as evidence I do not know what I am talking about or something. I do not know. Whenever an attorney decides to attack the attorney, it is because he has pretty much lost the case and lost his mind. But he had picked out a bunch of cases where I had represented complainants successfully, and that was kind of amusing, but yes, I occasionally take complainant work and actually I find that harder to do.

Michael: Because the burden of proof is on your lap.

John: Yeah. Yeah. I mean the UDRP requires a couple of elements that the complainant has to prove, and so they have to build a box. And on the defense side, you only need to find one hole, one way out of that box. And unfortunately, on those occasions when I do complaints, I get really locked up because I spend so much time defending these things that I think of every single defense that can come up, and it is really actually kind of nerve wrecking. But I mean I would say procedurally and everything else it is easier on the complainant's side.

Michael: Yeah. So, it is like a murder case, where a defendant is innocent until proven guilty. So, basically, the complainant needs to prove something and, if you are representing the respondent, you just need to find a hole.

John: Well, I would not say you are innocent until proven guilty. I mean it is surprising how many times, if a complainant makes an assertion in a complaint, this is taken as a fact by the panel. If a respondent says something, they better be able to prove it. But typically, one of the most effective weapons there is in UDRP complaints is because complainants come in treating it like the worst crime since Pearl Harbor had occurred and engage in a lot of hyperbole that is sometimes helpful to point out that maybe the complainant is just a little bit too confident here and has not taken everything into consideration.

Michael: Yeah. How long have you been focused on IP law, including patents, copyright, trademarks, and domain name issues?

John: Oh boy, since around I guess 1992. I had started life as an engineer and I had had a Doctorate in Electrical Engineering and (Unclear 5:57.2) state materials. And I come from a long family line of engineers, and my father had asked me when I was young: "You can be whatever you want to be. Just do not grow up to be a lawyer." And I feel good about the fact that my father was deceased before I entered Law School, so that promise was as good as he was around. However, what motivated me to get into intellectual property law was my interest in technology, and I found I liked talking about it a whole lot better than I liked doing it. That I enjoyed talking about it and explaining things and working with words.

So, in 1992, I went to work for a law firm in Philadelphia that had been founded by a former Commissioner of the US Patent and Trademark Office, and worked there. I was there for about 14 years. I started as a patent agent, which is a non-lawyer specialist.

Michael: Right, just like Thomas Edison.

John: Yeah, who can represent people at the Patent Office. I went to Law School at night. The Law School I went to gave me a full scholarship. They liked my application. They said, "Why did you select us?" I said, "It is convenient to public transportation." And it reached a point where I was primarily commuting to work and going to a firm to work for my own clients.

And the firm was doing traditional nuts and bolts stuff, and so I figured it would probably be better to open up my own shop, deal with domain names exclusively, and I still do consulting and take occasional work for the firm that I used to be in. So, it was not any sort of a divorce or anything like that.

Michael: Great. John, let me set the background before I ask you a series of questions. A client of yours tipped me off to a UDRP decision that was published in December 2013 regarding the domain name QLP.com. A three-letter domain name. The decision is published as public information. Anyone can go to WIPO.INT or UDRPSearch.com and type in 'QLP.com' to find it. I will have a link below the video as well.

As we know from previous Domain Sherpa interviews and Domain Sherpa Reviews, three-letter domain names are highly desired and can easily command a six-figure sale price. In this WIPO case, #D2013-1691, the complainant, or the party filing the UDRP complaint, is a company named Quality Logo Products, Inc. of Aurora, Illinois. They claimed trademark infringement of a domain name registered by the respondent, the person defending the registration of the domain name, which in this case is Get on the Web Ltd., a UK-based company. Quality Logo Products holds a trademark with the United States Patent and Trademark Office, filed in August of 2008, granted in April 2009, for the standard character text letters QLP. Specifically for "customized printing of company names and logos for promotional and advertising purposes on the goods of others."

Now that we have set the background, let's take a step back in time and then we can work through the details. Prior to filing the UDRP case, do you know if Quality Logo Products contacted your client, Get on the Web Ltd. to try and acquire the domain name?

John: Yeah, I am pretty sure they did. And it is very rare that these sorts of disputes just erupt completely out of the blue. Although a lot of times they will not be preceded by a seize and desist letter, but what you will find out is someone inquired to buy a domain name, talks to you a little bit about it, maybe exchanges some email and got a price quote, and then went away. And then a month later you get this piece of paper that says here is a trademark that you never heard of and, oh, by the way, here is your response

to our email where they wrote to us and were trying to sell us this domain name. It is one of the most common patterns that there is. Most domain name disputes that I have seen in the last two or three years were preceded by a sales inquiry, and either were premised on that or, better yet, failed to mention it when they filed their complaint.

Michael: Yeah. So, in this case, I actually got some information from the respondent. Between 2006 and 2009, Get on the Web Ltd. received a number of offers from Brett Bonnet and Michael Wanger of Quality Logo Products. They never once claimed any rights to a trademark. The last contact from them was in 2009, and then four years later they filed a UDRP in 2013.

John: Right.

Michael: When Quality Logo Products files, or any company files, a UDRP case, they need to prove a number of things in order to have a decision in their favor. What do they need to prove?

John: Okay. Well, they need to prove four things. Number one: they need to prove that they can write a good check for 15 hundred dollars.

Michael: Who does that check go to?

John: Well, it goes to WIPO. WIPO will keep five hundred of it. They will give the panelists one thousand.

Michael: Okay.

John: But they need to prove that the domain name is identical or confusingly similar with a trade or service mark in which the complainant has rights. And there are sort of two places where you attack there. A lot of times, you find out that the person that filed the complaint actually does not have rights in the trademark. Some very complicated corporate organizations sometimes do not keep track of to whom their intellectual property is assigned, so that is fun. And then, of course, is the domain name identical or confusingly similar to it?

Michael: Okay, so that is the first criterion, besides writing the check. The second criterion is...

John: Does the domain registrant have legitimate rights or interests in the domain name? And these are things like is the registrant using the domain name for a bonafide purpose. Is it being used for a legitimate offering of goods prior to notice of a dispute? That is sort of the types of considerations that are most relevant to domainers. There are some other exceptions for non-commercial, fair use, criticism commentary, and that kind of thing, but it is interesting to see the commercial guys get all excited about free speech cases because it typically does not apply to what they are doing.

Michael: And then there is a third criterion.

John: Yeah, the third criterion is the most interesting one. It is whether the domain name was registered and used in bad faith. There are two ways of looking at that, because you say, "Well, it is the third criterion," but it says registered and used in bad faith, which indicates, to me and to most English speakers, two things. Registered in bad faith and used in bad faith, which has historically and most UDRP panelists I believe agree with this proposition that in order to have been registered in bad faith, the domain registrant had to have had an intent at the time that they acquired the domain name that was somehow informed or motivated by the trademark that we are talking about. That is a conscious intent.

When the UDRP was first formulated by an expert panel at WIPO, they grappled for a long time over this concept of cybersquatting. And they actually decided not to try to define the word cybersquatting because that word means so many things to so many people. I mean my personal definition of cybersquatting is that if there is something that you want and someone else on the Internet has it, then what you have is cyber squat. But anyway, what they were trying to get at was they redefined this thing and called it abusive registration, which I think is a much clearer term really. There was something in the registration of the domain name itself that was abusive, that was predatory, that was ill motivated. And what I usually try to do when a client comes to me with an issue, first question I ask is: "Well,

why did you register this domain name?" And that is really what the UDRP is about. Why did you register this domain name?

Did you register this domain name to rip somebody off? Did you register this domain name because you thought it was a catchy phrase? Did you register it because it is a generic word that has a large market and lots of potential value? And that is sort of the first step toward defending a UDRP case; is getting a clear handle on why did this person register this domain name. And if it was not motivated by the trademark, then you like to think they ought to win. Unfortunately, many times you will have someone that registers a domain name, throws it on pay-per-click, does not care what comes up, and then you have a word like 'united', which could be used for all kinds of things, selling airline tickets. Well, united is a great word. It is used all over the place, but if it is being used to sell airline tickets, then it gets really hard for the domain registrant to say, "Well, no, I really did not mean that. See, there is this parking system in Google Ads," and all this other stuff.

UDRP panelists do not understand any of that. They can type a name into a browser, see what is on the page, and then make guesses about what your likely motivation was, regardless of what your motivations may have actually been.

Michael: All right, so let's go through those three criteria. They need to prove it is identical or confusingly similar. They had a registered trademark for QLP. The domain name is QLP.com. So, it seems like that was (Unclear 16:45.5).

John: Yeah, I cannot remember and I want to try and bring something up on the screen here. I cannot remember. Can I do that?

Michael: Yeah, you can share your screen, and then turn off the shared screen. Let's see if this works.

John: Okay. I do not remember the exact set of trademark claims that they had made, but they included in there things that looked like this.

Michael: Right, so this is the United States Patent and Trademark Office website.

John: Right, and let's see. I need to scroll down. This is one of their marks. And what was really crazy about it is that you cannot even see it. It is this cartoon character with a t-shirt on. And apparently, and I cannot even see. I am trying to make this even bigger.

Michael: So this is actually what was submitted by the attorney representing the Quality Logo Products, Inc. company. They had two USPTO trademarks. One was the actual character mark and then one was this one that you are showing on your screen, which is just some sort of iconic guy. I do not even see a QLP. Maybe it is on his shirt.

John: Yeah, you have to kind of take in faith that it is on his shirt. Okay, is that stopped now?

Michael: No, I still see it. But I can only assume that this was an error.

John: Well, no actually. What they will sometimes do is they will throw in sort of everything and the kitchen sink. And that actually makes it hard for panelists. If you have a trademark, and this is the easy part of the UDRP. This part is actually easier than writing the 15-hundred-dollar check and it is surprising how many people get it wrong. State your claim. Present your evidence. Get off the stage. And most panelists treat this as just sort of a standing requirement if you have a trademark of any kind. But a lot of people will show up with these sorts of logos or graphical marks, which will sometimes - I mean that guy could have been wearing a shirt that said printing on it. The word printing.

Michael: Right.

John: And the word mark part of the record here would say printing. And they will show a database printout that says, "Oh, we have a trademark in printing." And unfortunately, some panelists will say, "Well, because the graphical part of these types of trademarks cannot be reproduced in a domain name, then we will just ignore all that. We will ignore the fact that if

somebody looks at this trademark on a product, they are primarily going to see some yellow smiley face dude, and just ignore the commercial impression." But in any evident, yes, they have a trademark. This trademark post-dates registration of the domain name by about ten years or so. I believe these trademarks were filed for in something like 2008 or something like that.

But the first criterion, and it is interesting. In the early days, they used to just say, "Well, the first criterion is that they have a trademark that is identical or confusingly similar to the domain name," but we think it is somewhat implicit because where we are going is why did the guy register the domain name. We think it is somewhat implicit that if somebody present a trademark, it should pre-date registration of the domain name. But that was pretty much taken forgiven for the first two or three years, and then they started saying, "Well, it does not say that in the first criterion. It does not say that the trademark has to pre-date the domain name, so I will tell you what we are going to do. We will say if they have a trademark, we do not care what it was for. We do not care what it looked like. We do not care when it was. Okay, they have a trademark. Let's go to the next step."

Michael: Right. So then the next step is the respondent's business is related to the domain name in some sort of way. In this case, Quality Logo Products was saying the respondent's business is unrelated to the domain name and the respondent's business is in the business of buying and selling domain names, and they offered this domain name for sale at 125 thousand dollars. So, they said that the business of the respondent, the client you were representing, was buying and selling domain names and they offered to sell it at 125 thousand dollars.

John: Yeah, and I mean typically, because the criterion for them is to prove that the registrant has no legitimate rights or interests, a lot of times they will just say, "The registrant has no legitimate interest because it is identical to our trademark." I mean it is the most amazing thing.

Michael: But that is not really a defense, right?

John: You could have all kinds of things going on at the website, and complainants will just ignore it. And in this instance, I think that briefly the

name had gone to PPC use, but the criterion is did the respondent engage in a bonafide offering of goods or services prior to the notice of a dispute. Now, you can say, "Okay, well, I filed this dispute and the website is not doing much of anything," but reading the literal language says, "Well, what were they doing for the last ten years? What were they doing for the last five years with the domain name?" Is there anything in the history of their use of the domain name that indicates a purpose? And the sale stuff kind of comes in later, but typically if they have had some kind of sales inquiry or something like that, and it could be the domain name.

One of my favorite cases with Decal.com. It was a pay-per-click parking site that you would never believe what was being advertised on that website. Shockingly, the respondent had been advertising decals at Decal.com. And because an oil container manufacturer for shipping terminals in Spain was known as Decal, obviously everyone in the world knows this. But what they will do is they will just say the domain name is not being used. No matter is what there, they will say. If it is a parking page, they will say it is not being used. Never mind the fact that there are people that earn quite a bit of money from this. It just does not exist.

Michael: So, they need to prove rights or legitimate business interest. And a right is like a trademark or a service mark. Is that like what a right is?

John: It can be, but it does not have to be. And because it lists a grab bag of things, like offering of bonafide services, demonstrable preparations to use the domain name - these are all just sort of expectation and reliance interests. Equitable interests in being able to do what you want. But yeah, the first ting out of the box is they will say, "Oh, well, the respondent does not have a trademark." Well, you do not need a trademark. You do not even need a trademark to name your kid. You do not need a trademark to go do things. It is nice to have them for certain purposes.

But the best example of that I ever saw was a case recently, where I was defending the domain name, and this is really hard to believe. The domain name, BusinessForSale.com.

Michael: How much more generic could you be than BusinessForSale.com?

John: You would never believe what was going on at that website, Mike. But yeah, there was a complainant in the United Kingdom who operates BusinessesForSale.com, and they said, "We have common law trademarks in BusinessForSale.com. And this guy has BusinessForSale.com and he has no rights in it." And the first thing out of the box, they say, "He does not have a registered trademark for it," which was a really interesting allegation for them to make because not only did the complainant not have one, but they had filed for one in the UK and it had been refused. And they did not mention this fact, but it boggles the mind sometimes how hypocritical people can be. Say, "Well, we have all these common law rights and he has no registered trademark." Never mind the fact that, "Well, we do not have one," because nobody is going to get a trademark. No one is going to get exclusive rights in the phrase 'BusinessesForSale.com'. But they argue this stuff with a straight face.

And so, you said, "Well, you made it sound as if the respondent then has to prove they have legitimate rights or interests." Well, quite frankly, it is up to the complainant to prove you have a lack of legitimate rights and interest. Unfortunately, because of the problem of trying to prove a negative, they make it seem as if it is up to you to prove you have a legitimate right. And so, there has been this battle and the UDRP decisions are determined by a roster of individuals who have ideas of their own and fall into certain caps. And there is one school of UDRP panelists that say, "Well, pay-per-click targeting of domain names is not a legitimate interest in the domain name. I mean they are not providing any content. They just have a search box, and you do searches and they send you to other content."

And I always find that really interesting because I really hope that Google never gets into one of these things, because what some people consider being the most valuable website in the world, the most dynamic, largest Internet business in the world, their website is a search box with a button.

Michael: Right, it is not a legitimate business.

John: It is not a legitimate business. They just send you to other sites. And so, it is a legitimate business for Google and Yahoo. It is not a legitimate

business for anybody else. That is always difficult to understand. So, I typically conclude that section in a defense by saying, "The complainant has failed to prove this is not legitimate." And it is interesting how on balance what the panelists will do because they do not want to spend all this time fighting among themselves is they will say, "Well, we are going to pass on this issue," because they will say, "Because of our finding under bad faith," where they find in favor of the respondent, "We are not going to really take a position on this."

And it is kind of funny because they are not being asked to say whether or not pay-per-click parking is a legitimate use. They are just being asked, "Did the complainant prove it was illegitimate?" But they have turned it around and did make this section sort of what you said, which is where you want to prove your legitimate rights and interests. And of course I do that every time, but it really bothers me. I do not like the fact that people are being accused of things and having to prove their innocence.

Michael: Right, where the complainant is not actually proving anything. But because the panel does not review only half of the story, you need to then get whatever you are going to get into the response before the panel reviews it, which requires you then to defend something without even the complainant proving anything.

John: Oh, yeah. And sometimes you have to. I mean the worst ones of all are where the complainant's argument is just so bad, but the complainant could have made a better argument. And you are worried because you are looking at these facts and you are saying, "All right. Well, their argument is just idiotic," but these panelists sometimes just cannot help themselves. They will look at the facts and they will make a better argument for the complainant, and this is something that just drives me nuts. In order to avoid that, sometimes you have to make a better argument than the complainant did for their own side so that you have an argument that is even worthy of knocking down.

Michael: And then knock it down. Yeah.

John: Yeah. And I will say I hate to have to do this, but let me give the complainant a better argument, and then we will deal with that one, because I cannot even figure out what he is trying to say.

Michael: All right, so the third criterion is that the respondent registered the domain name in bad faith and is using it in bad faith.

John: That is correct.

Michael: So, how can a complainant? How did in this case of Quality Logo Products prove that your client, the respondent, Get on the Web Ltd., registered in bad faith, but it was registered before this company registered their trademark?

John: Yeah, it is a great question. What they do is they typically tend to ignore a lot of the qualifying language. And there are, in the UDRP, some examples of kinds of things that would constitute bad faith. And one of those things that they include as a non-limiting example is you have registered the domain name primarily for the purpose of selling to the complainant or a competitor of the complainant for a price that is higher than your out-of-pocket cost, or something like that. And so, they will say, "Well, the guy tried to sell it to us," and say that then satisfies that point, totally ignoring that it says registered primarily for the purpose of selling it to the competitor.

Now you can say, "Well, you cannot read people's minds. How do you know what their purpose was?" Well, I think it is safe to assume that when someone registers a domain name in 1998, they are not doing it for the purpose of ripping off someone who will not have a trademark until 2008. But unfortunately, and this is really in the last three years or so, there are a couple of panelists that feel like: "Oh, well, these domain registrants are getting away with something." And what do you do about where someone has a domain name, and they can have a domain name since 1998, and someone else comes along, starts a product, gets a trademark, and then use of the domain name changes to then be predatory relative to their trademark?

And I would agree that is a bad thing for someone to do that. I would agree it is a bad thing for a domain name registrant to abuse animals. I would believe

it is a bad thing for a domain name registrant to engage in murder and rape and mayhem. But this policy was not really designed to deal with rape, murder, mayhem, or abuse of animals. It was not even designed to deal with trademark infringement. And it has gotten away from the idea. Well, look, we will charge somebody a low fee. We will get a couple of papers in. We will take a month. We will look at it. And if it is a no-brainer, we will decide it, because there are people out there registering Microsoft something or other .COM. There are people registering Xerox this and that. Famous marks. And in many cases, totally made up words like Verizon. There is Xerox or things like that, but everybody knows they are trademarks. Everybody knows that you are not going to be up to any good registering famous trademarks unless you are running a website that is exclusively devoted to the sale or service or parts of those kinds of things, or selling them in some way.

I mean obviously a grocery store could use Coca Cola and they can put Coca Cola in their window because you go inside and there is Coca Cola there. Likewise, at your website, if you are selling Coca Cola collectables, you can say this is where we sell Coca Cola collectables. You cannot just say, "Oh, the brown, fizzy soda," because it is a little stupid. But those situations are pretty readily distinguishable, but there are some panelists who feel like: "Well, I am not really comfortable with some aspect of what is going on here," and so they have made this imaginary jurisprudence around the fact: "Well, what about when you renew a domain name? Is that a new registration?" What about if a domain name is transferred between two people? If I buy a domain name from you, then if the domain name was registered in 1998, well, do we look at your motivation for registering the domain in 1998 or my motivation for buying it from you?

Now, in changes of ownership situations, it kind of makes sense that you might want to look at: "Well, maybe the later purchaser is buying it because of that trademark that came along," and so then we are going to have to look at what they are using it for and what they are doing.

Michael: But that was not the case here. It was registered in 1999, I think, and the trademark did not come into existence until 2008.

John: Yeah.

Michael: One of the ways that the complainant tried to prove bad faith. In the case, there is this quote: "The complainant has attempted to settle the present issue with the respondent directly and has reached out to the respondent on several occasions to purchase the disputed domain name for a reasonable price. However, the respondent has been unwilling to accept a reasonable purchase price."

And then, in your response, John, is one of my favorite paragraphs that you have likely helped craft. "The complainant wants the panel to decide that the respondent has an obligation to accept the complainant's 19,500 USD offer. Presumably, the panelist is supposed to act as a price arbitration board and determine that bad faith registration and use does not exist at any price up to 19,500 dollars, but that a penny more renders the disputed domain name to have been registered and used in bad faith. This is, however, an abuse of the policy as a negotiating tactic, which UDRP panels have seen and addressed many times before."

John: Yeah.

Michael: Do you have fun when you write your responses?

John: Lots. Lots.

Michael: It sounds like it is tongue and cheek. You are clearly stating the issue, and I can read sort of the disgust that the argument has to be made with because the complainant just makes a ridiculous argument.

John: Yeah. and what is funny is that passage about the UDRP is not a price arbitration board, because we have had people say. And it is one thing to offer to settle a claim. It is one thing to say, "I have a trademark. You have a domain name. I think we have a legal right here, but we are willing to settle it at such and such an amount." Okay, that is a settlement discussion.

Michael: Right.

John: But they typically do not come in and do that. They typically come in and just say, "Is it for sale?" And you say, "Well, yeah," and they are like: "Well, how much," and then you give them a price. And then they file their complaint with your email as the starting point. It is just an email from you saying I would sell it for this amount. They do not even say that they came along and asked you for a price, because obviously you have been sitting there for 15 years, waiting for them to waltz in through your door. But that particular passage I keep in a little handy copy and paste unit because I have used it like ten times last year.

And I mean I do not know if it is an indication of the robustness of the secondary market in domains, but this is the primary pattern. They try to buy a domain name, they go away, and then they come back with a UDRP complaint. And what is interesting is that when I said, "Primarily for the purpose of selling it to the complainant or a competitor for out-of-pocket costs," if they come in, offering five thousand dollars and you counter with ten thousand dollars, and we are talking about a domain name that was picked up at Snap Names for 69 dollars or hand registered at eNom for 12 dollars. We are all negotiating over that amount. When they come in and offer five thousand dollars as just an offer to purchase a name without a trademark claim, no reservation, this is not a settlement offer.

I think, at that level, where it is starting and you come back with 15 thousand or 100 thousand, at what point do we say, "Oh, well, the five thousand was reasonable and 15 was not"? The other thing is this. A lot of these UDRP complaints are typically either the first time they trademark attorney has ever done a UDRP complaint, and so they will reinvent the same stupid arguments that have been used one hundred times before, or they are used to doing pushover cases for famous marks and they actually never deal with a case that is responded to. It is like 60% of these cases are default cases. And so, they sometimes do not really realize how ridiculous their copy and paste arguments sound as applied to a different set of circumstances.

And then we come to the fact that the respondent has the opportunity to choose a three-member panel in order to precede. And when you do that, you send in three names and one of those guys or women is going to be the panelist. And then the other side sends in three names. They do not know

these people from a hole in the ground, so they just pick three names at random. Then the center gives you five names and you jointly rank them and then it is chosen. So, what this boils down to is that most of the time two out of three of these panelists - I have done hundreds of these cases. Most of the time, every single panelist seated on that panel has seen one of my arguments before, and I have seen several of their decisions before. So, if we get into this round of sort of supplement filings that people cannot resist, I can then start tailoring what I am saying. Essentially I know this panelist has seen ten cases like this before and I can just say, "Well, here we are again. And these people are making the same arguments, and I know that the complainant's attorney is getting paid a couple of grand to do this. I am getting paid a couple of grand to do this. As a co-panelist in the UDRP, you are getting paid 750 dollars to do this. Now, how many times do you want to see the same stupidity over and over again before you put your foot down and say, "You know what. Before my valuable time is wasted for 750 dollars, where I have got to spend five hours waiting through this kind of thing at my rate, we should do something to try to discourage these people from doing these stupid things."

And that is why last year was a record year for findings of abuse of the policy. I cannot remember the exact numbers. Nat Cohen has them on his great blog, Domain Arts. And you will hear again from WIPO sometime in the next few weeks that, oh, it was a bumper crop year for UDRP disputes. You will not hear from them that it was a bumper crop year for findings of abuse by complainants, because, as I said, complainants have just gotten lazy. And I think that some of the crops of fresh young faces coming out of Law School have gotten this notion in sort of the tail end of how this gets tacked in on their trademarks course that, oh, by the way, if you have a trademark claim, you can get a domain name.

Another aspect of this case, if you do not mind, was that there is some confusion among people that are not familiar with domain names about ways to determine how long someone has had a domain name. In this complaint, the complainant had looked at Archive.org and they saw that the domain name had been used for a directory of health clubs in Britain up to a certain amount of time, and then the use has changed to parking and something else

after that. And they assumed that for some reason the domain name has been registered where the use changed.

Michael: Right.

John: When, in fact, actually the guys who run Get on the Web, back in the late '90s, had this plan where they were doing regional directories of spas, health clubs, and fitness facilities in different towns in England, and they did a bunch of acronyms like the Burton and Trent Leisure Guide. This was Quality Leisure in Poole, which is a town in England apparently, and a number of these. And the complainant seems to know what it was being used for, but for some reason said, and incorrectly, that the domain name had only been registered since 2005 for reasons that were just never answered.

Michael: Yeah. And one of the panel, in their response to this case, wrote, "The fact that the respondent is offering the domain name for sale cannot as such be deemed to indicate that the disputed domain name was registered or is being used in bad faith. This is particularly the case when negotiations for the sale of a domain name have been initiated by the complainant. Neither is there any evidence that the respondent otherwise has registered or used the disputed domain name in bad faith." So, your client did not register it and use it in bad faith that the complainant proved, and they did not reach out to their complainant and say, "Hey, would you like to buy this domain name that matches a trademark that you own?"

John: Right. Right. One of the things that domain registrants need to look out for is - I will occasionally get emails from people, saying, "Oh, I got an offer to purchase the domain name, but there might be a trademark problem. Can you take a look at it?" I am like: "Well, let me see this offer you got." And they have got an email from a law firm that says, "Is this domain name for sale?" And when you are getting an email from a trademark attorney, asking you if a domain name is for sale, you have not received an offer to sell a domain name. An offer to buy a domain name is: "Hey, I would like to buy that domain name for ten thousand dollars." That is an offer, because if you say yes, you now have a contract.

But there are these sort of offer-like objects. How might I go about acquiring the domain name? I always love that one. We would like to have the domain name transferred to our use. How do we do that? And people write back and say, "Oh, yeah, well, it is for sale for ten thousand dollars," and they will go: "Oh, it is for sale. Oh my goodness. No, we just thought you would give it to us because, my God, who does not respond to random emails from people. I have got tens of millions of dollars from widows in Nigeria, and that money is coming in any day now, so I do not care what people do with the domains anymore. I have got my Nigeria money coming." But you have got to treat these with suspicion. It is really good to know who is inquiring. Why might they be inquiring? Is this a domain name I have not looked at for a while? What is the domain name doing? Has the pay-per-click?

If the domain name is like CoffeeCups.com, and I go there, do I see links to coffee and coffee cups - coffee making -, or do I see shoes? And if I see shoes, why am I seeing shoes? Is it because someone came along and branded some kind of shoes, Coffee Cups, and now it is showing up in the PPC feed? And if it is, can I get that out of there and make sure it is still coffee? The junior parties will use that sort of drift to argue that you have changed the use, and there are a couple of UDRP panelists that do not understand how this stuff works that will argue it. So, when you get a domain name inquiry, step one: just take a step back. What is that domain name doing? What does it look like? Is it doing what it is supposed to be doing? Who are these people writing to me? Are they writing to me from the UK? And if they are writing to me from the UK and I am curious about trademarks, then going to the USPTO is not really a good idea. You might want to go take a look at the UK Trademark. You might want to do a Google search. Find out if someone is uniquely associated with this term just to get an idea of: "Is there someone that I never heard of that is going to just pop up out of the woodwork?"

And you should, on a regular basis, with your top earning, most valuable or top-performing domain names, take a walk through. Make sure they are doing what they should be. If you see anything funny going on, fix it. Make sure these things are doing what you intend them to be doing. It cannot be done with accuracy in all cases, and someone down the line is going to use what I just said as some statement to the effect that, well, this is what they

should be doing, but good luck doing that when you have ten thousand domain names.

Michael: Hey John, when you filed this response to the UDRP case related to QLP.com, how confident were you that your client would prevail?

John: I work on these. I do not work on these alone. I work on these in partnership with my wife, who also went to law school with me. And she finished fourth in the class and I finished sixth in the class. And I figured, well, I do not want to ever have to argue with her, so I married her.

Michael: How has that worked out for you?

John: I do not know. But she had done a joint doctorate program in Psychology. And she gets into what is the complainant thinking. What do we know about how the complainant is thinking and how can we push their buttons? And what the panelists are thinking and so forth. And there are people who will not work with me because I will tell you; you are going to lose right up to the day we get a decision saying we win. But I sometimes feel pretty good. I will typically take a case, say, "Oh, this looks kind of good," get into the facts, and say, "Well, the facts are maybe a little bit messier than they looked to begin with." By the time I have done the response, I have pretty much convinced myself that we should win, but I think any attorney that cannot tell you a couple of reasons why you could possibly lose that slam-dunk case is just not being all that straight with you.

But sometimes I am surprised. I mean let's put it this way. I have taken facts that were ugly sets of facts, thought it could go either way, and not prevailed and thought: "Well, it could go either way." I have not had too many where I looked at it and thought: "Well, there is absolutely no way you should lose this case," and have lost the case. I think, in ten years, there has maybe been like one or two of those, but in this one I was fairly confident. Where you have ten years of registration before a hint of trademark claim, and you have demonstrably false statements made in the complaint, you are in pretty good shape.

Michael: Yeah. So, it was actually four years between the last negotiation interaction of Quality Logo Products and Get on the Web and them filing for the UDRP. What are latches and is this a case of latches since it was four years?

John: Okay, that is a great question. Latches are what is called an equitable defense. It used to be in sort of the Middle Ages. I always wondered why lawyers always started off in like Medieval England. It is like, oh God, now I am doing it, but anyway. It used to be that in the Middle Ages there were these very mechanical rules applied to legal disputes, and the King would administer those lows. The King and his agents. And the Church had a different view and thought: "Well, sometimes there is a certain amount of fairness." Latches are what is called an equitable defense. It is a defense to certain types of claims that says, "Well, you have not done anything about this claim for so long that you have lost the right to exercise it."

In Criminal Law, for example, we have statutes of limitations. In other areas of law, there is this defense of latches, where somebody has done something so long. They have been walking across your backyard along this path that they have done for so long now that they might as well have an easement, and that it would be unfair for you to interfere with their expectations. So, latches are a defense that says, if you have not asserted your claim in a certain amount of time, you lose your claim. Whether or not this applies as a defense to UDRP claims is a very interesting and long topic. In a case where someone has asserted rights against you and then done or had reason to know you were doing what you were doing, and then done nothing for at least five or six years - I will put it at that -, my opinion is they have given it up.

They cannot credibly claim that they just found out about this and that they are acting diligently. Now, a lot of panelists do not like this, and so there is sort of a way to make the same argument, which is what I just said, which is that, well, if they are claiming that this is causing damage to their business, how seriously can you take them since they have known about this for six years and done nothing. So, you are better off in the UDRP context because of the disputed idea of whether or not this defense is available. Needless to say, there are twenty different flavors of things you can be accused of. But

whenever someone comes up with a defense, they are like: "Can we really accept this?"

But in any event, you are better off arguing it from the perspective of this is just not a credible claim. They have known about it for six years. They have done nothing, and now they are coming in here, acting as if there is some kind of an emergency. There is no reason for this.

Michael: In your opinion, John, why wasn't this case labeled by the WIPO panel as a case of reverse domain name hijacking?

John: I do not know. I do not know. There has been some speculation on the blogs, and let me just put it to you this way. Respondents cannot choose to file UDRPs. And believe it not, that is more frustrating than you think because sometimes I get into an argument with somebody who is just like an Energizer Bunny and there is no point in arguing these things in emails and letters. Someone will send a client a seize and desist letter. I will say, "You have got a nutty claim. Go away." And they will come back and they will argue with me some more, and I will just say, "Look, you want to argue about this. Is this a hobby of yours? Is this a profession? You are getting paid not to agree with me, and I am getting paid not to agree with you. All right? And as long as we continue not to agree, then we are both doing our jobs, but we are just basically jerking off here. So, why don't you go file a UDRP because I cannot do it?" And I wish they would file a UDRP.

Now, the complainant gets to pick. Does he file it at NAF? Does he file it at WIPO? Does he file it at the NDANRC? And people have different preferences based on their experiences.

Michael: Sure.

John: So they are the customers. Without complainants, there are no UDRPs. Now, how often do you say, "All right, I know you came in here. You have spent money. You did everything you were supposed to do. Thank you very much and, by the way, you are a jerk"? Nobody likes to do that. I mean I have had panelists explain this to me that when you are doing any kind of private mediation or arbitration, the most dangerous guy in the room is the

guy that is going to lose. So that is why you will see a lot of decision that basically say, "The complainant came in. Had this really nice stuff and, oh, they just missed it by that much. And we agree. The respondent seems like a real slimy asshole of a jerk. No good domain person, but oh, he just barely won it by that much."

So, I have got tons. I am the world's most sore winner. But on the reverse domain hijacking thing, the other aspect of it is that most of these UDRP panelists, particularly at WIPO, are themselves practicing trademark attorney. I will tell you that there are maybe ten or fifteen attorneys on this planet who I trust working for domain registrants and working for the domain community. Most of the money, most of the easy work is on the other side, working for big brands and whatnot, and that is the ranks from which UDRP panelists are drawn. So, if you do twenty UDRP complaints per year for your trademark clients, and then you might sit on one or two UDRP panels, how many new defenses to a UDRP complaint are you going to say are okay? How many complainants are you going to beat over the head for not behaving well, knowing that you are sitting on this panel, issuing principles that might be used against you?

Michael: Yeah. All right, you have made a lot of points on why the panelists may not make a point of it. Let me ask you this. Can the respondent who wins a UDRP case somehow exact some satisfaction by filing a court case to try and win legal fees or some other way try to deter businesses from spurious UDRP claims?

John: Yeah, it can be done. It can be done and has been done. And what a lot of UDRP panelists did not know until recently was that sometimes when there is a finding of abuse of process, it is not necessary to go to court to do that because now you are the guy writing the nasty letter with the claim that says basically, "Look, you put us through this. You cost us this. Let's settle this before we go to court." That sometimes happens, but yeah, you can go to court. The US Law does have a specific provision that allows you to recover the cost and fees of the UDRP. Unfortunately, it is actually more expensive to go to court and prove that. But there have been judgments.

There was a judgment out of a Texas Court involving the City of Paris that awarded 100 thousand dollars damages. The same types of damages that you get in a ACPA claim on the trademark end, plus attorney's fees. So, it happens. You do have recourse, but one of the things that I try to tell people, particularly upon their first exposure to domain disputes, is a lot of businesspeople get really fascinated by this stuff. They get really interested in this stuff. And you have somebody who was living their life, running a business, making money, and now they are consumed with making a point. Any business has legal risks. I have a neighbor. He runs a grocery store. He has got security camera footage of people that walk down an aisle. Bump into a jar of mayonnaise, and it falls on the floor. The friend that got out of their car, walks down the aisle, slips on the mayonnaise and hurts themselves. And I mean it just comes with the territory.

Every type of business attracts its own nonsensical legal nuisances. So, some of what you hear on the domain blogs about, oh, it is the end of civilization because people can bring legal claims, welcome to real world. Defending yourself in a lawsuit, and this has always been true of any kind of lawsuits, is an opportunity to spend money to do what you were doing yesterday for free. That is the way it is, and that law has not been changed. If you want to avoid it, stay in bed. Do not run a business. Do not make money. People call me up with these general questions. How can I best arrange my business so I do not get into any kind of legal trouble? And do not. Do not get out of bed.

Michael: Go work for somebody else. Yeah.

John: Yeah. If you want your lawyer to give you business advice, trust me, you will never do a damn thing.

Michael: Hey John, I have noticed. I was interested to find out what happened after this case and how the respondent is using the domain name, QLP, so I went to the website, QLP.com, and on it I see a summary of facts of this case, calling out the names of Quality Logo Products, its principles, the Law Firm representing Quality Logo Products in the UDRP case and its principles. Why is that not defamation, slander, label, or the host of other legal terms that banter around?

John: Oh, I do not know. That is funny, and I probably should do it more often. Go back and look to see what happened to some of the domains. I have no idea what is going on there. Obviously if someone wants to use a domain name that has been in a dispute to state true facts in relation to the dispute, well, that is certainly use of the domain name that relates to that domain name. So, specifically I have no idea what is going on there.

Michael: So it is not against the law to state public information of a stated case.

John: It is still legal to tell the truth. We are working on it.

Michael: All right. So, unless a complainant can prove that an exact or confusingly similar domain name to a trademark is being used by someone without any rights or without any legitimate business interest and was registered with bad faith, they are likely not going to win a UDRP case.

John: That is right. Yeah, because it was meant to get no-brainer cases where someone was obviously doing something bad. It really should not take an attorney. I would love to quit doing this. If everybody was doing their job, believe me, I have other things to do. I would not have to engage in these ridiculous arguments over a policy that was meant to be, hey, if somebody is an obvious jackass, let's take his domain name away from him. They should have just written it that way and it would have made life a lot simpler.

Michael: Well, lawyers do not typically write in those terms. In summary, for companies looking to use the UDRP as their "Plan B" to get control of a domain name after a failed purchase negotiation, in the case possible, they could be labeled a reverse domain name hijacker. They can lose and spend legal fees. They can end up back in court and, in some cases, that has been the case as you have stated. So, think about all those things and think about who is representing you, and the criteria that you need to prove when you are filing a complaint. That is the takeaway that I got from today's show with you, John.

John: Yeah. Yeah, tell the truth.

Michael: Tell the truth. If you have additional questions about this specific case, please post them in the comments section below and I will ask John to come back and answer as many as he can. He cannot, of course, provide specific legal advice related to your situation or to a different domain name. John, if someone wants to hire you to review their case, to talk about issues that they have been having with their domain names, what is the best way that they can reach you?

John: Send me an email. Call me on the phone. I get a lot of vague inquiries. If someone wants to contact me and discuss an issue, they can send an email stating that, but identify yourself. I get some really strange ones because people do not want to identify themselves for various reasons. They come from cultures where that is not sort of what you do. But I would say that if you are making a communication seeking legal advice and you get a response from an attorney, even without money changing hands, that is confidential and private. It is like walking into the confessional with the difference being it only works if I know who you are.

Michael: All right, and they can get your contact information on your website, JohnBerryhill.com.

John: That is the only thing that is there. Yes.

Michael: All right. It serves its purpose, John.

John: Yeah, exactly. Yeah, unfortunately, I do not have as high opinion of myself as many of my colleagues in the field, so you will not go to that website and find out how wonderful I am, how I never lose any cases, how I am just the best thing since sliced bread. But if you know who I am and what I do, I do not do job interviews on the phone. If you know who I am and what I do, feel free to send me an email or give me a call.

Michael: All right. And this is the point in the conversation where I ask the audience to take action. Please take a moment and post a comment to say thank you to John for his time and for sharing his legal advice about this specific case.

John Berryhill, Intellectual Property and Domain Name Attorney. Thank you for coming on the Domain Sherpa Show, explaining this specific UDRP case and the UDRP process, and thanks for being a Domain Sherpa for others.

John: Well, thank you for having me. It has been extraordinary.

Michael: Thank you all for watching. We'll see you next time.

Watch the full video at:
http://www.domainsherpa.com/john-berryhill-udrp-interview/