Decision for dispute CAC-UDRP-102536

Case number	CAC-UDRP-102536
Time of filing	2019-06-18 14:31:25
Domain names	bitmex.global

Case administrator

Organization	Iveta Špiclová (Czech Arbitration Court) (Case admin)

Complainant

Organization	HDR Global Trading Limited

Complainant representative

Organization	RiskIQ, Inc. c/o Jonathan Matkowsky

Respondent

Name	Joseph Gasparello

OTHER LEGAL PROCEEDINGS

None of which the Panel is aware.

IDENTIFICATION OF RIGHTS

The Complainant relies upon a number of registered trade marks that either comprise or include the term BITMEX. These include:

1. European trade mark no. 016462327 for the word mark BITMEX in class 36 filed on 14 March 2017 and proceeding to registration on 11 August 2017; and

2. Singaporean trade mark no. 40201801921P for the conventional mark BitMEX in class 36 filed on 1 February 2018 and proceeding to registration on 30 August 2018.

FACTUAL BACKGROUND

The Complainant is a company based in the Seychelles and runs a Bitcoin-based Peer-to-Peer (P2P) crypto-products trading platform under the name “Bitmex” from a website that uses the domain name <bitmex.com>. The business has been in existence since June 2014 had a presence on the Internet since 2015. It has been the subject of some media coverage including by Bloomberg in August 2017, on CNBC in November 2017, and in Bloomberg News in February 2018 and in various publications including CNN.com, The New York Times, Business Insider, TechCrunch, and CoinDesk.

The disputed domain name (the "Domain Name") was registered on 2 February 2019. Initially, the Domain Name was been used to host a website that was headed with the text BitMEx Global together with a logo that the Complainant uses in respect of its business. The website appeared to offer information about the Complainant and to promote the Complainant's services. However, at the bottom of each page in very small text was a disclaimer stating that the website was not associated with BitMEX or the Complainant company.

The WhoIs details given for the Respondent in respect of the Domain Name suggest that the Respondent is an individual based in the United States. However, the address given is for a hotel.

On 28 March 2019, the Complainant's representative sent an e-mail to the Respondent, complaining about the Domain Name and the use being made of it, and seeking the transfer to the Complainant of the Domain Name.

The Respondent responded on 5 April 2019, claiming that the Domain Name had been registered "with the only purpose of providing free margin trading educational materials to a broad public", and denying bad faith registration and use, but offering to transfer the Domain Name to the Complainant in return for payment of the "actual expenses for creating and publishing the bitmex.global website content". In subsequent correspondence the Respondent sought 1 (one) Bitcoin in this respect, which at that time was equivalent to approximately US $5,000.

At about this time the Respondent deleted the content appearing on the website operating from the Domain Name and replaced it with a webpage stating that the Domain Name was for sale and providing an e-mail address for the Respondent.

Further on 9 May 2019, the Respondent sent a further e-mail to the Complainant stating:

"Please confirm BitMEX is not interested to move forward with the purchase of the BitMEX.Global domain name. I received a purchase offer from a third party but would prefer to sell the domain name to BitMEX, to avoid its potential noncompliant usage by the above mentioned another party. The [Domain Name] will be sold and transferred to a third party in the next few days if BitMEX is not interested in its purchase."

In subsequent discussions the threat to sell to a third party was repeated on a number of occasions, although the price for sale of the Domain Name was reduced to US $3,000. There also appears to have been an exchange of correspondence in which the Respondent alleged and the Complainant denied, that the Complainant or its representatives had engaged in a "Distributed Denial of Service" attack on the Respondent.

A web page offering the Domain Name for sale is still displayed from the Domain Name at the date of this decision.

PARTIES CONTENTIONS

COMPLAINANT:

The Complainant gives details of its business and marks, how the Domain Name has been used, and its correspondence with the Respondent in relation to possible transfer of the Domain Name.

It claims that the initial use of the Domain Name was pursuit to an affiliated marketing program of the Complainant, but contrary to that terms of that program. It also contends that the website operating from the Domain Name also drove traffic to a competing trading platform.

The Complainant also alleges that in late May 2019 it received a third party complaint from a person who claimed to have been targeted by a "phishing campaign, where the phish kit was likely being stored on the Domain".

The Complainant contends that the Domain Name is identical to its trade marks, comprising its BitMEX mark combined with the new generic Top-Level Domain ("gTLD"), "global".

It further contends that the use made by the Domain Name and the offer for sale of the Domain Name is such that the Respondent has no right or legitimate interest in the Domain Name and that the Domain Name was registered and is being held in bad faith. In this respect the Complainant refers to section 2.8.1. of the WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Third Edition ("WIPO Overview 3.0"), and the discussion of the "Oki Data Test" contained therein. It also contends that the content of the website operating from the Domain Name is such that the Respondent must have been aware of the Complainant at the time of registration of the Domain Name.

The Complainant also claims that the address used by the Respondent is unlikely to be the real address of the Respondent and that this is another factor that supports a finding of bad faith registration and use.

RESPONDENT:

In his Response the Respondent repeats his claim that the Domain Name was registered with the purpose of providing free educational materials about margin trading. The Respondent admits that the Domain Name was used in connection with the Complainant's affiliate program but claims that this was to "cover website development costs" and that no monies were received either from the Complainant. The Respondent also does not appear to contest that the website operating from the Domain Name also promoted the services of a competitor of the Complainant, but again claims that no monies were received as a result.

The Respondent appears to accept that the Domain Name may have been used to further phishing attaches but that these attacks:

"were initiated by a bad actor after [the Respondent] removed all website content and placed it for sale, hence, no website users should be exposed to them.

The Response does not respond to the Complainant's contention that a false address has been used by the Respondent in connection with the registration of the Domain Name.

RIGHTS

The Complainant has, to the satisfaction of the Panel, shown the disputed domain name is identical or confusingly similar to a trademark or service mark in which the Complainant has rights (within the meaning of paragraph 4(a)(i) of the Policy).

NO RIGHTS OR LEGITIMATE INTERESTS

The Complainant has, to the satisfaction of the Panel, shown the Respondent to have no rights or legitimate interests in respect of the disputed domain name (within the meaning of paragraph 4(a)(ii) of the Policy).

BAD FAITH

The Complainant has, to the satisfaction of the Panel, shown the disputed domain name has been registered and is being used in bad faith (within the meaning of paragraph 4(a)(iii) of the Policy).

PROCEDURAL FACTORS

The Panel is satisfied that all procedural requirements under UDRP were met and there is no other reason why it would be inappropriate to provide a decision.

PRINCIPAL REASONS FOR THE DECISION

A. Identical or Confusingly Similar

Paragraph 4(a)(i) of the Policy requires the Complainant to show that the Domain Name is identical or confusingly similar to a trade mark or service mark in which the Complainant has rights.

The Complainant clearly has registered trade marks rights in the term "BitMEX". That term is also clearly recognisable in the Domain Name which takes the form of that mark combined with the ".global" gTLD. It follows that the Domain Name is “confusingly similar” (as that term is understood under the Policy) to a trade mark in which the Complainant has rights.

For the reasons that it rehearsed previously in Philip Morris USA Inc. v. Marlboro Beverages / Vivek Singh, WIPO Case No. D2014-1398, the Panel considers this strictly to be a case of confusing similarity, rather than identity, between the trade mark and the Domain Name. But whichever is the case makes no practical difference. Either way the Complainant has made out the requirements of paragraph 4(a)(i) of the Policy.

B. Rights or Legitimate Interests

Paragraph 4(a)(ii) of the Policy requires the Complainant to show that the Respondent has no rights or interests in respect of the Domain Name.

For reasons that are explained in the context of bad faith, the Panel does not accept the Respondent's contentions that the Domain Name was registered for the purposes of providing free educational materials about margin trading. But even if it were, the Panel does not accept that this would provide a right or legitimate interest in this case.

First, any such usage has now been abandoned by the Complainant.

Second, and in any event, this is a case where the Domain Name takes the form <[trademark].[gTLD]>, where the gTLD "global" does not immediately signal that there is unlikely to be an association with the Complainant's business. Accordingly regardless of the content of the website the Domain Name itself involves an illegitimate impersonation of the Complainant such that the Respondent can have no legitimate interest in the same (see section 2.5.1 of the WIPO Overview 3.0)

In the circumstances, the Complainant has demonstrated to the satisfaction of the Panel that the Respondent has no right or interest in the Domain Name and that it has thereby satisfied Paragraph 4(a)(ii) of the Policy.

C. Registered and Used in Bad Faith

Paragraph 4(a)(iii) of the Policy requires the Complainant to show that its Domain Name has been registered and is being used in bad faith. Paragraph 4(b) of the Policy provides circumstances that may evidence bad faith under paragraph 4(a)(iii) of the Policy.

In the present case the Panel accepts the Complainant's contention that the Respondent was aware that BitMEX was a name and mark associated with the Complainant and that the Domain Name was registered with that association in mind. This is something that the Respondent appears to accept.

Instead, the Respondent contends that the registration of the Domain Name was not in bad faith because it was intended to be used for non-commercial educational purposes.

The Panel rejects the Respondent's explanation. The reasons for this are as follows:

First, the material that the Complainant has provided with its Complaint suggests that the website that first operated from the Domain Name and the prominent use of the term BitMex on that website, was designed to give the impression that this was a website operated by or legitimately affiliated to the Complainant when it was not. A disclaimer did appear at the bottom of the website operating from the Domain Name, but was in very small text and was wholly inadequate in dispelling the message of the website as a whole. The disclaimer also failed to identify who was the individual or corporate entity behind the website.

Second, there was the admitted attempt by the Respondent to make money through the Complainant's affiliate program and

the promotion of competing services to those of the Complainant.

The Respondent claims that this done to defray the costs of the operation of a non-commercial website and there may be circumstances where minimal and ancillary third party advertising to support a non-commercial website would be legitimate under the Policy.

However, for that to be so, the fact that this is mere ancillary advertising material would at the very least need to be clear to the internet user. This does not appear to have been the case here, where the promotion does not look like advertising at all. Further, it does not appear to be denied that the promotion in this case breached the terms of the Complainant's affiliate program. If so, it is difficult to see how this could constitute a "fair" use for the purposes of the Policy.

Third, there is the reaction of the Respondent when approached by the Complainant's representative, which in the view of the Panel is highly revealing of the Respondent's real motives. Immediately, the Respondent sought to sell the Domain Name to the Complainant. Further, when the Complainant appeared unwilling to make any substantial payment to the Respondent, the Respondent began to claim that a third party was interested in purchasing the Domain Name, that the Respondent would if necessary sell the Domain Name to that third party and professed "concern" that the Domain Name once sold "might be used in a non-compliant way".

The Panel doubts that any such third party ever existed, but regardless of whether it did or not, that was an obvious threat of misuse designed by the Respondent to extort monies from the Complainant. It is a tactic that reflects badly on the Respondent, of itself appears to constitute use in bad faith, and is conduct which the Panel is entitled to take into account when considering what the Respondent's intentions were at the time of registration.

Fourth, the Respondent does not in his Response dispute that Complainant's allegation that the Respondent has registered the Domain Name using a used a false address.

Given this the Panel concludes that it is more likely than not that Domain Name was registered and then held with the intention of taking unfair advantage of the Complainant's trade mark rights to the Respondent's financial advantage (whether that by way of sale of the Domain Name to the Complainant or otherwise). That is sufficient for a finding of bad faith registration and use (see, for example, Match.com, LP v. Bill Zag and NWLAWS.ORG, WIPO Case No. D2004-0230).

Further, and in any event even if the Panel is wrong in its analysis of the Respondent's motives in this case, there is the fact that the Domain Name takes the from <[trade mark]. [gTLD]> such that the Domain Name alone impermissibly impersonates the Complainant (as to which see for example paragraph 7.16 of Johnson & Johnson v. Ebubekir Ozdogan WIPO Case No. D2015-1031).

In the circumstances, the Complainant has satisfied the requirements of Paragraph 4(a)(iii) of the Policy.

FOR ALL THE REASONS STATED ABOVE, THE COMPLAINT IS

Accepted

AND THE DISPUTED DOMAIN NAME(S) IS (ARE) TO BE

1. **BITMEX.GLOBAL**: Transferred

PANELLISTS

Name	**Matthew Harris**

DATE OF PANEL DECISION 2019-06-28

Publish the Decision