

Good-faith acquisition poisons bad-faith argument

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- Hemlock Farms sought the transfer of 'hemlockfarms.com', 'hemlockfarms.net' and 'hemlockfarmspa.com' under the UDRP
- The panel noted that the respondent had acquired the domain names when she purchased a real estate agency
- At least one of the domain names had been used by this agency or its predecessor from 2000 without any pushback from the complainant

In a recent [decision](#) under the [Uniform Domain Name Dispute Resolution Policy](#) (UDRP) before WIPO, a panel has denied a complaint for the disputed domain names 'hemlockfarms.com', 'hemlockfarms.net' and 'hemlockfarmspa.com'. The panel found that the domain names had not been registered by the respondent in bad faith as they were acquired as a result of the respondent's purchase of a real estate agency, and such real estate agency (or its predecessors) had already been using at least one of the domain names for a number of years with no objection from the complainant.

Background

The complainant, Hemlock Farms Community Association, was a private, gated residential community in Lords Valley, Pennsylvania, United States, that was created in the 1960s. The complainant held two US trademarks for HEMLOCK FARMS, registered in October 2012 and August 2022, with dates of first use in commerce of 15 October 1963 and 23 February 2012, respectively. The complainant registered the domain name 'hemlockfarms.org' on 19 April 2000 and used it to host its commercial website.

The respondent provided services relating to the buying and selling of real estate in the Hemlock Farms community and acquired at least one of the disputed domain names as part of the acquisition of an existing real estate agency. The date of this transaction was unclear as the response cited multiple dates, but the panel found that the exact date of the respondent's acquisition of the domain names was not crucial to the outcome of the proceedings.

The disputed domain names were originally registered on 29 November 1998 ('hemlockfarms.com'), 12 September 2017 ('hemlockfarms.net') and 9 September 2011 ('hemlockfarmspa.com'). At the date the complaint was filed, the domain names 'hemlockfarms.com' and 'hemlockfarmspa.com' did not resolve to an active website and the domain name 'hemlockfarms.net' redirected to a website at 'pikepahomes.com' where the respondent advertised real estate services.

Before the filing of the complaint on 28 March 2023, the parties discussed the possible acquisition of the disputed domain names. The complainant alleged that, in October 2020, the respondent's husband offered to transfer the disputed domain names to the complainant, in exchange for a real estate transaction in the region of \$380,000, an offer which the complainant declined.

In March 2021 the complainant's lawyers requested transfer of the disputed domain names and offered to pay up to \$500 for actual expenses incurred.

In correspondence the respondent stated that she had never personally offered to sell the disputed domain names to the complainant for financial gain and asserted that the supposed conversation occurred without her knowledge. The respondent also noted that the domain names were previously owned and used by other real estate agencies who were never approached by the complainant.

To be successful in a complaint under the UDRP, a complainant must satisfy each of the following three requirements under Paragraph 4(a):

1. The domain name registered by the respondent is identical, or confusingly similar, to a trademark or service mark in which the complainant has rights;
2. The respondent has no rights or legitimate interests in respect of the domain name; and
3. The domain name has been registered and is being used in bad faith.

The complainant argued that:

- it had trademark registrations for HEMLOCK FARMS;
- the disputed domain names were identical or confusingly similar to this trademark; and
- at no time did it authorise or license the respondent to use the HEMLOCK FARMS mark in a domain name or otherwise.

The complainant also argued that the respondent had no rights or legitimate interests in the disputed domain names and that the domain names were registered and were being used in bad faith. The respondent disputed virtually every aspect of the complaint.

Decision

First limb

The panel found that the complainant had rights in the trademark HEMLOCK FARMS through its trademark registrations and the use that it had demonstrated of the trademark. The panel also found that the disputed domain names were identical or confusingly similar to the complainant's trademark. The first limb was therefore satisfied.

Second and third limbs

The panel declined to address the second limb (ie, the respondent's rights or legitimate interests) in light of its analysis under the third limb.

Regarding the third limb, the panel found that the respondent had acquired the disputed domain names when she purchased a real estate agency, as detailed above. The panel further noted that at least one of the disputed domain names had been used by this agency or its predecessor agency from 2000 onwards to feature homes for sale in the complainant's community, apparently without any pushback from the complainant (this allegation was not disputed in the complainant's supplemental filing). A number of years had passed after the respondent's acquisition of the agency and before the complainant approached her in 2020 about a possible sale of the disputed domain names. On these facts, the panel was not satisfied that the complainant had shown that the disputed domain names were registered in bad faith by the respondent and thus the complaint was denied.

Comment

The panel noted that this was a very unusual case. In effect the date on which a respondent acquires a domain name is the date that a panel will consider in assessing bad-faith registration, not the date of first registration. In the case at hand, the panel determined that the respondent's acquisition was in good faith, presumably assisted by the fact that at least one of the domain

names had already been used in a similar manner for a number of years by third parties. The panel then briefly noted that it was beyond the panel's remit to decide on trademark infringement, and underlined that a UDRP claim is not the same as a trademark infringement claim, given that the UDRP requires bad faith, whilst trademark infringement does not.

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