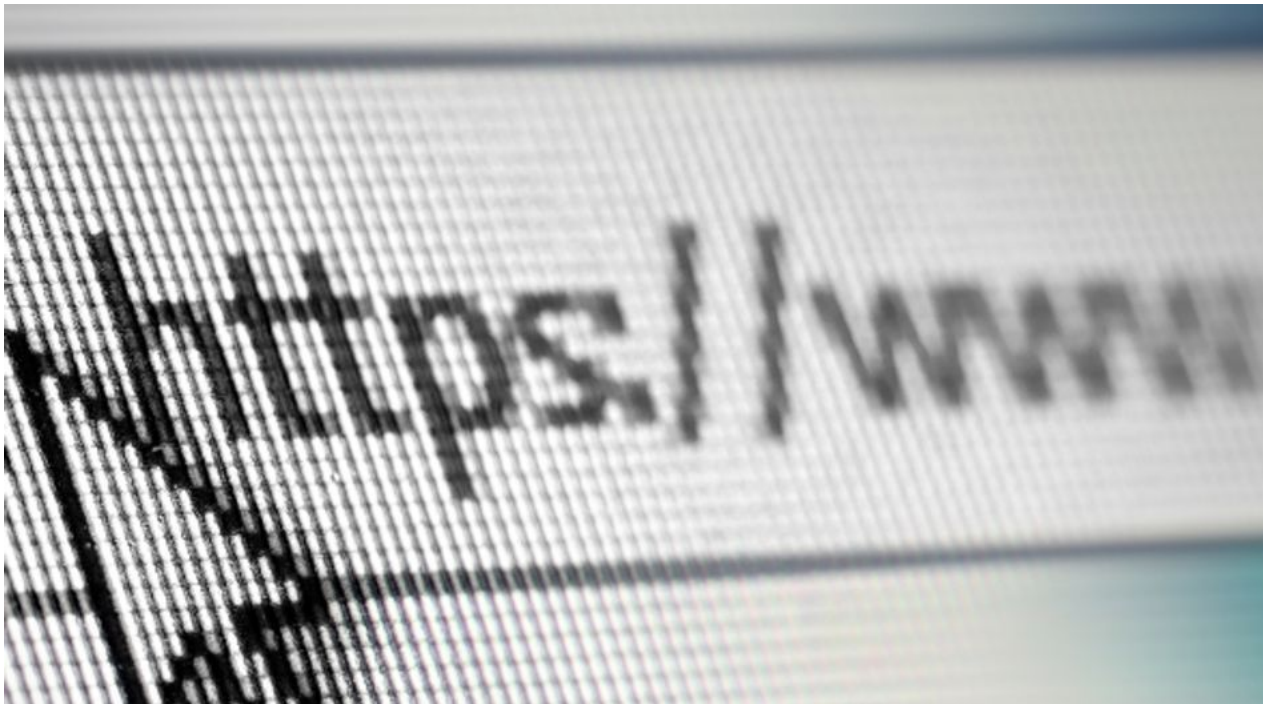


'toast.io' decision: let's have a toast for the '.io' Policy

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11 January 2023



INTERNATIONAL

Legal updates: case law analysis and intelligence

- Toast Inc, the owner of several TOAST marks, sought the transfer of 'toast.io' under the '.io' Policy
- The panel found that the way in which the respondent used the domain name was not in connection with a *bona fide* offering of goods/services, but reflected bad faith
- Although some of the complainant's arguments for bad faith were problematic, the panel noted that it is sufficient to demonstrate bad-faith use under the '.io' Policy

In a recent [decision](#) under the '[.io' Domain Name Dispute Resolution Policy](#) ('.io' Policy) before WIPO, a panel has ordered transfer of the domain name 'toast.io', finding that the respondent used the domain name in bad faith to redirect to websites of direct competitors of the complainant, the respondent's former client.

Background

The complainant, Toast Inc, was a US cloud-based restaurant software company offering an all-in-one platform including TOAST point of sale hardware and apps for restaurants to connect restaurant employees and operations with restaurant guests. It was the owner of several word and figurative trademarks for TOAST registered between 2015 and 2021. Despite the complainant's assertions that it had unregistered trademark rights from September 2012, the panel found that the complainant had established acquired distinctiveness for the TOAST trademark from March 2015.

The respondent was Domain Protection Services Inc, United States/Jeff Bennett, Bennett Global Group LLC, United States. According to its website, the respondent was offering "business consulting for corporate development, domain brokerage and the development & execution of dynamic training programs". The respondent listed the complainant as a client on its "Clients" page, displaying one of the complainant's figurative trademarks.

The domain name was 'toast.io'. According to the WHOIS record of the registrar with which the domain name was registered, the domain name appeared to have been registered on 17 April 2012 in the name of a domain privacy service. In response to WIPO's standard request for registrar verification, the registrar noted that it could not be determined when the current registrant registered or acquired the domain name. It was therefore unclear if the respondent was the original registrant of the domain name. Relying on the respondent's website, the panel noted that the complainant was formerly a client of the respondent. It appeared from an agreement submitted in support of the complainant's contentions dated 1 May 2018 that the complainant had engaged the respondent to assist the complainant in acquiring domain names. The complainant also attached a redacted memo dated December 2018, purportedly from the respondent's broker, reporting "good calls" with the owner of the domain name. According to the complaint, the complainant did not ultimately reach an agreement to acquire the domain name. Further to the filing of the complaint, the complainant discovered that the respondent had not disclosed that the respondent itself was the owner of the domain name (or that the respondent had subsequently acquired it), while acting as the complainant's agent to explore the acquisition of the domain name. At the time of the panel's decision, the domain name had been redirecting to websites belonging to the complainant's competitors since December 2021, after being inactive for years.

The respondent did not come forward to submit a response to the complaint.

To be successful under the '.io' Policy, a complainant must satisfy the requirements of Paragraph 4(a):

1. the disputed domain name 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 the disputed domain name; and
3. the disputed domain name was registered *or* is being used in bad faith.

Decision

As noted by the panel, the '.io' Policy is very similar to the [Uniform Domain Name Dispute Resolution Policy \(UDRP\)](#) and only differs in that it requires a demonstration of bad faith either at the time of registration of the domain name or in subsequent use (as opposed to both bad-faith registration and use). Therefore, the panel held that reference to the WIPO Overview of UDRP jurisprudence and decisions under the UDRP would be made as appropriate.

First limb

As far as the first limb was concerned, the panel found the domain name to be identical to the complainant's TOAST word mark and confusingly similar to its TOAST-formative marks. Thus, the complainant satisfied the first element set out in Paragraph 4(a) of the '.io' Policy.

Second limb

Moving on to the second requirement and a respondent's rights or legitimate interests (or lack of them), the panel referred to [Section 2.1](#) of the WIPO Overview 3.0, according to which a complainant is normally required to make out a *prima facie* case and it is then for the respondent to rebut that case. If the respondent fails to do so, then the complainant is deemed to satisfy the second requirement.

In the present case, the respondent did not come forward with any relevant evidence of rights or legitimate interests in the domain name. The panel found that the respondent operated its business under the name Bennett Group, which was different from the domain name, and had not published its own website associated with the domain name. Rather, the panel commented that the domain name had been used since December 2021, after some years of inactivity, only to redirect internet users to websites of the complainant's direct competitors. In the panel's view, the way that the respondent had used the domain name was not in connection with a *bona fide* offering of goods and services, but instead reflected bad faith.

In light of the complainant's trademark rights, the lack of permissive use, as well as the respondent's use of the domain name only to redirect to competitors' websites, the panel considered that the respondent had not rebutted the *prima facie* case established by the complainant and so the complainant had succeeded in establishing that the respondent had no rights and legitimate interests in the domain name.

Third limb

In relation to the third requirement, as noted above, under the '.io' Policy a complainant is required to demonstrate *either* that the domain name in question was registered *or* that it was used in bad faith.

In the case at hand, the complainant argued that the respondent registered the domain name in bad faith, having constructive notice of its US trademark rights and renewing the domain name each year. However, the panel noted that these arguments were problematic, citing the WIPO Overview 3.0, and pointed out that the lack of certainty as to when the respondent actually

acquired the domain name was an issue. Nevertheless, noting that it was sufficient under the '.io' Policy to demonstrate bad faith *use*, the panel went on to rule in favour of the complainant.

Considering that the respondent contracted with the complainant to help the complainant acquire several domain names in May 2018, and then specifically acted as the complainant's representative in negotiating the purchase of the domain name later that year, the panel found that there were two possible scenarios.

On the one hand, if the respondent already owned the domain name or acquired the domain name itself during this engagement, without informing the complainant and while acting as the complainant's broker and pretending that it was negotiating with a third party, then in the panel's opinion, this deceptive practice must be considered bad faith under the policy.

On the other hand, if the respondent did not already own the domain name in 2018, it undeniably became aware of the complainant and its trademarks at that time, given the respondent's publication of the complainant's name and logo on the "Clients" page of the respondent's website, as well as the complainant's interest in the domain name. The respondent had then redirected the domain name to competitors' websites. The panel found that this was consistent with the respondent's acquisition of the domain name after 2018 with the purpose of selling it to the complainant or a competitor for an amount in excess of out-of-pocket costs, in accordance with the UDRP, Paragraph 4(b)(i).

In either case, the panel found that it was indisputable that the respondent had redirected the domain name to competitors' websites since at least December 2021, and whether or not the respondent was paid for this was immaterial. In the panel's view, this conduct was also consistent with Paragraph 4(b)(iv) of the UDRP, because internet users were misdirected to other websites for commercial gain, using a domain name that was identical to the complainant's trademark.

In conclusion, the panel found that this was undoubtedly bad-faith use, and it was therefore unnecessary to consider the alternative theories proposed by the complainant. The domain name was therefore transferred.

Comment

This case shows that, as the bad-faith requirements of the '.io' Policy are more relaxed than the requirements of the UDRP (bad-faith registration or bad-faith use, as opposed to both bad-faith registration and use), the timing of the registration of a '.io' domain name can be less important if the domain name has been clearly used in bad faith.

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