



Asian Domain Name Dispute Resolution Centre

seoul

(Seoul Office)

ADMINISTRATIVE PANEL DECISION

Case No. KR-1600149

Complainant: YG-1 Co. Ltd.

(Authorized Representative: Eun Ji Ahn of Lee&Ko Law Offices)

Respondent: Satoshi Shimoshita

Disputed Domain Name: yg1.com

1. The Parties and Contested Domain Name

The Complainant is YG-1 Co. Ltd of 211, Sewolcheon-ro, Bupyeong-gu, Incheon, Korea. The Authorized Representative of Complainant is Eun Ji Ahn (Lee&Ko Law Offices) of Hanjin Building 62 Namdaemun-ro, Jung-gu, Seoul 04532, South Korea

The Respondent is Satoshi Shimoshita of 1-12-3-304 (1350045) Huruishiba, Koto-gu, Tokyo, Japan.

The domain name at issue is 'yg1.com' ("the Domain Name"), registered by the Respondent with ENOM, Inc. of 5808 Lake Washington Blvd. NE Ste. 300 Kirkland, WA 98033 USA ("the Registrar").

2. Procedural History

The Complaint was filed with the Seoul Office of the Asian Domain Name Dispute Resolution Center (ADNDRC) (“the Center”) on September 9, 2016, seeking transfer of the Domain Name. On September 20, 2016, the Center issued a Language of Proceeding notification. On October 22, 2016, the Complainant submitted a request that the language of the proceeding be English.

On October 26, 2016, the Center sent an email to the Registrar asking for the detailed data of the registrant. On October 27, 2016, the Registrar transmitted by email to the Center its verification response, advising 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 Center’s Supplemental Rules. In accordance with the Rules, the Center formally notified the Respondent of the Complaint and the proceedings commenced on November 4, 2016. In accordance with the Rules, the due date for the Response was November 24, 2016.

The Response was filed in English with the Center on November 19, 2016 in email format. The Center requested the Respondent to submit a response in the ADNDRC’s formal format. The Respondent submitted a revised response on November 25, 2016, requesting a three-member Administrative Panel.


On December 21, 2016, the Center sent a Request for Statement of Acceptance and Declaration of Impartiality and Independence to each of the proposed Panelists after considering the parties’ preferences. On December 21, 2016, the Center received a Statement of Acceptance and Declaration of Impartiality and Independence from each of the proposed Panelists.

On December 22, 2016, the Center notified the parties of the proposed Panelists and sought comments in regard to this proposal by December 26, 2016. No comments were received. On December 27, 2016, the Center notified the parties of the appointment of the Administrative Panel comprising three Panelists, Mr. Alan LIMBURY (Presiding Panelist), Mr. Christopher TO and Ms. Gabriela KENNEDY.

3. Factual background

The Complainant was founded in 1981. In 1986 it was “Incorporated to Yangji-1 Tools Co, Ltd” and in October, 1999 it changed its corporate name to YG-1 Co. Ltd.

The Complainant produces cutting products such as end mills, drills and taps. It is currently one of the world’s 5 major companies in the end mill manufacture and sales industry and is the largest in the Republic of Korea, exporting to over 70 countries and also having corporate bodies in several countries, including Japan, the country of the Respondent, where the Complainant’s branch, Alpha Tool Co., Ltd, was founded in 2008.

The Complainant is the proprietor of registered trademark YG-1 in the Republic of Korea, No. 40-0537737, registered on December 20, 2002 upon application made on September 27, 2001. The Complainant also has registrations for the logo mark  in many countries. It registered the domain names <yg1.co.kr> on October 12, 1999 and <yg1.kr> on February 28, 2007. Both resolve to its home website bearing a 2016 copyright notice.

The Respondent registered the Domain Name on January 7, 2002. As at August 18, 2016, it resolved to a website displaying links to cutting tools, end mills and taps of the Complainant’s competitors and inviting inquiry as to the possible sale of the Domain Name.

4. Parties' Contentions

A. Complainant

The Complainant's contentions may be summarized as follows:

- i. The Domain Name is identical to the Complainant's YG-1 trademark, the absence of a hyphen and the addition of the gTLD ".com" being inconsequential.
- ii. The Respondent has no rights or legitimate interests in respect of the Domain Name. The Complainant never granted the Respondent the right to use YG1. The Respondent has a history of being involved in similar cases, such as NAF claims 1247091 (eurax.com) and 1238993 (ashleyfurniturestores.com) and WIPO cases D2007-1241 (la-quinta.com) and D2010-1001 (jappy.com), in the latter of which it was stated the Respondent had registered more than 5,500 domain names with the intention of unjustifiably seeking to profit from them, as is the case here.
- iii. The Respondent registered and used the Domain Name in bad faith. By the time the Respondent registered the Domain Name in January, 2002, the Complainant's company was not only well-established in Korea but had a corporate body established and operating internationally. The Complainant's products have a good reputation overseas. The website to which the Domain Name resolves contains links to the Complainant's competitors' websites and the Domain Name is available for sale. Hence the Respondent has no intention to use the website other than in bad faith to profit from cybersquatting and the Respondent's conduct falls within paragraphs 4(b) (i), (ii) and (iii) of the Policy.

B. Respondent

The Respondent's contentions may be summarized as follows:

- i. The Respondent did not know of the Complainant or its YG-1 trademark before receiving this Complaint from the Center.

- ii. The Respondent registered the Domain Name about one year before the Complainant registered its YG-1 trademark. A finding for the Complainant would overturn the first-to-file principle.
- iii. The Respondent intends to use the Domain Name for his future business. His business does not conflict with that of the Complainant. Since there is no developed website, the Domain Name redirects to a parking site. This does not amount to bad faith. The Respondent has not approached the Complainant and offered to sell them the Domain Name.
- iv. YG-1 and YG1.com have no similarity that is justifiable.
- v. The Complainant is free to reflect its trademark in any of many gTLDs other than “.com”.
- vi. The Respondent refers to two domain name cases naming him as respondent, NAF claim FA0812001239512 (mix1.com) and WIPO Case No. D2016-1024 (moonjuice.com), both of which concern domain names that had been registered before the respective complainant filed their application to register their corresponding trademark. In each case the complainant was unsuccessful.
- vii. The domain name <YG-1.com> was registered by a Chinese registrant prior to the Complainant applying for its YG-1 trademark, yet the Respondent can find no record of the Complainant filing a complaint to recover that domain name through ADNDRC.
- viii. The Complaint amounts to Reverse Domain Name Hijacking.

5. Findings

Language of the Proceedings

Pursuant to paragraph 11(a) of the Rules, unless otherwise agreed by the parties, or specified otherwise in the registration agreement, the language of the administrative proceeding shall be the language of the registration agreement. The Panel notes that the ENOM Inc. registration agreement is in English; that the Complaint was filed in English; that the Respondent did not object to English as the language of the

proceeding and responded to the Complaint in English. Under these circumstances the Panel considers that the appropriate language of the proceeding shall be English.

Substantive issues

In accordance with paragraph 4(a) of the Policy, to obtain the transfer of the Domain Name, the Complainant must prove the following three elements:

- (i) the Respondent's Domain Name is identical or confusingly similar to a trademark or service mark in which the Complainant has rights;
- (ii) the Respondent has no rights or legitimate interests in respect of the Domain Name; and
- (iii) the Respondent has registered the Domain Name and is using it in bad faith.

Under paragraph 15(a) of the Rules, "A Panel shall decide a complaint on the basis of the statements and documents submitted and in accordance with the Policy, these Rules and any rules and principles of law that it deems applicable".

A) Identical / Confusingly Similar

The Panel does not consider the Domain Name to be identical or confusingly similar to the Complainant's logo mark .

However, the Complainant has shown that it has rights in the registered trademark YG-1. The fact that it may have been formally registered after the Domain Name was registered is not a relevant issue under the first element of the Policy. See WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Second Edition ("WIPPO Overview 2.0"), paragraph 1.4.

The Domain Name comprises the Complainant's YG-1 mark, without the hyphen and with the gTLD ".com". The absence of a hyphen and the presence of the ".com" gTLD are inconsequential since they insufficiently distinguish the Domain Name from the Complainant's mark. Accordingly the Panel finds that the Domain Name is identical to the Complainant's YG-1 trademark.

The Panel finds that the Complainant has established the requirement under paragraph 4 (a) (i) of the Policy. .

B) Rights and Legitimate Interests

The language of paragraph 4(a)(ii) of the Policy is in the present tense: the Complainant must show that, as at the time of the filing of the Complaint, the Respondent “has no rights or legitimate interests” in respect of the Domain Name.

The Complainant’s assertions are sufficient to constitute a *prima facie* showing of absence of rights or legitimate interests in respect of the Domain Name on the part of the Respondent. The evidentiary burden therefore shifts to the Respondent to show that he does have rights or legitimate interests in the Domain Name. See *Cassava Enterprises Limited, Cassava Enterprises (Gibraltar) Limited v. Victor Chandler International Limited*, WIPO Case No. D2004-0753.

Paragraph 4(c) of the Policy sets out three illustrative circumstances as examples which, if established by the Respondent, shall demonstrate his rights to or legitimate interests in respect of the Domain Name for purposes of paragraph 4(a)(ii) of the Policy, *i.e.*

- (i) before any notice to the Respondent of the dispute, the use by the Respondent of, or demonstrable preparations to use, the Domain Name or a name corresponding to the Domain Name in connection with a *bona fide* offering of goods or services; or
- (ii) the Respondent (as an individual, business or other organization) has been commonly known by the Domain Name, even if the Respondent has acquired no trademark or service mark rights; or
- (iii) the Respondent is making a legitimate noncommercial or fair use of the Domain Name, without intent for commercial gain to misleadingly divert

customers or to tarnish the trademark or service mark at issue.

There is no evidence that the Respondent has been commonly known by the Domain Name and the Respondent makes no such assertion. Since the Domain Name resolves to a website promoting the products of the Complainant's competitors, the Panel finds that the Domain Name is clearly being used to take advantage of the reputation of the Complainant and its YG-1 mark and that such use is neither *bona fide* nor non-commercial. Whatever rights or legitimate interests the Respondent might have had when registering the Domain Name, those rights or legitimate interests have been lost by such conduct. See e.g. *Miele, Inc. v. Absolute Air Cleaners and Purifiers*, WIPO Case No. D2000-0756 (<miele.net>).

Accordingly the Panel is satisfied that the Respondent has no rights or legitimate interests in respect of the Domain name.

The Panel finds that the Complainant has established the requirement under paragraph 4(a) (ii) of the Policy. .

C) Bad Faith

Paragraph 4(b) of the Policy sets out four illustrative circumstances, which, though not exclusive, shall be evidence of the registration and use of the Domain Name in bad faith for purposes of paragraph 4(a)(iii) of the Policy.

Paragraphs 4(b)(i) to (iii) focus upon a respondent's purpose at the time of registering the disputed domain name. The Panel accepts that the YG-1 mark has become distinctive and widely known since its registration in late 2002. However, that mark had not been registered at the time of registration of the Domain Name on January 7, 2002. Although the application to register the YG-1 mark was filed in Korea in September, 1999, there is no reason to believe that the Respondent was aware of the application, since it was not published for opposition until September, 2002.

Although the Complainant had been trading under its corporate name YG-1 Co. Ltd. since October 1999 and had registered the domain name <yg1.co.kr> that same month, there is no evidence before the Panel of use of the YG-1 mark prior to January 7, 2002 such as to justify a finding that the Respondent, in Japan, is more likely than not to have been aware at that date of the Complainant or of any unregistered YG-1 mark. Indeed the Complainant makes no claim to unregistered trademark rights. The Panel notes that the Complainant's branch in Japan was not established until 2008 and was named Alpha Tool Co., Ltd.

Accordingly, in the absence of evidence of such awareness on the part of the Respondent, the Panel finds that the Complainant has failed to establish any of the circumstances set out in paragraphs 4(b)(i) to (iii).

As to paragraph 4(b)(iv), despite the statements by the Respondent, which are of a general nature and do not specify the nature of his business other than stating that he intends to use the Domain Name in future, the Domain Name has been shown to resolve to a website displaying links to the products of the Complainant's competitors. Although this may be a parking website operated by a third party, it is the Respondent who has chosen this course and who is therefore responsible, for the purposes of this proceeding, for the display of those links. See WIPO Overview 2, paragraph 3.8:

“Panels have found that a domain name registrant will normally be deemed responsible for content appearing on a website at its domain name, even if such registrant may not be exercising direct control over such content - for example, in the case of advertising links appearing on an "automatically" generated basis.”

Such links generally give rise to pay-per-click revenue and the Panel proceeds on the basis that this is the case here. The Panel therefore finds that the Respondent is using the Domain Name in the circumstances set out in paragraph 4(b)(iv), namely: by using the Domain Name, the Respondent has intentionally attempted to attract,

for commercial gain, Internet users to his website, by creating a likelihood of confusion with the Complainant's mark as to the source, sponsorship, affiliation, or endorsement of the Respondent's website or of a product or service on his website.

In such circumstance, the Panel needs to consider whether such bad faith use can lead to a finding that "the Respondent has registered the Domain Name and is using it in bad faith", as required by paragraph 4(a)(iii)

The traditional view is that the Complainant must prove both bad faith at the time of registration and bad faith use. See *Telaxis Communications Corp. v. William E. Minkle*, WIPO Case No. D2000-0005; *Passion Group Inc. v. USearch, Inc.*, eResolution, Case No. AF-0250; *e-Duction, Inc. v. John Zuccarini, d/b/a The Cupcake Party & Cupcake Movies*, WIPO Case No. D2000-1369.

The traditional view has been challenged, principally in *City Views Limited v. Moniker Privacy Services / Xander, Jeduyu, ALGEBRALIVE*, WIPO Case No. D2009-0643 ("Mummygold"); *Octogen Pharmacal Company, Inc. v. Domains By Proxy, Inc. / Rich Sanders and Octogen e-Solutions*, WIPO Case No. D2009-0786 ("Octogen"); *Ville de Paris v. Jeff Walter*, WIPO Case No. D2009-1278; and *Jappy GmbH v. Satoshi Shimoshita*, WIPO Case No. D2010-1001 ("Jappy"), the latter being cited by the present Complainant, in which the 3-member Panel expressed the view:

"In our opinion, both the context of the Policy and the object and purpose of the Policy makes it clear that the phrase "has been registered and is being used" in paragraph 4(a)(iii) is not a binary concept. Accordingly, in our view the requirement that the domain name "has been registered and is being used in bad faith" can, in certain circumstances, be satisfied in the absence of bad faith intent upon initial registration where such registered domain name is being used in bad faith."

The *Mummygold/Octogen/Jappy* view has not received general acceptance. See, e.g., *Validas, LLC v. SMVS Consultancy Private Limited*, WIPO Case No. D2009-1413; *Eastman Sporto Group LLC v. Jim and Kenny*, WIPO Case No. D2009-1688; *A. Nattermann & Cie. GmbH and Sanofi-aventis v. Watson Pharmaceuticals, Inc.*

WIPO Case No. D2010-0800; *Mile, Inc. v. Michael Burg*, WIPO Case No. D2010-2011; *Xbridge Limited v. Marchex Sales, Inc.*, WIPO Case No. D2010-2069; *G.W.H.C. - Serviços Online Ltda., E-Commerce Media Group Informação e Tecnologia Ltda. v. eRealEstate.com*, WIPO Case No. D2012-0498; *Poundland Limited v. Dealz.com*, WIPO Case No. D2012-0918; and *Lonza AG v. Onyx Networks, Inc.*, WIPO Case No. D2015-1460.

This Panel respectfully adopts the reasoning of those panelists who remain of the traditional view, for the reasons most recently set out in *Webster Financial Corporation v. SATOSHI SHIMOSHITA*, Claim Number: FA1611001704955 (hsbank.com), (FORUM January 3, 2017):

“As noted in the *WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Second Edition* (“*Overview*”), ¶ 3.1, the consensus view is that “[g]enerally speaking, ... when a domain name is registered by the respondent before the complainant’s relied-upon trademark right is shown to have been first established ..., the registration of the domain name would not have been in bad faith because the registrant could not have contemplated the complainant’s then non-existent right.” See *Telecom Italia S.p.A. v. NetGears LLC*, FA 944807 (FORUM May 16, 2007). The *Overview* notes, however, that “in certain situations, when the respondent is clearly aware of the complainant, and it is clear that the aim of the registration was to take advantage of the confusion between the domain name and any potential complainant rights, bad faith can be found.” In this case, there is no evidence or argument that, prior to registration of the domain name in dispute, Respondent was clearly aware of Complainant or of any potential trademark rights.

Complainant, however, refers the Panel to paragraph 2 of the applicable Policy and to an earlier three-member panel decision involving the instant Respondent, *Jappy GmbH v. Satoshi Shimoshita*, WIPO Case No. D2010-1001. The *Jappy* panel noted that in *Octogen Pharmacal Company, Inc. v. Domains by Proxy, Inc. / Rich Sanders and Octogen e-Solutions*, WIPO Case No. D2009-0786, it was held that paragraph 2 of the Policy not only imposes a duty on the registrant to conduct an investigation of third party trademark rights at the time of registration ... “but also includes a representation and warranty by the registrant that it will not now or in the future use the domain name in violation of any laws of regulations.” Consequently, the panelist in the *Octogen* case found that even though a party may register or acquire a domain name in good faith, if it uses the domain name in the future so as to call into question the party’s compliance with his representations and warranties (under paragraph 2 of the Policy), this may provide basis for a

finding of registration and use in bad faith. The *Jappy* panel indicated that the *Octogen* case was applied and followed by the panelist in *Ville de Paris v. Jeff Walter*, WIPO Case No. D2009-1278, concerning the disputed domain name <parvi.org>.

...

The current Panel agrees, however, with the three-member panel in *Mile, Inc. v. Michael Burg*, WIPO Case No. D2010-2011, that there does not exist a compelling policy or legal basis for retroactively characterizing later abuses as bad faith in the "registration" of a domain name. As noted in *Mile, Inc.*, the plain language of paragraph 4(a)(iii) of the Policy requires a conclusion that the domain name has been "registered" and "used" in bad faith... See, e.g., *Validas, LLC v. SMVS Consultancy Private Limited*, WIPO Case No. D2009-1413; *Eastman Sporto Group LLC v. Jim and Kenny*, WIPO Case No. D2009-1688. The *Mile, Inc.* panel found that reading "registered" as a continuous act that can be abused at any time would appear to make it essentially synonymous with "use" and deprive the conjunctive phrase of its full meaning.

The *Mile, Inc.* panel was also concerned, as is the instant Panel, that the reasoning in *Octogen* and similarly decided cases runs counter to a decade of decisions addressing the UDRP's conjunctive requirements for a demonstration of bad faith. See, e.g., *Torus Insurance Holdings Limited v. Torus Computer Resources*, WIPO Case No. D2009-1455; *Camon S.p.A. v. Intelli-Pet, LLC*, WIPO Case No. D2009-1716; *Tata Communications International Pte Ltd (f/k/a VSNL International Pte Ltd) v. Portmedia Inc. / TRUEROOTS.COM c/o Nameview Inc. Whois*, WIPO Case No. D2010-0217 (majority opinion); *Burn World-Wide, Ltd. d/b/a BGT Partners v. Banta Global Turnkey Ltd*, WIPO Case No. D2010-0470; *A. Nattermann & Cie. GmbH and Sanofi-aventis v. Watson Pharmaceuticals, Inc.*, WIPO Case No. D2010-0800 (majority opinion). It also runs counter to the consensus view that registration in bad faith must normally occur at the time the current registrant took possession of the domain name. See *Overview*, ¶3.7."

It is therefore necessary, if the Complainant is to succeed, for the Complainant to satisfy the Panel that the Respondent knew or was likely to have known of the Complainant's registered trademark and/or any unregistered mark at time of registration of the Domain Name. See *QIQ Communications Pty Ltd v. Netico, Inc.*, WIPO Case No. D2014-1024, <qiq.com> (July 30, 2014) and *Nova Holdings Limited, Nova International Limited, and G.R. Events Limited v. Manheim Equities, Inc. and Product Reports, Inc.*, WIPO Case No. D2015-0202, <greatrun.com> (April 23, 2015). On the evidence before the Panel, the Respondent registered the Domain Name permissibly on a first-come, first-served basis, without having the Complainant or its YG-1 mark in mind.

Accordingly the Panel finds that the Complainant has failed to establish that the Domain Name was registered in bad faith and has consequently failed to satisfy paragraph 4(a)(iii) of the Policy.

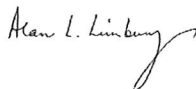
6. Reverse Domain Name Hijacking

Paragraph 15(e) of the Rules provides that, if “after considering the submissions the panel finds that the complaint was brought in bad faith, for example in an attempt at Reverse Domain Name Hijacking or was brought primarily to harass the domain-name holder, the panel shall declare in its decision that the complaint was brought in bad faith and constitutes an abuse of the administrative proceeding”. Reverse Domain Name Hijacking is defined under the Rules as “using the UDRP in bad faith to attempt to deprive a registered domain-name holder of a domain name”.

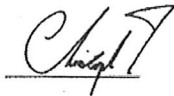
In light of the Complainant’s success in establishing the first two elements and the conflicting decisions as to whether it is necessary for a complainant to establish both bad faith registration and bad faith use, the Panel does not find this to be a case of Reverse Domain Name Hijacking.

7. Decision

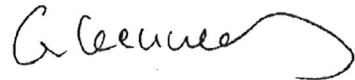
The Complainant having failed to establish all three elements entitling it to relief, it is ordered that the Domain Name REMAIN WITH the Respondent.



Alan LIMBURY
Presiding Panelist



Mr. Christopher TO
Co-Panelists



Ms. Gabriela KENNEDY
Co-Panelists

Dated: January 10, 2017.