



Asian Domain Name Dispute Resolution Centre

hong kong

(Hong Kong Office)

ADMINISTRATIVE PANEL DECISION

Case No.	HK-1500752
Complainant:	Envato Pty Ltd ('Envato')
Respondent:	James Smith
Disputed Domain Name(s):	<envatostudio.com>

1. The Parties and Contested Domain Name

The Complainant is Envato Pty Ltd ('Envato'), of Level 1, 121 King Street, Melbourne, Victoria, Australia, 3000.

The Respondent is Mr. James Smith, of 252A Brighton Road, South Croydon, Surrey, London, CR2 6AH, United Kingdom (UK).

The domain name at issue is <envatostudio.com>, registered by Respondent with GoDaddy.com LLC, of 14455, Hayden Rd Suite 219, Scottsdale, Arizona, 85260, United States of America (USA).

2. Procedural History

On April 20, 2015, the Complainant submitted the Complaint in English on domain name <envatostudio.com> to the Hong Kong Office of the Asian Domain Name Dispute Resolution Centre (the "Centre"), in accordance with the Uniform Domain Name Dispute Resolution Policy (the "Policy") adopted by the Internet Corporation for Assigned Names and Numbers (ICANN) on August 26, 1999, the Rules for Uniform Domain Name Dispute Resolution Policy Disputes (the "Rules") approved by ICANN on October 24, 1999, and the Asian Domain Name Dispute Resolution Centre Supplemental Rules (the "Supplemental Rules") in effect as of February 28, 2002. By email message dated April 20, 2015, the Center confirmed the receipt of the Complaint. The Complainant requested a single person panel.

After receiving the Complaint, the Centre, in accordance with the Supplemental Rules, verified that the Complaint complied with the formal requirements of the Rules and the Supplemental Rules. On April 20, 2015, the Centre requested the Registrar to confirm: (1) that the disputed domain name was registered with the Registrar, (2) whether the Respondent is the registrant or holder of the name, and (3) whether the Policy applies to the name; and to specify: (4) the language of the Registration Agreement of the disputed domain name, (5) WhoIs information for the disputed domain name, and (6) the current status of the domain name.

On April 21, 2015, the Registrar provided its response to the Centre through which it confirmed that: (1) the name was registered with GoDaddy.com LLC, (2) the Respondent is the registrant or holder of the name, and (3) the Policy applies to the name. The Registrar also stated that (4) the registration agreement is in the English language, (5) provided name and contact information pertinent to the name as reflected in its WhoIs database, and stated that (6) the domain name is currently locked and would remain locked during the pending administrative proceeding.

On April 29, 2015, the Centre reminded the Complainant that according to Paragraph 3 (b) (xii) of the Rules and Article 5(3) of the Supplemental Rules, the Complaint shall state that a copy of the complaint, including any annexes, together with the Complaint Transmittal Cover page (CTC) as prescribed by the Provider's Supplemental Rules, has been sent or transmitted to the Respondent and the Registrar, in accordance with Paragraph 2(b). On April 30, 2015, the Complainant submitted the Complaint's Annexures A to S to the Centre and to the Respondent pursuant to the Policy, Article 4 of the Rules and Article 6 of the ADNDRC Supplemental Rules.

On April 30, 2015, the Centre sent the Complaint to the Respondent. The Respondent was then provided with a 20 calendar day period, expiring on May 20, 2015, to file its Response both with the Centre and the Complainant. As of May 20, 2015, the Centre had not received a Response Form from the Respondent for the Domain Name Dispute concerning Domain Name <envatostudio.com> within the required period of time. Instead, the Centre received an email response from the Respondent on May 21, 2015.

Pursuant to the Rules and Supplemental Rules, the Centre, by email dated June 10, 2015, contacted the undersigned, Prof. Julien Chaisse, requesting his service as a Sole Panelist for this dispute. On the same day, Prof. Chaisse responded and affirmed his ability to act completely independently and impartially in this matter. Subsequently, by an email dated June 11, 2015, the Centre, notified the Parties of the appointment of Prof. Chaisse as the Sole Panelist. No further communications have been received from the parties.

The Panel finds that the Administrative Panel was properly constituted and appointed in accordance with the Rules and the Supplemental Rules.

The Panel shall issue its Decision based on the Complaint, the Response, the e-mails exchanged, the evidence presented, the Policy, the Rules and the Supplemental Rules. Based on the deadline set forth in paragraph 15 of the Rules, a decision was to be issued by the Panel to the Center on or before June 25, 2015.

3. Factual background

The Complainant: Envato Pty Ltd ('Envato')

A. The Complainant's Envato's Marks

The Complainant currently owns numerous trademark registrations and applications worldwide for marks that consist of the term "Envato" and "Envato studio" in block letters for use on conjunction with a variety of goods and services.

The Complainant provided in Annexure B to the Complaint, the lists of the registered trademarks on which the Complainant relies, together with the classes and goods/services covered by the registrations. In addition, the Complainant provided the copies of the registration certificates in Annexure C.

The first three of the Complainant's registrations in Australia, USA and EU were granted in 2008 for the mark "Envato" (Australia trade mark registration Nos. 1253851; 1625463; 1614225; USA trade mark registration No. 3825214; European Union (EU) trade mark registration No. 990800). The Madrid Protocol pending application covering China, the EU, India and the USA (based on Australian registration no 1614225) was lodged on May 29, 2014. Finally, the other Complainant's registrations for the mark "Envato studio" were all lodged on March 28, 2014.

B. The Complainant and its activities

The Complainant is an Australian based e-commerce company that operates "Envato Market", an online global marketplace facilitating the sale and purchase of millions of creative assets, project files and kits for web, print and video projects between of authors and buyers from all over the world. This global marketplace is accessible at the following URL: <http://market.envato.com>.

Founded in 2007, Envato has grown to become one of Australia's successful technology companies. Envato now employs more than 200 people in least 25 countries. In Annexure D to the Complaint, the Complainant provided further information revealing that Envato Market has a global user base of in excess of 4.3 million signed-up members from at least 237 countries around the world. Since 2014, Envato Market has been consistently ranked by Alexa as one of the 1,000 most popular websites in the world based on traffic and page views, and attracts approximately 2 million visits per week. This translates into a sale on average every six seconds and more than \$USD200 million in member payouts to date as shown in Annexure E to the Complaint.

The Complainant and its activities are globally known. In Annexure F to the Complaint, the Complainant provided some recent international publications which feature or mention the Complainant as being at the forefront of the digital marketplace economy, and which demonstrate the global reach of the Complainant's reputation and user base, include: The Do-It-Yourself Economy (The New York Times, 23.12.2009); 3 Ways to Make Money Online and be More Creative (Wall Street Journal: Market Watch, 20.06.2014); Envato Named Australia's Coolest Tech Company in Jobadvisor Competition (News.com, 26.08.2014); and Location is kind of irrelevant: Start-up stars urge founders to stay in Australia (BRW, 19.09.2014).

Finally, in Annexure G to the Complaint, the Complainant provided further information. First, the Envato brand was first used by the Complainant in 2007. It is a made up word that is devoid of any meaning in any language. Second, the Complainant launched a new platform in April 2013 to facilitate the buying and selling of digital services. Initially launched under the name "Microlancer", this platform was re-launched in April 2014 under the brand Envato Studio and provides online services that include logo design, business and online marketing, WordPress, design and graphics, video and animation, eCommerce and content management system ("CMS") development, mobile and apps, and websites and programming. Freelancers set upfront pricing, scope and turnaround time for the services they offer.

The Respondent

As indicated in the WhoIs registration record provided in Annexure A to the Complaint, the Respondent registered the disputed domain name on March 29, 2013. Since April 21, 2015, the Disputed Domain Name has been locked by the Registrar and is currently inactive.

The Centre confirmed that documents have been sent to the Respondent's address as registered with the registrar GoDaddy.com LLC. However, the Centre did not receive a Response Form R from the Respondent for the Domain Name Dispute concerning Domain Name <envatostudio.com> but an email dated May 21, 2015. In this email, the Respondent confirms that he purchased the domain since 29 March 2013.

4. Preliminary Issues: Late and Deficient Response

In its email of May 21, 2015 to the Center and the Complainant, James Smith asserted ownership of the disputed domain name. The Panel must determine how to treat Respondent's May 21, 2015 e-mail. The issue is whether the Panel will consider the administratively late and deficient Response of May 21, 2015.

A. Late Response

The Respondent transmitted the Response on May 20, 2015 at 22:58 (London time). The Response was received by the Center May 21, 2015, at 5:58 AM (Hong Kong time).

In the event of a late Response, the Panel's default course of action, pursuant to paragraph 14(a) of the Rules, is to proceed to decision based only on the complaint.

The Panel may, in its discretion, consider the response if "exceptional circumstances" exist. Responses that were submitted late were taken into account by the panels in cases in which:

- the response was filed before commencement of the decision-making process by the panel (see *J.P. Morgan & Co., Incorporated and Morgan Guaranty Trust Company of New York v. Resource Marketing*, WIPO Case No. D2000-0035);
- the lateness did not delay the decision (See *Young Genius Software AB v. MWD, James Vargas*, WIPO Case No. D2000-0591);
- respondent was able to rely on a medical emergency (See *Khoral Research, Inc. v. Alexy V. Khrabrov, National Arbitration Forum Case No. FA 94269*);
- failure to take into account would have led to a "miscarriage of justice" (see *Collegetown Relocation, L.L.C. v John Mammaing, National Arbitration Forum Case No. FA 95003*);
- response was late only by one day (See *Kate Spade, LLC v. Darmstadter Designs*, WIPO Case No. D2001-1384 and *Arthur Guinness Son & Co. (Dublin) Limited v. Feeney O'Donnell and John O'Donnell*, WIPO Case No. D2000-1710).

Although there were no exceptional circumstances, a late response was taken into account on the basis of the panel's "general powers" pursuant to paragraph 10(b) of the Rules ("equality and that each party is given a fair opportunity") on the grounds that failure to take the response into account "would be a rather drastic step and should be undertaken with great care." (*AT&T Corp. v. Randy Thompson*, WIPO Case No. D2001-0830).

In contrast, responses submitted after the expiry of the deadline were dismissed by the panel where the period set was exceeded by two weeks, since the respondent could have applied for an extension and was represented by counsel (*Talk City, Inc. v. Michael Robertson*, WIPO Case No. D2000-0009).

The Panel observes that Respondent transmitted the Response on May 20, 2015 (London time), but that due to time difference, the Response was received by the Center on May 21, 2015 (Hong Kong time)

The Panel holds the view that it is sufficient that Respondent has met the deadline in its time zone (See *AIB-Vincotte Belgium ASBL, AIB-Vincotte USA Inc./Corporation Texas v. Guillermo Lozada, Jr.*, WIPO Case No. D2005-0485, August 29, 2005). However, even if it is assumed that the Response was filed one day late, the panels would agree with the views held in previous UDRP decisions that the lateness of Respondent's response is *de minimis* and has not prejudiced the Complainant nor has it delayed the Decision in this Administrative Proceeding.

The Panel therefore has admitted and considered the submissions set out in the Response.

B. Deficient Response

There is no provision regulating the consequences for responses that do not meet the formal requirements comparable to paragraph 4(b) of the Rules for complaints. Whether and under what conditions responses are to be taken into account if they do not satisfy the formal requirements of paragraph 5 of the Rules has been determined differently by different panels.

The majority of the panelists assume that they are entitled at their discretion to determine whether to consider responses which are formally incorrect (*Young Genius Software AB v. MWD, James Vargas*, WIPO Case No. D2000-0591).

A response has been taken into account *inter alia* if:

- the respondent wrongly submitted the response to the complainant and ICANN but not to the dispute resolution provider (See *Oberoi Hotels Pvt. Ltd. v. Arun Jose*, WIPO Case No. D2000-0263);
- the response was on time but was submitted in handwriting (See *Cable News Network LP, LLP v. Manchester Trading, National Arbitration Forum* Case No. FA 93634);
- the response exceeded the limit on the number of words imposed by the Supplemental Rules (See *Süd-Chemie AG v. tonsil.com*, WIPO Case No. D2000-0376);
- the response was submitted by fax (See *Veritas DGC Inc. v. The Collectors Source, National Arbitration Forum* Case No. FA 94425).

Account was not taken of a response that was merely submitted by email (See *William Hill Organisation Limited v. Seven Oaks Motoring Centre*, WIPO Case No. D2000 – 0824).

In this case, the Panel finds that there is no evidence on the record apart from the statements made in the Respondent's email that the latter is indeed the owner of the domain name. However, James Smith's claim to ownership and to liability as a Respondent

in the proceeding is a statement against interest that, in the Panel's view, is unlikely to have been made unless true. Recognition of that fact does not, however, necessarily entail that the Panel must consider the further contents of the late response.

The Panel notes, in particular, that the Respondent's email of May 21, 2015 does not conform to the requirements of Rule 5(b) of the Rules. Notably, it was submitted by email only, and omits the certification required by Rule 5(b)(viii) that the information contained in the response is to the best of the Respondent's knowledge complete and accurate, that the Response is not being presented for any improper purpose, and that the assertions in the Response are warranted under the Rules and applicable law.

The Panel's discretion to admit a deficient response falls within its general discretion under Paragraph 10(a) of the Rules to conduct the administrative proceeding in the manner it considers appropriate in accordance with the Policy and Rules. Under Paragraph 10(b) of the Rules, the Panel has a duty to ensure that the parties are treated equally, that each has a fair opportunity to present its case, and that the proceedings are conducted expeditiously.

Although panels have in some circumstances exercised their discretion to accept administratively deficient responses, other panels have been reluctant to do so where a response is submitted only by email and without the required accompanying certification under Paragraph 5(b)(viii) of the Rules (see *Talk City, Inc. v. Michael Robertson*, WIPO Case No. D2000-0009; *EAuto, Inc. v. Available-Domain-Names.com, d/b/a Intellectual-Assets.com, Inc.*, WIPO Case No. D2000-0120; and *Crédit Industriel et Commercial S.A. v. Yu Ming*, WIPO Case No. D2005-0458).

The Panel declines to treat it as a Response because, among other things, the e-mail does not contain the requisite certification that the information contained therein is, "to the best of Respondent's knowledge, complete and accurate." Rule 5(b)(viii); *Talk City, Inc. v. Robertson*, Case No. D2000-0009 (WIPO Feb. 29, 2000); *NB Trademarks, Inc. v. Domain Privacy LTD and Abadaba S.A.*, Case No. D2008-1984 (WIPO Feb. 22, 2009).

Given that the Respondent did not file any other submission, notwithstanding the April 30 written notice of complaint from the Center stating "[a]ccording to Article 5 of the Rules, you are required to submit a Response (the Response Form R and its Annexures) to the Hong Kong Office of the ADNDRC within 20 days from 30 April 2015 (That is on or before 20 May 2015). A Response Form can be downloaded at our website of at the following URL: <http://www.adndrc.org/mten/hken/udrp1.php?st=3> . Should you so desire, you may wish to seek the assistance of legal professional to represent you in the administrative proceeding", the Panel finds that Respondent is in default.

Accordingly, the Panel may draw such inferences from Respondent's failure to comply with the Rules as it considers appropriate. Rule 14(b); *Talk City, Inc.* at § d.

5. Parties' Contentions

A. Complainant

The Complainant's contentions may be summarized as follows:

i. Identical or Confusingly Similar

The Complainant submits that the Disputed Domain Name is identical or confusingly similar to marks in which the Complainant has rights on the basis of its Envato trade mark registrations. The Disputed Domain Name and the Complainant's registered Envato Studio trade mark are identical.

The Complainant accordingly submits that it has proved that the Disputed Domain Name is identical and/or confusingly similar to its registered trade marks in which the Complainant has rights or interests for the purposes of paragraph 4(a)(i) of the Policy.

ii. Rights or Legitimate Interests

The Complainant contends that the Respondent has no rights or legitimate interests in the disputed domain name pursuant to paragraphs 4(a) (ii) and particular 4(c) of the Policy.

At the outset the Complainant confirms that it has not, nor has it ever, granted the Respondent any right, licence, authorisation or consent to use its Envato trademark, in the UK or elsewhere.

Second, the Complainant's use and registration of the Envato trade mark in the UK predates the Respondent's registration of the Disputed Domain Name by at least six years. This has the practical effect of shifting to the Respondent the burden of proof in establishing that it has legitimate rights and/or interests in the Disputed Domain Name.

Third, the Disputed Domain Name does not reflect or in any way correspond to the Respondent's name.

Fourth, the Respondent is not the owner of any registered trademarks corresponding to the Dispute Domain Name.

Fifth, the Complainant further submits that in light of the global reputation that the Complainant has already acquired in the Envato trade mark through its operation of Envato Market and Envato Studio, it would not be possible for the Respondent (or any person) to acquire any legitimate right or interest in the Envato brand as it is so distinctive of the Complainant that any use of that word would give rise to a misrepresentation of endorsement or affiliation with the Complainant.

Finally, the Disputed Domain Name is not as at the date of this Complaint being used, nor to the Complainant's knowledge has it ever been used, in connection with any bona fide offering of goods or services.

The Complainant accordingly submits that it has proved that the Respondent has no right or legitimate interest in respect of any of the Disputed Domain Name for the purposes of Article 4(a)(ii) of the Policy.

iii. Registered and Used in Bad Faith

The Complainant contends that the Respondent registered and is now using the disputed domain name in bad faith under paragraph 4(a)(iii) of the Policy.

First, the fact that the Respondent has registered the Disputed Domain Name without having any legitimate right or interest in it is of itself evidence of bad faith on the part of the Respondent in registering the Disputed Domain Name.

Second, the Complainant also submits that, in light of its extensive global reputation in the Envato trade mark and in the UK, being the Respondent's country of domicile, there is an irrefutable inference that the Respondent knew of the Complainant's Envato trade mark when he registered the Disputed Domain Name.

Third, the Complainant submits that Envato is a made up word, coined by the founders of the Complainant and having no meaning in any language independent of the Complainant's trade mark.

Fourth, the Complainant submits that the Respondent has not made any use of the Disputed Domain Name to the best of the Complainant's knowledge. In this connection, the Complainant provides evidence that the Respondent offered to sell the Disputed Domain Name to the Complainant who was approached by the registrar of the Disputed Domain Name on the Respondent's behalf for US\$25,000.

The Complainant accordingly submits that it has proved that the Respondent has registered and used the Disputed Domain Name in bad faith for the purposes of Article 4(a)(iii) of the Policy.

B. Respondent

The Centre did not receive a Response Form R from the Respondent for the Domain Name Dispute concerning Domain Name <envatostudio.com> but an email dated May 21, 2015. The Respondent is in default.

6. Findings

The ICANN Uniform Domain Name Dispute Resolution Policy provides, at Paragraph 4(a), that each of three findings must be made in order for a Complainant to prevail:

- i. Respondent's domain name is identical or confusingly similar to a trademark or service mark in which Complainant has rights; and
- ii. Respondent has no rights or legitimate interests in respect of the domain name; and
- iii. Respondent's domain name has been registered and is being used in bad faith.

i) Identical / Confusingly Similar

This element of the Policy requires the Complainant to prove that it has rights in a trademark or service mark, and that the Disputed Domain Name is identical to or confusingly similar to such trademark or service mark.

The Complainant has provided ample evidence that it has registered trademark rights in Envato and that it has been operating since 2007 a popular website under a domain name that incorporates Envato. This website attracts many million hits per month.

The Disputed Domain Name <envatostudio.com> incorporates the Complainant's Envato mark in its entirety. From a simple comparison of the name and the mark, no doubt exists

that the disputed domain name is, for all practical purposes, identical to the Complainant's mark Envato.

It is well established that, in making an enquiry as to whether a trade mark is identical or confusingly similar to a domain name, the domain extension (in this case <.com>), should be disregarded (See *Rohde & Schwarz GmbH & Co. HG v. Pertshire Marketing, Ltd*, WIPO Case No. D2006-0762).

In any case, Envato is clearly the distinctive and prominent component of the Disputed Domain Name. The only difference between the Disputed Domain Name and the Complainant's Envato trade mark is the inclusion of the word "studio" as a suffix. It is well established that in cases where the distinctive and prominent element of a disputed domain name is the complainant's mark and the only deviation from this is a descriptive indicator, such indicator does not negate the confusing similarity between the disputed domain name and the mark (See, *inter alia*, *Time Warner Entertainment Company L.P. v. HarperStephens*, WIPO Case No. D2000-1254, concerning over 100 domain names including <harrypotterfilms.net>; *Kabushiki Kaisha Toshiba dba Toshiba Corporation v. WUFACAI* (WIPO Case No. D2006-07) and *The Dow Chemical Company v. Hwang Yiyi* (WIPO Case No. D-2008-1276; *eBay Inc. v. ebayMoving / Izik Apo*, WIPO Case No. D2006-1307, January 31, 2007).

This is particularly the case when the descriptive indicator relates to the business of the complainant. Here, the word "studio" is directly related to the Complainant's core business as the operator of an online marketplace offering digital assets and services for creative projects. The word 'studio' goes to the heart of the people who create items to sell on Envato Market, and the people who buy those items to use them in their creative projects. The Panel understands that it is for this reason that the word 'Studio' was selected as the generic descriptor for the Envato Studio platform. For these reasons, the word "Studio" does nothing to distinguish it from the Envato trade mark and should therefore be disregarded in assessing the similarity between the Complainant's Envato trade mark and the Disputed Domain Name.

The Panel finds that the disputed domain name is confusingly similar to a trademark in which the Complainant has rights.

ii) Rights and Legitimate Interests

Based on the evidence of record here, the Panel finds that no basis exists which, under the circumstances here, would legitimize a claim to the disputed domain name under paragraph 4(c) of the Policy.

The Envato Trade Marks are inherently distinctive, and given also their extensive use by the Complainant since at least 2008 in commerce, Envato Trade Marks are known to consumers as being associated with the Complainant, its business and its products.

The Complainant's use and registration of the Envato trade mark in the UK predates the Respondent's registration of the Disputed Domain Name by at least six years. This has the practical effect of shifting to the Respondent the burden of proof in establishing that it has legitimate rights and/or interests in the Disputed Domain Name (*PepsiCo, Inc. v. Pepsi, SRL (a/k/a P.E.P.S.I.) and EMS Computer Industry (a/k/a EMS)* (Case No. D2003-0696)). In the absence of such evidence, the Respondent's burden of proof in this respect is not be

satisfied and accordingly the Panel finds that the Respondent does not have any legitimate right or interest in the Disputed Domain Name.

Furthermore, there is no evidence to suggest that the Respondent has been commonly known by the Disputed Domain Name. The Respondent's name (James Smith) does not reflect or correspond with the Disputed Domain Name, and there is no justification or apparent need for her to use Envato in the Disputed Domain Name.

Moreover, the Respondent is not the owner of any registered trademarks corresponding to the Dispute Domain Name. The Panel was provided with trade mark searches in the name of Respondent. The results show that there are a number of persons by the name of James Smith who own trade mark registrations in the UK, however there is no person by the name James Smith recorded with the Respondent's address (indicating that the Respondent does not own any trade mark registrations in the UK).

In addition, in light of the global reputation that the Complainant has already acquired in the Envato trade mark through its operation of Envato Market and Envato Studio, it would not be possible for the Respondent (or any person) to acquire any legitimate right or interest in the Envato brand as it is so distinctive of the Complainant that any use of that word would give rise to a misrepresentation of endorsement or affiliation with the Complainant. The Respondent must in the circumstances be inferred to have knowledge of the Complainant's reputation and goodwill in Envato (at least in the UK), and this in turn gives rise to a presumption that the Respondent registered the Disputed Domain Name for the purpose of trading the Disputed Domain Name for financial gain and/or otherwise for the purpose of misleading consumers through the misappropriation of the Complainant's goodwill and reputation the UK.

Finally, the Disputed Domain Name is not as at the date of this Complaint being used, nor to the Complainant's knowledge has it ever been used, in connection with any *bona fide* offering of goods or services within the meaning of paragraph 4(c)(i) of the Policy. As stated in *Madonna Ciccone v. Dan Parisi*, WIPO Case No. D2000-0847 (October 16, 2000), "use which intentionally trades on the fame of another cannot constitute a 'bona fide' offering of goods or services [...] to conclude otherwise would mean that a Respondent could rely on intentional infringement to demonstrate a legitimate interest, an interpretation which is obviously contrary to the intent of the Policy." Here, the Disputed Domain Name is "parked" (i.e. the parked domain name means that visitors see a temporary Web page when they enter the domain name in their browser) with the registrar of the Disputed Domain Name and the webpage to which the Disputed Domain Name is pointed invites offers for the purchase of the Disputed Domain Name.

The Panel infers from the above that the Respondent is not using the name on either a non-commercial or fair use basis without intent to misleadingly divert consumers or tarnish any of the Complainant's marks, or, prior to receiving notice of this dispute, in connection with any bona fide offering of goods or services or demonstrable preparations for making such an offering, thus failing to qualify under either of paragraphs 4(c)(i) and 4(c)(iii) of the Policy.

Accordingly, the Panel concludes that the Respondent has no rights or legitimate interests in the disputed domain name within paragraph 4(a) (ii) and 4(c) of the Policy.

iii) Bad Faith

In accordance with Paragraph 4(a)(iii) of the Policy the Complainant must prove that the Domain Name has been registered and is being used in bad faith.

The requirement of bad faith is distinct from the requirement that the Respondent lacks any right or legitimate interests in the disputed domain name. As expressed by another panel, something more is required because the Policy is not only designed to combat trademark infringement on the Internet or even questionable cases of cybersquatting, but rather abusive, bad faith cybersquatting (*Edward Van Halen v. Deborah Morgan*, WIPO Case No D2000-1313).

Paragraph 4(b) of the Policy sets forth four criteria that are to be considered as evidence of the registration and use of a domain name in bad faith:

- "(i) circumstances indicating that you have registered or you have acquired the domain name primarily for the purpose of selling, renting, or otherwise transferring the domain name registration to the complainant who is the owner of the trademark or service mark or to a competitor of that complainant, for valuable consideration in excess of your documented out-of-pocket costs directly related to the domain name; or
- "(ii) you have registered the domain name in order to prevent the owner of the trademark or service mark from reflecting the mark in a corresponding domain name, provided that you have engaged in a pattern of such conduct; or
- "(iii) you have registered the domain name primarily for the purpose of disrupting the business of a competitor; or
- "(iv) by using the domain name, you have intentionally attempted to attract, for commercial gain, Internet users to your website or other on-line location, by creating a likelihood of confusion with the complainant's mark as to the source, sponsorship, affiliation, or endorsement of your website or location or of a product."

However, these criteria are not exclusive and the panel may conclude that the Respondent acted in bad faith where other circumstances reveal the bad faith nature of the registration and use of the disputed domain name. It is now well settled that even inaction in itself may under certain circumstances be considered as evidence of bad faith (*Telstra Corporation Limited v. Nuclear Marshmallows*, WIPO Case No. D2000-0003, *Cellular One Group v. Paul Brien*, WIPO Case No. D2000-0028; *CBS Broadcasting Inc. v. EdwardEnterprises*, WIPO Case No. D2000-0242 and all the decisions quoted in that decision). As expressed in the Telstra case (see above), "it can be seen that the requirement in paragraph 4(a)(iii) that the domain name "has been registered and is being used in bad faith" will be satisfied only if the Complainant proves that the registration was undertaken in bad faith and that the circumstances of the case are such that Respondent is continuing to act in bad faith."

After a careful examination of the four, non-exclusive examples enumerated in paragraph 4 (b) of the UDRP, the Panel ultimately found, that, based on the available facts and circumstances, the registration and use of the domain name could be said to have been made in bad faith.

First, in light of its extensive global reputation in the Envato trade mark and in the UK, being the Respondent's country of domicile, there is an inference that the Respondent knew of the Complainant's Envato trade mark when he registered the Disputed Domain Name (See *KPMG International v. Manila Industries, Inc.*, WIPO Case No. D2006-0597). In any event, the Complainant's trade mark registrations for Envato in the UK (being the

Respondent's country of domicile) constitute constructive notice to the Respondent and all other parties of the existence of the marks and the Complainant's rights in respect of them (See *Express Scripts, Inc. v. Windgather Investments Ltd. / Mr. Cartwright*, WIPO Case No. D2007-0267).

Second, Envato is a made up word, coined by the founders of the Complainant and having no meaning in any language independent of the Complainant's trade mark. Accordingly, there can be no objective justification for the Respondent to have selected to base a domain name on this word (See *Sony Kabushiki Kaisha (also trading as Sony Corporation) v. Kil Inja* (Case No. D2000-1409) where this was held to be a relevant factor in the determination of bad faith in adopting a third party trade mark as a domain name).

Third,, the Respondent's registration of the Disputed Domain Name must involve *mala fides* in circumstance where the registration of it was and continues to be made in the full knowledge of the Complainant's prior rights in these trademarks, and in circumstances where the Respondent did not seek permission from the Complainant, as the owner of the trade marks, to such registration and use (*Veuve Clicquot Ponsardin, Maison Fond en 1772 v. The Polygenix Group Co* (Case No. D2000-0163)).

Fourth, the Respondent has not made any use of the Disputed Domain. In the WIPO decision of *Telstra Corporation Limited v. Nuclear Marshmallows*, (WIPO Case No. D2000-0003) Andrew F. Christie, Panelist, developed the persuasive argument (Paragraphs 7.8 – 7.11 therein) that "the relevant issue is not whether the Respondent is undertaking a positive action in bad faith in relation to the domain name, but instead whether, in all the circumstances of the case, it can be said that the Respondent is acting in bad faith". As underlined by the well-researched body of precedent cases submitted by the present Complainant, Panelist Christie's dictum has often been repeated: "inaction is within the concept". In the absence of any use of the Disputed Domain Name, the only plausible reason for the Respondent to have registered the Disputed Domain Name, which is further supported by the Respondent's offer to sell them and consistent with the Respondent's failure to use them for any bona fide commercial or legitimate non-commercial, was to re-sell it for financial gain - either to the Complainant (as the entity to whom the Disputed Domain Name would have the most value) or to a competitor of the Complainant.

Fifth, the fact that the Respondent has offered to sell the Disputed Domain Name for US\$25,000 demonstrates that the Respondent considers the Disputed Domain Name to have significant monetary value which, in turn, is not only testament to the Complainant's reputation in the Envato trade mark, but also serves to demonstrate that the Respondent was aware of the Complainant's reputation in the Envato trade mark, and therefore of the Complainant's rights in the Disputed Domain Name, at the time of registering the Disputed Domain Name. In the circumstances, the only plausible reason for the Respondent to have registered the Disputed Domain Name, which is supported by the Respondent's offer to sell it and consistent with the Respondent's failure to use them for any bona fide commercial or legitimate non-commercial, was to re-sell it for financial gain - either to the Complainant (as the entity to whom the Disputed Domain Name would have the most value) or to a competitor of the Complainant. The Panel considers that the offer the Respondent made tends much more to indicate that the Respondent bore in mind when acquiring <envatostudio.com> the possibility of selling it to the Complainant, a well-known company, for a sum far in excess of the usual out-of-pocket expenses related to a domain name.

The Panel finds that the Respondent's actions, with respect to the disputed domain name, constitute bad faith registration and use. Consequently, the Panel concludes that the Respondent violated paragraph 4(a)(iii) of the Policy and specifically paragraph 4(b)(i) thereof. Thus, the Panel concludes that the Complainant has provided sufficient proof of its allegations, with respect to the disputed domain name, to establish a case under paragraph 4(a) of the Policy upon which the relief it now seeks can be granted.

7. Decision

The Decision of the Panel is that the disputed Domain Name <envatostudio.com> is confusingly similar to the trademark Envato in which the Complainant has rights; that the Respondent has no rights or legitimate interests in the disputed Domain Name; and that the Respondent has registered and is using the disputed Domain Name in bad faith. For all the foregoing reasons, in accordance with Paragraphs 4(i) of the Policy and 15 of the Rules, the Panel orders that the Domain Name <envatostudio.com> be transferred to the Complainant.

Prof. Julien Chaisse
Panelist

Dated: June 17, 2015