



ASIAN DOMAIN NAME DISPUTE RESOLUTION CENTRE

— A charitable institution limited by guarantee registered in Hong Kong

(Seoul Office)

ADMINISTRATIVE PANEL DECISION

GS Holdings, Corp and GS Homeshopping, Inc

-v-

Gunsan Networks, Corp

Case No. KR-0700018

1. The Parties

The Complainant is GS Holdings, Corp. 23rd F., GS Tower, 679, Yeoksam-dong, Gangnam-gu, Seoul, Republic of Korea, represented by HANA & COMPANY, Patent Attorneys of Sinseung Building 6F., 1676-1, Seocho-dong, Seocho-ku, Seoul, Republic of Korea.

The Respondent is Gunsan Networks, Corp., Academy Building, 866-4, Miryong-dong, Gunsan-si, Jeollabuk-do 573-360, Republic of Korea.

2. The Domain Name and Registrar

The disputed domain name <gshop.com> is registered with eNom, Inc. of 15801 NE 24th St. Bellevue, WA 98008 U.S.A. (the 'Registrar').

3. Procedural History

The Complaint was filed with the Asian Domain Name Dispute Resolution Centre (the 'Centre') on 23 April 2007 and with revisions on 4 June 2007. On the same date, the Centre transmitted by email to the Registrar a request for verification in connection with the domain name at issue. The Registrar transmitted by email to the Centre its verification response confirming that the Respondent is listed as the registrant and providing the contact details.

The Centre 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 ADNDRC Supplemental Rules (the 'Supplemental Rules').

In accordance with the Rules, the Centre notified the Respondent of the Complaint, and the proceedings commenced on June 7, 2007. In accordance with the Rules, the due date for Response was June 27, 2007. The Respondent duly submitted a Response.

The Center appointed Debrett Lyons, Joon Young Kim and Clive Trotman as panelists in this matter on July 16, 2007. The Panel finds that it was properly constituted. Each member of the Panel has made a statement as to his impartiality and independence.

On July 16, 2007, the Complainant sought permission from the Centre to make additional submissions. The Panel having been then appointed, the matter was referred to it for determination.

Preliminary Issue

The Panel is faced with the preliminary question of whether it should allow the Complainant's request to file additional submissions in reaction to the Response.

The Rules state:

10. General Powers of the Panel

(a) The Panel shall conduct the administrative proceeding in such manner as it considers appropriate in accordance with the Policy and these Rules.

(b) In all cases, the Panel shall ensure that the Parties are treated with equality and that each Party is given a fair opportunity to present its case.

(c) The Panel shall ensure that the administrative proceeding takes place with due expedition. It may, at the request of a Party or on its own motion, extend, in exceptional cases, a period of time fixed by these Rules or by the Panel.

(d) The Panel shall determine the admissibility, relevance, materiality and weight of the evidence.

12. Further Statements

In addition to the complaint and the response, the Panel may request, in its sole discretion, further statements or documents from either of the Parties.

15. Panel Decisions

(a) 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.

The Supplemental Rules are silent on matters relevant to this issue.

The Panel adopts the consensus position of panels before it faced with this same question. Whilst mindful of the need for procedural efficiency, the Panel retains a discretion to accept a supplemental filing from either party, bearing in mind the obligation to treat each party with equality and ensure that each party has a fair opportunity to present its case (see *Delikommat Betriebsverpflegung Gesellschaft m.b.H. v. Alexander Lehner* WIPO Case No. D2001-1447; *AutoNation Holding Corp. v. Rabea Alawneh* WIPO Case No. D2002-0058; *De Dietrich Process Systems v. Kemtron Ireland Ltd.* WIPO Case No. D2003-0484).

Accordingly, on July 20, 2007, the Centre issued Panel Procedural Order No. 1 in the following terms:

The Panel orders that:

- 1 within 7 days of the date of issue of this Order, the Complainant file any additional submissions on which it relies, such submissions to be limited to matters raised in the Response;
- 2 the Respondent be allowed a further 7 days from receipt of the Complainant's additional submissions to reply to those additional submissions;
- 3 the parties to send copies of their submissions to the ADNDRC and to each other;
- 4 the due date for the Panel decision to be extended accordingly.

Both parties made additional representations within the time limits which the Panel has taken into account in reaching its decision.

4. Factual Background

The submissions of both parties are prolix and exceed the word limit set by the Rules. So far as they can be helpfully distilled, the uncontested facts are that:

The Complainants are related Korean companies in a larger group of companies (the "GS Group").

The first Complainant, GS Holdings Corp, is responsible for managing the trade marks and domain names of the GS Group. The second Complainant, GS Homeshopping Inc. is one of many trading subsidiaries of the GS Group which all use the letters 'GS' as part of their corporate name.

GS Homeshopping Inc. operates a Korean Internet shopping mall named "GSeshop". Its principal web address is www.gseshop.co.kr.

Unless otherwise stated, references in this decision to the Complainant are references to the first and/or second named Complainants.

The GS Group sprang from the well-known "LG" group of Korean companies founded in 1947. Certain family interests in the LG group were hived off and, on July 1, 2004, named the GS Group.

The hive-off and creation of the GS Group was highly publicized in Korea through numerous media reports. Since July 2004, the GS Group has used, and shared the use of, the "GS" name across the group.

Recognition of that new name enjoyed something of a springboard effect given the magnitude and recognition of the LG group from which the GS Group arose.

The GS Group assets total 25.1 trillion won, making it the sixth largest conglomerate in Korea. The GS Group's annual revenue was recently 31.1 trillion won.

The Complainant owns a number of Korean trade mark registrations, including those for the marks <GSeshop>, <GS이숍("eshop" in Korean transliteration)> and <GS이샵("eshop" in Korean transliteration)>. In addition, the Complainant has registered domain names including <GSeshop.co.kr>, <GS이숍("eshop" in Korean transliteration).com>

and <GS^o]샵(“eshop” in Korean transliteration).co.kr>.

The disputed domain name was first registered on October 13, 1999 by Lufthansa Engineering & Operational Services GmbH.

The Respondent’s founder, Oh, Kie-hwan, states that he acquired the domain name from Lufthansa on July 5, 2005 and purported to transfer it to the Respondent on November 12, 2006.

The Respondent is a Korean company. It was incorporated on December 7, 2006 [*Panel note*: after the purported domain name transfer] and provides a range of web related services.

The Respondent does not use the disputed domain name and it conducts its business under another domain name and associated website.

The Complainant was desirous of the disputed domain name and approached the Respondent with a view to its purchase. A purchase price was not agreed and the Complaint was filed.

The Complainant petitions the Panel for transfer of the domain name.

5. Parties’ Contentions

A. Complaint

(i) Domain name / Trademark Identical

The Complainant submits that whilst there are differences in case and Korean / Roman characters, the disputed domain name <gseshop.com> is identical to the Complainant’s registered marks “GSeshop” and “GSeshop (in which the portion “eshop” is in Korean transliteration)”.

In the alternative, it submits that it has rights in the unregistered trade mark “GS” and since the term “eshop” is the combination of “e”, which is the first letter of the word “electric”, and “shop”, and therefore essentially descriptive, the disputed domain name is confusingly similar to its “GS” trade mark.

(ii) No Rights or Legitimate Interests

The Complainant states that it has not authorized the Respondent to use or register its trade marks, or to seek registration of any domain name incorporating those marks.

The Respondent is not commonly known by the disputed domain name “GSeshop”. Instead, the Respondent does business using the name <gunsan.co.kr> and on the corresponding website, the Respondent acknowledges that “GSeshop” as operated by the Complainant and has one of the best ranking websites in Korea.

The Complainant argues that those facts show that the Respondent is not making any legitimate or fair use of the disputed domain name. The Respondent has passively held the domain name after obtaining it, and does not use the domain name for its business.

Accordingly, the Complainant submits that the Respondent has no rights or legitimate interests in the domain name.

(iii) Registered and Using in Bad Faith

The Complainant states that in 1998, the LG company group established an Internet shopping mall under the name "LGeshop", but that "GSeshop" has been the exclusive name of that mall since 2004 when the Complainant came into existence.

The Complainant states that a home shopping culture was established in Korea in 1994 and by 2005 the Complainant had become the third largest international on-line retailer. On the Korean Stock Exchange, the Complainant is ranked 1st in the KOSDAQ market in terms of net purchasing by foreigners. The Complainant states that its "GSeshop" Internet shopping mall had an average of 500,000 visitors per day in 2005.

The Complainant contends that given the reputation of its trade marks, the Respondent can only be assumed to have obtained the disputed domain name in the hope of later gainfully selling the domain name to the Complainant.

Further, the Complainant states that the Respondent filed Korean trade mark applications for marks confusingly similar to the Complainant's registered trade marks. The Complainant's marks were cited against those applications. Those events occurred before the Respondent registered the disputed domain name, again showing that the Respondent had knowledge of the Complainant's trade marks.

In particular, on July 19, 2005, the Respondent filed an application for a mark "Give Success Energy Shop – GSEShop.com", which was held confusingly similar to the Complainant's registered mark "GSeshop". The Respondent's application was formally rejected on November 10, 2006 and on November 12, 2006 the Respondent registered the disputed domain name.

The Complainant provides evidence that the Respondent was not the first registrant of the disputed domain name. The original holder of the domain name appears to have been "Lufthansa Engineering & Operational Services GmbH". The domain name was assigned to the Respondent on November 12, 2006. The Complainant argues that the Respondent was aware of the Complainant's trade marks and obtained the disputed domain name in bad faith for the sole purpose of reselling the domain name to the Complainant for commercial gain.

The Complainant states that in October, 2006 it became aware that the Respondent was the owner of the domain name and in March 2007 contacted the Respondent three times by telephone to discuss possible assignment of the name. During the first telephone conversation, the Respondent is said to have stated that if appropriate compensation was offered, it would assign the domain name to the Complainant. During the second telephone conversation, the Respondent asked "How much will you pay for the assignment?", and the Complainant offered 5 million won. The Respondent required 10 million won and the Complainant refused, stating that arbitration seemed the only way forward. The Respondent is alleged to have said: "I have experienced these cases several times, and have attended court. Thus, proceed with this case as you wish." When contacted by telephone a third time, the Respondent said "I don't want to talk to you any more", and hung up.

The Complainant offers evidence that prior to the third telephone conversation, the Respondent had posted a "Domain name for sale" on its Internet messenger page.

Finally, the Complainant suggests bad faith on the part of the Respondent because, on March 27, 2007, very soon after those telephone negotiations broke down, the Respondent filed another trade mark application for a mark almost identical to the mark previously rejected by the Korean Intellectual Property Office on November 10, 2006. The Complainant suggests that the respondent did so in an attempt to show that it had legitimate rights in respect of the name were the matter contested under this Policy.

For these several reasons, the Complainant submits that the domain name was registered and used in bad faith.

B. Response

The Respondent states that Oh Kie-Hwan is the founder and CEO of Gunsan Networks Inc. He is said to have studied electronic engineering at Kunsan National University, located in Gunsan City, Korea. The Respondent states that Oh Kie-Hwan has a special connection with Gunsan City and so the Internet business he established took the city name.

The Respondent was registered to manage internet contents, marketing, distribution, and any other related business in Gunsan in Korea on December 7, 2006. It started business on January 1, 2007 and its business registration was completed on February 14, 2007.

It is said that the disputed domain name was transferred to the Respondent on November 12, 2006.

The Respondent offers domain name registration and other Internet related services through the websites, <domainboss> (도메인보스, www.boss.cc) and <Gunsan> (군산네트웍스, www.gunsan.co.kr). The Respondent claims that those websites enjoy a degree of popularity and recognition.

The Respondent deals in domain name and claims to hold registrations, amongst others, for:

gseshop.com	boss.cc
gunsaneshop.com	gunsannetworks.com
gunsanshop.com	gloan.co.kr
gunsaneshop.co.kr	gseclub.com
gunsan.co.kr	gseclub.co.kr
gunsan.kr	

The Respondent alleges that 'GS' stands for Gunsan city. It adduces evidence that there are many Korean websites that use 'GS' as an abbreviation for Gunsan city. They include:

gs.or.kr	gsmisung.es.kr
gspa.or.kr	gsdb.or.kr
gsdaegwang.or.kr	gs-jungang.hs.kr
gsflower.co.kr	gshall.or.kr
gsym.es.kr	gsds.ms.kr
gskp.es.kr	gs1004.or.kr
gsymca.or.kr	gshanil.or.kr

gsung.or.kr
gs36524.co.kr
gsmc.co.kr
gsfilm.net
gstank.com
gs24mall.com
gsnmall.com
gstk.com
gs2288.com
gsrentcar.co.kr
gs-capital.net
gsstelesvc.com
gsdoor.net
gs-gls.com
gs1.co.kr
gs-tour.co.kr
gsstudio.co.kr
gsmeeting.co.kr

gsfs.co.kr
gspl.co.kr
gs-info.co.kr
gsbooks.co.kr
gs-k.com
gs-market.co.kr
gscom.net
gsamerica.com
gsfnc.com
gs-hoist.com
gsco.co.kr
gsnels.com
gschem.com
gshoneymoon.com
gscampingcar.co.kr
gsplazahotel.co.kr
gstrade.co.kr

The Respondent goes on to argue that another raft of websites hosted by non-Korean enterprises use the same two letters, including:

gs.com [goldmansachs.com]
gs-usa.com
gsbattery.com
gsracing.com
gsmetals.com
gsmfg.com
gs-clentech.com
gshydro.com
gshydro.fi
gslighting.co.uk
gs-energy.com
gs-sybaquay.org
gscustom.co.za
gsentertainment.com
gsdesign.com
gs-tech.co.il
gsconsultants.net
gsmotorworks.com
gsoptics.com
studio-gs.com
gs-agrifuels.com
gsdunn.com
gshobby.com
gsplanes.com
gsmengoniusa.com
gsriva.it
gsfurniture.com
gsib.com
gsshapland.co.nz
gspropmgt.com
gshill.com
gs-telescope.com

gs-uk.com
gs-lab.com
gshobbies.com
gsfame.ac.id
gscontracts.com
gsmotorsport.com
gslevineins.com
gsnationals.com
gssubmission.com
gs-mfg.com
gsleaders.org
gstwin.com
gs.on.ca
gs-scanners.com
gsfax.com
gspolymers.com
gscomm.com
gs-as.com
gsavanti.co.uk
gsweb.com.tw
gsengineering.com
gspoetry.com
gs.ru
gsband.com
gsireland.com
gs-enviroservices.com
gsheaven.com
gsconsulting.ca
gshotelsresorts.com
gs-lasers.com
gsmarketgrp.com
gsselect.com

gsgrass.com
gswipes.com
gssupplies.com
gs-translation.com
gsbildeler.no
gsclubuk.org
gsjonesandsons.com
gsapps.com
gs-gsa.org
gsdesignstudio.com
gs-zurich.net
gs-ukdirect.com
gstechindia.com
gsyuasabatteries.com.au
gs-yuasa.com
gs-air.com
gs.net.nz
gs.nl
gs.org
gs.no
g-s.co.uk
gs-net.ne.jp
gs.dk

gsnet.fr
gscom.pl
gsproductions.com.my
thegsresources.com
gs-development.com
gsgroupindia.com
toolsgs.com
gsaec.co.uk
fs-gs.com
gs1905.org
gsprecision.com
gsrobins.com
autogs.gr
gsstravel.gr
gsfoods.com
t-gs.nl
gsvac.com
gspsltd.co.uk
gsfinancialcorp.com
gsmanufacturing.cehgroup.com
gschallenge.com.mx
gseshop.jp
gs-security-service.de

The Respondent also suggests that the letters ‘GS’ stand for a range of other expressions and refers to a dictionary entry which references the following: “German Silver, General Secretary, General Service, General Staff, and Ground Speed”.

In addition, it states that the expression ‘eshop’ is descriptive (as acknowledged by the Complainant) and highly diluted. A ‘Google’ search of that term, for example, returns 3,590,000 websites using the term.

The Respondent further argues that the Complainant’s trade marks were registered only after acquisition of the disputed domain name. The Respondent goes on to compare the filing and registration dates of the Complainant’s trade marks and quote expansive sections of the Korean trade marks legislation which largely have no relevance to the matters to be decided under the Policy.

6. Additional Submissions

The additional submissions do not significantly advance those arguments however the salient points are summarized below.

A. Complainant

The Complainant characterizes the Respondent as a professional domain name reseller and states that “this is considered to be evidence of his bad faith.” It claims that the Respondent “repeatedly sells and buys domain names to unfairly profit from them.”

The Complainant submits that, generally, geographical terms are not expressed in an abbreviated form in Korea. Moreover, the Complainant suggests that the Respondent’s explanation as to why it chose the letters “GS” is inconsistent with the Respondent’s

trade mark application for the mark "Give Success Energy Shop GSEshop", the file wrapper for which shows that the Respondent there argued that "GS" is an abbreviation for "Give Success".

The Complainant points out that according to the Respondent's own evidence, the Respondent's company was established on December 7, 2006, and the date of the business registration is February 14, 2007. Therefore, when the disputed domain name was registered by the Respondent on November 12, 2006, the Respondent's company was not yet established.

B. Respondent

The Respondent states that it operates a lawful business. It submits that even if it is not able to make practical use of the disputed domain for certain reasons, that fact alone cannot serve as grounds for overturning Oh Kie Hwan's good faith at the time of registering the domain name.

7. Discussion and Findings

According to Paragraph 4(a) of the Policy, the Complainant must prove that:

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

Those 3 elements of the Policy must be proved according to a civil standard, that is, on the balance of probability.

Having considered both sets of submissions, together with the evidence, the Panel finds the following:

A. Identical or Confusingly Similar to Trademark Rights

The Panel finds that the Complainant's trade mark registrations sufficiently establish the Complainant's rights in the marks <GSeshop>, <GS이숍("eshop" in Korean transliteration)> for the purposes of the Policy paragraph 4(a)(i) (see *Reebok Int'l Ltd. v. Santos*, FA 565685 (Nat. Arb. Forum December 21, 2005); *Mothers Against Drunk Driving v. phix*, FA 174052 (Nat. Arb. Forum September 25, 2003)).

The Panel need not therefore examine the additional issue of whether the Complainant has unregistered trade mark rights in the letters "GS" alone.

The Panel accepts the consensus view of former panels that for the purposes of testing identity or confusing similarity, the generic top-level domain ("gTLD"), ".com", is to be ignored (see, for example, *Gardline Surveys Ltd. v. Domain Fin. Ltd.*, FA 153545 (Nat. Arb. Forum May 27, 2003): "The addition of a top-level domain is irrelevant when establishing whether or not a mark is identical or confusingly similar, because top-level domains are a required element of every domain name").

It has also been held that spaces and punctuation are omitted from domain names and so the expressions “GSeshop” and “gseshop” should, for the purposes of the Policy, be regarded as identical. See *Aurora Foods Inc. v. David Paul Jaros*, WIPO Case No. D2000-0274 (“...the Panel concludes that use of the lower case letter format in “duncanhine.com”, and elimination of the space between the words “Duncan” and “Hine” to form that name, are differences without legal significance from the standpoint of comparing “duncanhine.com” to “Duncan Hines”.)

The Panel has no hesitation in finding that the disputed domain name is identical to the <GSeshop> mark and is confusingly similar to the <GS이숍> (“eshop” in Korean transliteration)> mark.

The Panel accordingly holds that the Complainant has satisfied the first element of the Policy.

For the sake of clarity, the Panel notes the Respondent’s argument that it acquired the domain name before Complainant’s trade mark registrations matured, but adopts the consensus view of panels before it that Paragraph 4(a) of the Policy does not require an analysis of comparative registration dates, only that the domain name and the trade mark be identical or confusingly similar and that the Complainant has rights in the trade mark. The issue of comparative rights or registration timing is more properly analyzed under the other limbs of the Policy.

B. Rights or Legitimate Interests

There is no evidence that the Respondent has permission to use the Complainant’s trade marks.

The Respondent is not commonly known by the disputed domain name. It does not use the disputed domain name and it is common ground that the Respondent conducts its business under another domain name.

The Panel is of the view that in those circumstances the burden of proof passes from the Complainant to the Respondent: see *Do The Hustle, LLC v. Tropic Web*, WIPO Case No. D2000-0624; *Croatia Airlines d.d. v. Modern Empire Internet Ltd.*, WIPO Case No. D2003-0455 and *Belupo d.d. v. WACHEM d.o.o.* WIPO Case No. D2004-0110.

Specifically, the Respondent has not proved that it had, before any notice of the dispute, used or made demonstrable preparations to use the domain name or a corresponding name in connection with a *bona fide* offering of goods or services; or been commonly known by the domain name; or made a legitimate noncommercial or fair use of the domain name.

The Respondent has given an account of why it has a cache of domain names, including the disputed domain name, all prefixed with the letters “GS”. It has also given indications of the business it intended to build up behind the <gseshop.com> name.

The Complainant has responded with two counter-arguments. First, that there is no generalized practice in Korea of representing city names by letter abbreviations, and secondly, that before the Korean Intellectual Property Office, the Respondent gave a contrary and inconsistent account of why it had chosen the letters “GS” for one of its trade mark applications.

Weighing all of the conflicting evidence, the Panel is of the opinion that the Respondent has not sufficiently shown that it has rights or a legitimate interest in the disputed domain name.

The Panel therefore finds that the Complainant has satisfied the second limb of the Policy.

C. Registered and Used in Bad Faith

Paragraph 4(b) of the Policy sets out the circumstances which shall be 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 or service on your website or location.

These sets of circumstances are not exhaustive and other instances of bad faith might be in evidence, however, what is noteworthy about Paragraphs 4(b)(i) – (iv) is that they are all cases of *both registration and use* in bad faith. Other times, there will be evidence of use in bad faith or registration in bad faith and the Panel will need to find both since the requirements of Paragraph 4(a)(iii) of the Policy are conjunctive. It is therefore logical to first test the respondent's conduct against these four specifically described circumstances.

Clearly, there is no evidence on record to support an adverse finding under Paragraph 4(b)(ii).

It might also be said that since the Complainant is conducting a highly successful online business using a different domain name, there is little or no evidence that the Respondent registered the domain name primarily for the purpose of disrupting the Complainant's business (Para. 4(b)(iii)), even if the parties could be properly described as 'competitors'.

There are, however, questions, especially in connection with Paragraph 4(b)(i), which invite examination.

The evidence shows that the Complainant's business under the <GSeshop> trade mark is

immense. The evidence also shows that the level of publicity surrounding the June 1, 2004 emergence of the GS Group and the subsequent rebranding of the known Internet mall <LGeshop> to <GSeshop> is such that there is an overwhelming likelihood that the Respondent knew of the Complainant's trade marks at the time it registered or acquired the disputed domain name.

The Respondent relies heavily on the argument that it acquired the domain name before the Complainant's trade mark registrations matured. As a matter of common sense, when a domain name is registered before a trade mark right is established, it generally follows that registration of the domain name can not be in bad faith because the registrant could barely have contemplated the complainant's non-existent right: see *John Ode dba ODE and ODE - Optimum Digital Enterprises v. Intership Limited* WIPO Case No. D2001-0074; *Digital Vision, Ltd. v. Advanced Chemill Systems* WIPO Case No. D2001-0827; *PrintForBusiness B.V v. LBS Horticulture* WIPO Case No. D2001-1182.

Nonetheless, there will be circumstances where a respondent is aware of the complainant and it is clear that the aim of the registration is to take advantage of the confusion between the domain name and any potential complainant rights: see *ExecuJet Holdings Ltd. v. Air Alpha America, Inc.* WIPO Case No. D2002-0669; *Kangwon Land, Inc. v. Bong Woo Chun (K.W.L. Inc)* WIPO Case No. D2003-0320; *Madrid 2012, S.A. v. Scott Martin-MadridMan Websites* WIPO Case No. D2003-0598 among others; *General Growth Properties, Inc., Provo Mall L.L.C. v. Steven Rasmussen/Provo Towne Center Online* WIPO Case No. D2003-0845.

More recent cases on this point include *Dreamgirls, Inc. v. Dreamgirls Entertainment*, Case No. WIPO Case No. D2006-0609 and *Opera Software ASA v. Mike Morgan*, Case No. WIPO Case No. D2006-0752.

In the *Opera Software* case, the panel held :

While on the day that the domain name was registered, the Complainant's OPERA MINI product was only available to the Norwegian market, there was world-wide publicity afforded to the product launch. Due to the nature of the product, and the importance of the launch, the Complainant established an almost immediate goodwill and reputation in the OPERA MINI mark when the product was initially launched on the Norwegian market on August 10, 2005.

There was a major product launch of this product in Norway early on the morning of August 10, 2005. On the balance of probabilities it would appear that the registrant became aware of the Complainant's product launch and decided to take unfair advantage of the product launch by registering the domain name.

This is an example of cases where panelists have found registration in bad faith in circumstances where the respondent has acted opportunistically in registering the domain name, even though there has been no chance for the complainant to establish its rights in the trademark.

Other scenarios include public announcements of company mergers where the merged company has a new or combined name, or prominently publicized new ventures under a company name or trading style.

The Respondent has not argued that its good faith right to the domain name backdates to the first registration date of the name, October 13, 1999. Instead, it repeatedly refers to the date on which the Respondent's founder, Oh, Kie-hwan, acquired the domain name from Lufthansa, July 5, 2005.

It is important to be clear about the relevant date for the purpose of testing good faith registration. In the case of *Dixons Group Plc v Mr. Abu Abdullaah*, WIPO Case No. D2000-1406, it was explained:

“In the present proceeding, the Respondent did not himself register the disputed domain name, and is only the transferee. However, there is some basis for saying that the term “registration” extends beyond the original act of registration and covers subsequent acquisitions of the domain name. Thus, para 4(b)(i) specifically refers to circumstances in which the Respondent has registered or has acquired a domain name, and there are several prior Panel decisions in which it has been held more generally that “registration” extends to subsequent acts of acquisition: see BWR Resources Ltd v Waitomo Adventures Ltd WIPO Case No D2000-0861 and Motorola Inc v NewGate Internet, Inc WIPO Case No D2000-0079. The question, then, is whether the acquisition of the disputed domain name by the Respondent in the present case can be said to have done in bad faith.”

There could be further discussion by this Panel as to whether the correct date is the date of acquisition of the domain name from Lufthansa by Oh, Kie-hwan, or whether it is the date on which the domain name was registered to the Respondent, November 12, 2006. That discussion might have regard to both the precise wording of the Policy and to the fact that on November 12, 2006, Oh, Kie-hwan would appear to have transferred the name to a company not yet fully incorporated as a new legal entity.

That further analysis is not necessary since the Panel is satisfied that even at the earliest relevant date, July 5, 2005, the GS Group had been in existence for over 12 months and the “GSeshop” Internet mall had on the evidence already garnered so much recognition that it is implausible to come to a conclusion other than that the Respondent acquired the domain name from Oh, Kie-hwan at a time when it had actual knowledge of the GS Group, its trade marks and its Internet mall.

The question resolves to whether that act was done in bad faith. In terms of Paragraph 4(b)(i) of the Policy, the question becomes one of deciding on circumstances indicating that the Respondent registered or acquired the domain name primarily for the purpose of selling, renting, or otherwise transferring the domain name to the Complainant or to a competitor of the Complainant for consideration in excess of the Respondent’s out of pocket costs connected with the domain name.

If that is found, it is proof of registration *and use* in bad faith.

The disputed domain name is unused. The Panel does not have evidence of the acquisition costs. A comparison, then, with the 10 million won selling price nominated by the Respondent is artificial and the Panel is reluctant therefore to find against the Respondent on a strict reading of Paragraph 4(b)(i).

Nevertheless, it remains open to the Panel to find bad faith registration on the basis of the same types of inferences that were drawn in the *Opera Software* case, *supra*. The Panel finds that the body of evidence as a whole points to that adverse finding and so it decides that the domain name was registered in bad faith.

Having found bad faith registration outside the circumstances described in Paragraph 4(b) of the Policy, the Panel must also find bad faith use.

The particular question is whether failure to make an active use of a disputed domain name (so-called "passive holding") is fatal for the Complainant. The case of *Telstra Corporation Limited v. Nuclear Marshmallows* WIPO Case No. D2000-0003 was a landmark decision in understanding this aspect of the Policy. The panel there asked:

"7.8 Has the Complainant proved the additional requirement that the domain name "is being used in bad faith" by the Respondent? The domain name <telstra.org> does not resolve to a web site or other on-line presence. There is no evidence that a web site or other on-line presence is in the process of being established which will use the domain name. There is no evidence of advertising, promotion or display to the public of the domain name. Finally, there is no evidence that the Respondent has offered to sell, rent or otherwise transfer the domain name to the Complainant, a competitor of the Complainant, or any other person. In short, there is no positive action being undertaken by the Respondent in relation to the domain name.

7.9 This fact does not, however, resolve the question. As discussed in paragraph 7.6, 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. The distinction between undertaking a positive action in bad faith and acting in bad faith may seem a rather fine distinction, but it is an important one. The significance of the distinction is that the concept of a domain name "being used in bad faith" is not limited to positive action; inaction is within the concept. That is to say, it is possible, in certain circumstances, for inactivity by the Respondent to amount to the domain name being used in bad faith.

.....

7.11 The question that then arises is what circumstances of inaction (passive holding) other than those identified in paragraphs 4(b)(i), (ii) and (iii) can constitute a domain name being used in bad faith? This question cannot be answered in the abstract; the question can only be answered in respect of the particular facts of a specific case.

... ..

7.12 The Administrative Panel has considered whether, in the circumstances of this particular Complaint, the passive holding of the domain name by the Respondent amounts to the Respondent acting in bad faith. It concludes that it does. The particular circumstances of this case which lead to this conclusion are:

- (i) the Complainant's trademark has a strong reputation and is widely known, as evidenced by its substantial use in Australia and in other countries,*
- (ii) the Respondent has provided no evidence whatsoever of any actual or contemplated good faith use by it of the domain name,*
- (iii) the Respondent has taken active steps to conceal its true identity, by operating under a name that is not a registered business name,*
- (iv) the Respondent has actively provided, and failed to correct, false contact details, in breach of its registration agreement, and*
- (v) taking into account all of the above, it is not possible to conceive of any plausible actual or contemplated active use of the domain name by the Respondent that would not be illegitimate, such as by being a passing off, an infringement of consumer protection legislation, or an infringement of the Complainant's rights under trademark law."*

This Panel need not find the exact same set of factors in order to decide that there is bad faith use of the disputed domain name. The present case does however share two critical similarities to the Telstra case, namely, that the Complainant's mark has a very strong reputation, and secondly, that in this Panel's opinion there is no plausible use to which the domain name could be put which would not result in consumer confusion.

The Respondent's own admission in its additional submissions is that it is not able to make practical use of the disputed domain.

Taking all the circumstances into account, the Panel finds that the domain name was registered and used in bad faith. Accordingly, the Complainant has satisfied the third and final element under the Policy.

7. Decision

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, <gseshop.com>, be transferred to the Complainant.

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	Debrett Lyons	
	Presiding Panelist	
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Clive Trotman		Jong Yoon, Kim
Panelist		Panelist

Date: August 24, 2007