

When Bad Faith Opportunities Knock: Expanding What Behaviors May Warrant Transfer of a Domain Name

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The **World Intellectual Property Organization (WIPO)**, which oversees certain *domain name registration* disputes, recently issued a decision that may expand the types of bad faith behaviors that warrant the transfer of a domain name.

Certain domain name registration disputes are governed by the **Uniform Dispute Resolution Policy (UDRP)**, which allows brand owners to compel the transfer of third-party domain names that are identical or confusingly similar to their trademark. Under the UDRP, a brand owner must satisfy a three-prong test to compel the transfer of a domain name. The third prong of the test requires that the domain name at issue was registered and is being used in bad faith.

Historically, WIPO Administrative Panels have interpreted this prong as requiring the registrant to have acted in bad faith when the domain name was registered, and to have continued acting in bad faith until the date the UDRP complaint was filed.

In **Milly LLC v. Domain Admins**, Mrs. Jello, LLC, the registrant registered the domain name www.milly.com before the complainant acquired rights in the trademark MILLY. Once the complainant obtained trademark rights in the MILLY mark, it offered to purchase the domain name from the registrant, but the registrant rejected the offer.

Thereafter, the registrant's domain name began resolving to a website that posted sponsored links to the complainant's website and its competitors' websites, among others. In response, the complainant filed a UDRP complaint seeking to compel the transfer of the domain name.

The WIPO Administrative Panel found that the complainant did not have to prove that the domain name was registered in bad faith to satisfy the third prong of the UDRP test. Even though the registrant registered the domain name before the complainant acquired its trademark rights, the registrant's later attempts to take advantage of the complainant's goodwill in its mark evidenced "opportunistic bad faith" sufficient to satisfy the third prong of the UDRP test.

It is unclear whether other Administrative Panels will follow the Milly interpretation of this prong of the

UDRP test. In addition, the Milly decision may have only limited applicability, since the registrant did not file an answer to the complaint, thus leaving uncontested the allegations surrounding the bad faith use and registration of the domain name.

Still, the Milly decision is important because it may provide trademark owners with greater flexibility in protecting their brands on the Internet.

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National Law Review, Volume V, Number 209

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