A National Arbitration Forum Panel Ruled Against the New York Times in its Attempt to Recover <dealbook.com> From a Domainer, Suggesting That Laches Could Be a Defense to an Action Under the UDRP

November 23, 2010

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The New York Times ("NYT") operates the very well-known Dealbook reporting service.[1] It wanted the domain name to go along with it. Finding that <dealbook.com> was owned by domainer[2] Name Administration, Inc. ("NAI"), it filed an action under the UDRP to recover the domain name, arguing that NYT had prior rights in DEALBOOK as a trademark registered in the U.S. and that NAI registered the domain name in bad faith. Somewhat surprisingly, the NYT lost. See http://domains.adrforum.com/domains/decisions/1349045.htm. But why? According to the panel, the NYT failed to submit sufficient evidence to establish its priority in DEALBOOK, but it also could have lost under the doctrine of laches.

NAI registered <dealbook.com> in March 2004. NYT's U.S. trademark registrations for DEALBOOK established priority only as early as April 25, 2006. NYT asserted that it coined the term and used it since October 8, 2001. To support its priority, NYT also submitted evidence of a $120,000 advertising campaign at the launch of its DEALBOOK service in 2001-2002, as well as other evidence of use prior to 2004.

The panel was not convinced:

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[1] dealbook.nytimes.com.

[2] A "domainer" generally is an entity whose business model consists of registering multiple domain names to generate income through parking pages containing pay-per-click advertising. Domainers frequently buy and sell domain names to generate income as well.

> In its most favorable light Complainant's evidence supports that it began using DealBook in 2001 on a limited basis through its own newspaper and website to address deals in the financial industry. Complainant published advertising regarding its venture, as well as purchased ads, in various media progressively expanding the level of audience exposure to its newsletter, website and associated goods and services. While Complainant has provided some information on the nature and extent of advertising, no other factors have been shown to indicate that the general public, including the Respondent, knew or should have known of Complainant's alleged rights in the DEALBOOK mark from 2001-2004.

Thus, the NAF panel ruled that NAI had superior rights in <dealbook.com>.

That is not the end of the story, however. This panel decided to address NAI's laches defense, although it did not rely on it in its ruling. Generally, laches has not been a defense to a claim under the UDRP, and it is not explicitly mentioned in the UDRP, although other panels have suggested that it could be a defense. Here, the panel expressly endorsed a laches defense in the circumstances of the case:

> In the instant proceeding the Respondent emphasizes on numerous occasions that it has held the domain name and used it in connection with its website offerings for in excess of six years and rightfully posits the question of what should be made of the fact that the Complainant has done nothing during that time despite claiming that its development of the identical trademark and subsequent use predates that of the Respondent. This is not a case of passive holding by the Respondent or an instance of an unsophisticated Complainant. Complainant notes that it has been in business for more than a century and half and has developed worldwide fame in both real space and cyberspace through use of numerous trademarks. Where such a Complainant fails to police its claimed mark and does nothing for a substantial time while a Respondent develops an identical domain name for its own legitimate purposes, laches should bar that Complainant from turning a Respondent's detrimental reliance to its own unjust benefit.

The application of laches in the context of an action under the UDRP may have some support, especially in certain circumstances, but laches is an equitable defense under the common law. It is not available to defendants who act inequitably – regardless of the plaintiff's delay and the defendant's reliance. The UDRP expressly requires that "the domain name has been registered and is being used in bad faith." The bad faith requirement is necessary to make out a *prima facie* case under the UDRP. This element likely negates the ability of the respondent to rely upon equitable defenses like laches, even assuming they are available in domain name proceedings, which are administrative in nature.

Trademark owners face numerous domain name infringements. Should they now be put to the expense of acting against all of them in as expeditious a manner as possible, given the expense involved? Likely, we have not seen the last of the laches defense in the UDRP context, but its viability has yet to be tested head on because here the NYT failed to establish priority in DEALBOOK.[3]

[3] As the panel notes, priority is not an explicit requirement of the UDRP, only use of a domain name is "identical or confusingly similar to a trademark or service mark in which Complainant has rights."

Of course, NYT has options. In particular, it can file a federal court action. The NAF decision will have no binding effect on the court and NYT will have another opportunity to establish priority. On the other hand, laches will be a viable defense in federal court, though NYT will be able to submit much more substantial evidence on why it should not apply.

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