

## **ADMINISTRATIVE PANEL DECISION**

Xero Limited v. Joel Mckinze

Case No. D2022-4146

### **1. The Parties**

The Complainant is Xero Limited, New Zealand, represented by Hudson Gavin Martin, New Zealand.

The Respondent is Joel Mckinze, United States of America (United States).

### **2. The Domain Name and Registrar**

The disputed domain name <xerosign.com> is registered with NameCheap, Inc. (the “Registrar”).

### **3. Procedural History**

The Complaint was filed with the WIPO Arbitration and Mediation Center (the “Center”) on November 3, 2022. On November 3, 2022, the Center transmitted by email to the Registrar a request for registrar verification in connection with the disputed domain name. On November 3, 2022, the Registrar transmitted by email to the Center its verification response disclosing registrant and contact information for the disputed domain name which differed from the named Respondent and contact information in the Complaint. The Center sent an email communication to the Complainant on November 4, 2022 providing the registrant and contact information disclosed by the Registrar, and inviting the Complainant to submit an amendment to the Complaint. The Complainant filed an amended Complaint on November 9, 2022.

The Center verified that the Complaint together with the amended Complaint satisfied the formal requirements of the Uniform Domain Name Dispute Resolution Policy (the “Policy” or “UDRP”), the Rules for Uniform Domain Name Dispute Resolution Policy (the “Rules”), and the WIPO Supplemental Rules for Uniform Domain Name Dispute Resolution Policy (the “Supplemental Rules”).

In accordance with the Rules, paragraphs 2 and 4, the Center formally notified the Respondent of the Complaint, and the proceedings commenced on November 9, 2022. In accordance with the Rules, paragraph 5, the due date for Response was November 29, 2022. The Respondent submitted an informal email response on November 15, 2022. Accordingly, the Center notified the commencement of the Panel appointment process on December 5, 2022.

The Center appointed Warwick A. Rothnie as the sole panelist in this matter on December 8, 2022. The Panel finds that it was properly constituted. The Panel has submitted the Statement of Acceptance and Declaration of Impartiality and Independence, as required by the Center to ensure compliance with the Rules, paragraph 7.

#### 4. Factual Background

The Complainant was incorporated in New Zealand in July 2006 under a different name. In November 2006, it changed its name to Xero Live Limited. It formally adopted its current name on April 30, 2008.

The Complainant was listed on the New Zealand Stock Exchange in June 2007 and on the Australian Stock Exchange in November 2012. Since 2018, its listing has been consolidated on the Australian Stock Exchange.

The Complainant provides a range of business and financial software-as-a-service solutions to customers all around the world. These services primarily relate to accounting and bookkeeping solutions including accounting reports, bill payment, expense claims, payroll, inventory management, billing, connection to bank accounts and tracking projects.

The Complainant has been the holder of the domain name <xero.com> since 2006 and, since 2007, it has been providing its services online from a website to which that domain name resolves under and by reference to the trademark XERO.

As at September 30, 2018, the Complainant had over 1.57 million paying subscribers. Its customers were located in more than 180 countries. Its revenues in the six months to September 30, 2018 exceeded NZD 256 million, a 37 *per cent* increase on the previous year. The Complainant has offices in five countries including Australia, New Zealand, Singapore, the United Kingdom and the United States. By late 2018, the Complainant's website was receiving in the order of 500,000 visitors weekly.

By December 2020, the Complainant's Facebook page had over 200,000 followers, its LinkedIn page had over 170,000 followers, its Instagram account almost 33,000 followers and its YouTube channel over 51,000 subscribers.

The Complaint includes evidence that the Complainant has numerous registered trademarks for XERO. For present purposes, it suffices to note:

- (a) Australian Registered Trademark No. 1145998, XERO, which was filed and is registered with effect from November 10, 2006 in respect of a wide range of services in International Classes 9, 16, 35, 36, 41 and 42 and which claims priority from New Zealand Registered Trademark No. 758103 filed and registered from May 2, 2007;
- (b) European Union Trademark No. 005867361, XERO, which was filed on April 30, 2007 and registered on March 12, 2008 in respect of goods and services in International Classes 9, 36 and 38;
- (c) United States Registered Trademark No. 3,850,387, XERO, which was registered in the Principal Register on September 21, 2010 in respect of goods and services in International Classes 9, 36 and 42 although the registration in class 9 was subsequently cancelled;
- (d) International Registration No. 1202118, XERO, which was registered on January 14, 2014 in respect of services in International Classes 35 and 42.

The International Registration has resulted in registered trademarks in numerous countries including Australia (Registered Trademark No. 1623291), the European Union and the United States (Registration No. 4,745,603).

As mentioned, the Complaint also includes evidence of numerous other registrations in 14 jurisdictions (including those mentioned above).

The disputed domain name was registered on November 12, 2018.

When the Complaint was filed, the disputed domain name resolved to a website which appeared to be offering online electronic signature services. At the top left of the landing page, the trademark “XEROSign” was presented, with the word “XERO” in block capitals coloured blue and the word “sign” in green script. The footer included a notice “Designed by XEROSIGN 2019”. The web page claimed that the service could be used with a number of other applications including the Complainant’s “Xero” services, Stripe, Salesforce and Zoho.

According to the Complaint, the “About Us” and the “Contact Us” pages contained no information. There was information on the “Pricing” page which included a telephone number in the United States which is, or used to be, the telephone number for the sales department at DocuSign. Further, the links on the website linked back to the landing page rather than providing any functionality.

## 5. Discussion and Findings

Paragraph 4(a) of the Policy provides that in order to divest the Respondent of the disputed domain name, the Complainant must demonstrate each of the following:

- (i) the disputed 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 disputed domain name; and
- (iii) the disputed domain name has been registered and is being used in bad faith.

Paragraph 15(a) of the Rules directs the Panel to decide the 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 or Confusingly Similar

The first element that the Complainant must establish is that the disputed domain name is identical with, or confusingly similar to, the Complainant’s trademark rights.

There are two parts to this inquiry: the Complainant must demonstrate that it has rights in a trademark at the date the Complaint was filed and, if so, the disputed domain name must be shown to be identical or confusingly similar to the trademark.

The Complainant has proven ownership of numerous registered trademarks for XERO. Having regard to the length and extent of use, the Panel also finds that the trademark is well-known.

The second stage of this inquiry simply requires a visual and aural comparison of the disputed domain name to the proven trademarks. This test is narrower than and thus different to the question of “likelihood of confusion” under trademark law. Therefore, questions such as the scope of the trademark rights, the geographical location of the respective parties and other considerations that may be relevant to an assessment of infringement under trademark law are not relevant at this stage. Such matters, if relevant, may fall for consideration under the other elements of the Policy. See *e.g.* WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Third Edition ([WIPO Overview 3.0](#)), section 1.7.

In undertaking that comparison, it is permissible in the present circumstances to disregard the generic Top-Level Domain (“gTLD”) component as a functional aspect of the domain name system. [WIPO Overview 3.0](#), section 1.11.

Disregarding the “.com” gTLD, the disputed domain name consists of the Complainant’s registered trademark and the term “sign”. The Respondent contends this difference takes the disputed domain name

outside the scope of the Policy. As this requirement under the Policy is essentially a standing requirement based on the recognisability of the trademark, however, the addition of this term does not preclude a finding of confusing similarity. See e.g. [WIPO Overview 3.0](#), section 1.8. Apart from anything else, the Complainant's trademark remains visually and aurally recognisable within the disputed domain name.

Accordingly, the Panel finds that the Complainant has established that the disputed domain name is confusingly similar to the Complainant's trademark and the requirement under the first limb of the Policy is satisfied.

## **B. Rights or Legitimate Interests**

The second requirement the Complainant must prove is that the Respondent has no rights or legitimate interests in the disputed domain name.

Paragraph 4(c) of the Policy provides that the following circumstances can be situations in which the Respondent has rights or legitimate interests in a disputed domain name:

- (i) before any notice to [the Respondent] of the dispute, [the Respondent's] use of, or demonstrable preparations to use, the [disputed] domain name or a name corresponding to the [disputed] 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 [disputed] 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 [disputed] domain name, without intent for commercial gain to misleadingly divert consumers or to tarnish the trademark or service mark at issue.

These are illustrative only and are not an exhaustive listing of the situations in which a respondent can show rights or legitimate interests in a domain name.

The onus of proving this requirement, like each element, falls on the Complainant. Panels have recognized the difficulties inherent in proving a negative, however, especially in circumstances where much of the relevant information is in, or likely to be in, the possession of the respondent. Accordingly, it is usually sufficient for a complainant to raise a *prima facie* case against the respondent under this head and an evidential burden will shift to the respondent to rebut that *prima facie* case. The ultimate burden of proof, however, remains with the Complainant. See e.g., [WIPO Overview 3.0](#), section 2.1.

The Respondent registered the disputed domain name well after the Complainant began using its trademark and also well after the Complainant had registered its trademark.

The Complainant states that it has not authorised the Respondent to use the disputed domain name. Nor is the Respondent affiliated with it.

The disputed domain name is not derived from the Respondent's name. Nor is there any suggestion of some other name by which the Respondent is commonly known from which the disputed domain name could be derived.

The website to which the disputed domain name resolved does purport to be presented by someone called as "Xerosign". That is an adopted name, however, and the Respondent has provided no evidence about when it was adopted or the circumstances of its adoption, let alone that it has been used in connection with a genuine business as discussed further below.

Before the Complaint was filed, the disputed domain name did resolve to a website purporting to offer a paid electronic signature service. That precludes reliance on paragraph 4(c)(iii) of the Policy. Moreover, as the Complainant points out, such a service falls within the scope of its registered trademarks. In that case, use of a disputed domain name in connection with infringing conduct does not qualify as a good faith offering of goods or services for the purposes of the Policy. That conclusion is reinforced by the Respondent's claim to integrate with the Complainant's services. The Complainant contends there is no such integration and for that reason at least the website appears to be misleading or deceptive.

Further, although the website claims to have been operational since 2019, the Complainant points to evidence that shows the website did not in fact have any of the claimed functionality. This leads the Complainant to contend that the website is really an exercise in phishing or contact details harvesting. Such conduct would clearly fall outside the scope of a good faith offering of goods or services under the Policy.

These matters, taken together, are sufficient to establish a *prima facie* case under the Policy that the Respondent has no rights or legitimate interests in the disputed domain name. The basis on which the Respondent has adopted the disputed domain name, therefore, calls for explanation or justification. Other than to dispute that the disputed domain name is confusingly similar to the Complainant's trademark, the Respondent, however, has not sought to rebut that *prima facie* case or advance any claimed entitlement. Accordingly, the Panel finds the Complainant has established the second requirement under the Policy also.

### **C. Registered and Used in Bad Faith**

Under the third requirement of the Policy, the Complainant must establish that the disputed domain name has been both registered and used in bad faith by the Respondent. These are conjunctive requirements; both must be satisfied for a successful complaint: See *e.g. Burn World-Wide, Ltd. d/b/a BGT Partners v. Banta Global Turnkey Ltd*, WIPO Case No. [D2010-0470](#).

Generally speaking, a finding that a domain name has been registered and is being used in bad faith requires an inference to be drawn that the respondent in question has registered and is using the disputed domain name to take advantage of its significance as a trademark owned by (usually) the complainant.

Given the very well-known status of the Complainant's trademark, there can be little doubt that the Respondent was aware of the Complainant's trademark when registering the disputed domain name. Indeed, the Respondent's website expressly claims (falsely) to integrate with the Complainant's service.

The Panel also notes that the presentation of the "XEROSign" logo on the Respondent's website strongly emphasises the "Xero" element and significantly de-emphasises the "sign" element. Thus, the way it is presented gives the "Xero" element prominence. Having regard to these matters, it appears that the Respondent has adopted the disputed domain name because of its trademark significance.

In circumstances where the Respondent has been found not to have rights or legitimate interests in the disputed domain name, and noting the circumstances of this case, therefore, the Panel finds the Respondent has registered it in bad faith.

The use of the disputed domain name without the Complainant's permission within the scope of the Complainant's registered rights constitutes use in bad faith particularly where, as appears to be the case, the website does not appear to be attempting to provide a genuine service. Further, in his informal Response, the Respondent offered to transfer the disputed domain name to the Complainant for USD 50,000. In the absence of rights or legitimate interests in the disputed domain name, such an offer is further evidence of use in bad faith.

Accordingly, the Complainant has established all three requirements under the Policy.

## 6. Decision

For the foregoing reasons, in accordance with paragraphs 4(i) of the Policy and 15 of the Rules, the Panel orders that the disputed domain name, <xerosign.com>, be transferred to the Complainant.

*/Warwick A. Rothnie/*

**Warwick A. Rothnie**

Sole Panelist

Date: December 22, 2022