

## **DISPUTE RESOLUTION SERVICE**

**D00019529**

### **Decision of Independent Expert**

Klarna Bank AB

and

Supratik Basu

#### **1. The Parties:**

Complainant: Klarna Bank AB  
Sveavägen 146, 111 34  
Stockholm  
Sweden

Respondent: Supratik Basu  
64/11/L  
SUREN SARKAR ROAD  
KOLKATA  
WEST BENGAL  
700010  
India

#### **2. The Domain Name(s):**

klarnabank.co.uk (“the Domain Name”).

#### **3. Procedural History:**

The Complaint was submitted to Nominet on 13 November 2017 and was validated and notified to the Respondent by Nominet on 14 November 2017. The Respondent was informed in the notification that it had until 5 December 2017 to file a response to the Complaint.

On 5 December 2017, the Respondent filed a Response. On 6 December 2017, the Complainant indicated to Nominet that it did not wish to file a Reply to the Response and the case proceeded to the mediation stage on 8 December 2017. On 29 December 2017, Nominet notified the Parties that mediation had been unsuccessful and, pursuant to paragraph 10.5 of Nominet's Dispute Resolution Service Policy Version 4 ("the Policy"), invited the Complainant to pay the fee for referral of the matter for an expert decision. On 10 January 2018, the Complainant paid the fee for an expert decision.

On 17 January 2018, Andrew D S Lothian, the undersigned ("the Expert"), confirmed to Nominet that he was not aware of any reason why he could not act as an independent expert in this case. Nominet duly appointed the Expert with effect from 22 January 2018.

#### **4. Factual Background**

The Complainant is a Swedish public limited company originally named Kreditor Finans AB upon incorporation on 5 September 2007. The Complainant says that it was founded in 2005 with the aim of making it easier for people to shop online and today is one of Europe's largest banks, providing payment solutions for 60 million consumers across 70,000 merchants in 18 countries. It adds that its services encompass direct payments, pay after delivery options and instalment plans with a "one-click purchase" experience. Its "Facts" page indicates that it facilitates around 650,000 purchases per day.

The Complainant has provided its formal company registration certificate from the competent authority in Sweden. This was not supplied with a translation into English but as far as the Expert can discern, on 29 September 2009 the Complainant changed its name to Klarna Finans AB and on 16 March 2010 it became known as Klarna AB. On 19 June 2017, the Complainant was renamed as Klarna Bank AB upon being granted permission by the Swedish Financial Supervisory Authority to conduct banking operations. The Complainant has produced evidence that this fact was contemporaneously reported in the Swedish and international media.

The Complainant is the owner of several trade marks for the word mark KLARNA, such as, for example, European registered trade mark no. 9199803 registered on 6 December 2010 in international classes 35 and 36. The Complainant is also the owner of a variety of domain name registrations incorporating the KLARNA mark, such as <klarna.com>, registered on 12 December 2008; <klarnabank.com> registered on 6 May 2009; <klarna.se> registered on 12 December 2008; and <klarnabank.se> registered on 6 May 2009.

Little is known regarding the Respondent. The Domain Name was registered on 19 June 2017. The website associated with the Domain Name indicates that it has been listed on a domain name marketplace. The title of the landing page is "Sales Inquiry KlarnaBank.co.uk". The page indicates that the Domain Name "may be available" and invites visitors to "get a price quote" by completing an online form.

Between 5 September and 6 November 2017, the Complainant's representative engaged in correspondence with the Respondent. During such correspondence, the Respondent stated that it was "ready to sell it at €500". The Complainant's representative offered to reimburse the Respondent purely for its registration fees, to which the Respondent replied "What is the best price is your client willing to pay for it?" [*sic*].

## 5. Parties' Contentions

### **Complainant**

The Complainant submits that it has rights in a name or mark which is similar to the Domain Name and that the Domain Name, in the hands of the Respondent, is an Abusive Registration.

The Complainant asserts that the Domain Name "directly incorporates Complainant's well-known, registered trademark KLARNA BANK in its entirety", adding that the country-code Top-Level Domain (ccTLD) ".co.uk" does not add any distinctiveness. The Complainant describes the test under the first element of the Policy as one of confusing similarity and states that the Domain Name should be considered as confusingly similar to the registered trademark KLARNA and the company name Klarna Bank AB.

The Complainant submits that the Respondent must have been alerted by the extensive media coverage when registering the Domain Name, noting that coverage commenced in September 2015 and that international media wrote about the Complainant obtaining its bank licence on the same date that the Domain Name was registered. The Complainant describes the correspondence in which it engaged with the Respondent and submits that a failure on the part of a Respondent to respond to a cease and desist letter has been considered relevant to a finding of bad faith, citing cases from the Uniform Domain Name Dispute Resolution Policy ("UDRP").

The Complainant asserts that the disputed domain name is being passively held but that a state of inactivity does not mean a domain name is used in good faith or preclude a finding of Abusive Registration under the Policy. The Complainant notes that all circumstances must be considered, relying upon the fact that the Domain Name reproduces the Complainant's mark in its entirety, that the Domain Name was registered shortly after a press announcement and that the Respondent has listed the Domain Name for sale. The Complainant adds that the word "Klarna" is a unique name invented by the Complainant and does not exist in any known language or as a registered trade mark other than in the Complainant's registrations.

The Complainant says that the Respondent as "an Internet skilled person" should have conducted a search on the Internet before registering the Domain Name and that this would have alerted the Respondent to the Complainant's Rights. The Complainant asserts that the failure to complete such search is indicative of the Domain Name having been registered in bad faith.

The Complainant contends that the Respondent has no rights or legitimate interest in the Domain Name, is not authorised or commonly known by the name or mark KLARNA and has received no permission or licence from the Complainant in respect of its use. The Complainant states that the Respondent has never intended to use the Domain Name in connection with a *bona fide* offering of goods or services or any other legitimate interest. The Complainant concludes that it is unimaginable that the Respondent would have registered and used the Domain Name without intention to gain unfair advantage at the Complainant's expense and that the date of registration of the Domain Name is supportive of such submission.

## **Respondent**

The Response is very short and may be quoted *verbatim*:-

“My domain name is klarnabank.co.uk and it's not at all related to the complainant “klarna ab”.

The complainant does even have any Trade or Service mark on "klarnabank" word.

The complainant does even have any Trade or Service mark on "klarnabank" word in United Kingdom.

They have not filed for any trade or service mark on "klarnabank" ever, pls check verify with the attached PDF.”

The .pdf file which the Respondent attaches appears to represent a search conducted in the WIPO Global Brand Database on 5 December 2017 for the brand “klarna”. This has disclosed numerous registrations of trade marks and trade mark applications for the mark KLARNA all held in the name of the Complainant and relating to multiple jurisdictions.

## **6. Discussions and Findings**

### **General**

In terms of paragraph 2.2 of the Policy the onus is on the Complainant to prove to the Expert on the balance of probabilities each of the two elements set out in paragraphs 2.1.1 and 2.1.2 of the Policy, namely that the Complainant has Rights in respect of a name or mark which is identical or similar to the Domain Name; and that the Domain Name, in the hands of the Respondent, is an Abusive Registration.

### **Complainant's Rights**

Paragraph 1 of the Policy provides that Rights means “rights enforceable by the Complainant, whether under English law or otherwise, and may include rights in descriptive terms which have acquired a secondary meaning”.

The requirement to demonstrate Rights under the Policy is not a particularly high threshold test. Rights may be established in a name or mark by way of a trade mark registered in an appropriate territory, or by a demonstration of unregistered so-called ‘common law rights’.

The Complainant's submissions on this topic are somewhat confused. For example, the Complainant refers to the term KLARNA BANK as a well-known registered trade mark but cites no registrations in support of this. The Complainant also seeks to derive support from the fact that its company name, as registered in Sweden, is Klarna Bank AB but does not provide any additional explanation as to why this would confer rights upon it within the meaning of the Policy. Paragraph 1.5 of the Expert Overview version 3 dated December 2016 (“the Overview”) confirms that an overseas right can constitute a relevant right within the definition of Rights. However, in order to meet the requirements of paragraphs 2.2 and 2.1.1 of the Policy, it is clear that such right must be demonstrated by the Complainant, not merely asserted without further elaboration as it

has been in the present case. Furthermore, paragraph 1.7 of the Overview indicates that the consensus view of recent Experts' meetings has been that mere registration of a company name (at least where registered in the United Kingdom) does not of itself give rise to any rights for this purpose, noting that the appeal panel in DRS 16594 (polo.co.uk) agreed with that approach.

The Expert notes, however, that the Complainant also cites and appears to rely upon its KLARNA registered trade mark for the purposes of this element of the Policy. By virtue of this registered mark, the Expert is satisfied that the Complainant has Rights in the mark KLARNA within the meaning of the Policy. Turning therefore to a comparison between such mark and the Domain Name, the Expert first disregards the first and second levels of the Domain Name (taken together, constituting the suffix .co.uk) as is customary for the purposes of comparison under the Policy on the grounds that these are wholly generic and required for technical reasons only. The third level of the Domain Name remains for comparison and the Expert notes that this reproduces the mark in its entirety and couples it with the generic and descriptive word "bank". The Complainant asserts that the mark is a unique, distinctive term and this is not denied by the Respondent. In the Expert's opinion, the addition of the generic and descriptive word "bank" to the Complainant's distinctive mark in the Domain Name does not serve to distinguish such mark from the Domain Name. The first and most dominant element of the Domain Name corresponds, in the Expert's opinion, to the Complainant's KLARNA mark.

In all of these circumstances, the Expert finds that the Complainant has proved that it has Rights in the mark KLARNA within the meaning of the Policy and that such mark is similar to the Domain Name.

### **Abusive Registration**

Paragraph 1 of the Policy defines "Abusive Registration" as a domain name which either:

*i. was registered or otherwise acquired in a manner which, at the time when the registration or acquisition took place, took unfair advantage of or was unfairly detrimental to the Complainant's Rights; or*

*ii. is being or has been used in a manner which has taken unfair advantage of or has been unfairly detrimental to the Complainant's Rights;*

This general definition is supplemented by paragraph 5 of the Policy which provides a non-exhaustive list of factors which may be evidence that the Domain Name is an Abusive Registration. Paragraph 8 of the Policy provides a similar non-exhaustive list of factors which may be evidence that the Domain Name is not an Abusive Registration.

The Complainant's submissions are again somewhat confused on this topic. For example, the Complainant states that the Domain Name is "passively held" or in a "state of inactivity" and yet all the evidence before the Expert including the Complainant's own screenshot shows that it points to a live website through which it appears to be actively offered for general sale, with expressions of interest being solicited via a web form seeking name, email address and mobile telephone number of the enquirer. Equally, the Complainant asserts that the failure of a respondent to respond to a cease and desist letter has previously been considered relevant to a "finding of bad faith", yet the Complainant's submissions and evidence show that the Respondent in this case did not fail to respond to the Complainant. Indeed, the Parties corresponded between September and November 2017 following the Complainant's email to the Respondent's

Internet service provider. The Complaint provides full details of the Respondent's reply to the cease and desist notice in the section commencing "The registrant replied that...". In these circumstances, the Expert disregards the Complainant's submissions as to "passive holding" of the Domain Name and alleged lack of response from the Respondent.

The Complainant's reference to the terms "bad faith" and "rights and legitimate interests" together with its citation of certain decided cases in the Complaint appear to refer to the UDRP, a different policy from the DRS Policy. The comments of the Chair of the Panel of Experts in the Foreword to Version 3 of the Overview are apposite here:-

Finally, it should be stressed for the benefit of those who have had experience of domain name disputes under the Uniform Domain Name Dispute Resolution Policy ("UDRP"), that the DRS Policy and the UDRP are different systems. In some places they share very similar wording, but there are significant differences and the citation of UDRP decisions in a dispute under the DRS Policy is rarely likely to be helpful. [...]

Notwithstanding the Complaint's references to an alternative dispute resolution policy, and the submissions on passive holding and lack of response which fall to be disregarded, the Expert is satisfied that the evidence put forward by the Complainant taken as a whole points strongly in the direction of Abusive Registration. There is a close proximity in time between the Complainant's announcement that it had received a banking licence and would be known as "Klarna Bank" and the corresponding international media coverage on the one hand, and the registration of the Domain Name on the other. Both took place on the same day. This raises a clear and reasonable suspicion in the mind of the Expert that the two are more than mere coincidence and are likely connected events. The Response is notable by its failure to provide any explanation for this or even to attempt to address it at all.

The Expert accepts the Complainant's assertion, uncontradicted by the Respondent, that its KLARNA mark is unique and could sensibly refer only to the Complainant. This is fortified by the addition of the word "bank" in the Domain Name, given that it provides a further link to the Complainant's announcement of the award of a banking licence. Supportive evidence for the strength of the Complainant's mark is to be found in the media coverage and Google searches for the terms "klarna" and "klarna bank" produced by the Complainant. In particular, the searches show that the top results in each case specifically refer to the Complainant alone.

Since its registration, on the date of the Complainant's announcement, the Domain Name appears to have been used for no other purpose than to offer it for sale. The Parties' correspondence demonstrates that the Respondent sought an amount in excess of the likely out-of-pocket costs directly associated with acquiring the Domain Name. The Expert considers that it is reasonable in all of these circumstances to infer that the Respondent's primary purpose in registering the Domain Name was to sell it to the Complainant for valuable consideration in excess of the Respondent's documented out-of-pocket costs directly associated with acquiring the Domain Name, consistent with paragraph 5.1.1 and 5.1.1.1 of the Policy, this being one of the factors which may be evidence that the Domain Name is an Abusive Registration.

The circumstances call for an explanation from the Respondent. Why did it select a Domain Name which appears to have incorporated the Complainant's KLARNA mark? Why did it couple this with the term "bank"? What does "Klarna" mean to the Respondent independently of the Complainant's mark? What were the Respondent's

plans for the Domain Name and how could these be regarded as unconnected to the Complainant's activities? How does the Respondent explain the timing of its registration and of the Complainant's announcement? Given the offer of sale, what value does the Respondent believe the Domain Name might have to anyone other than the Complainant or a competitor of the Complainant?

The Response notably fails even to attempt to answer a single one of these somewhat obvious questions. Instead, the Respondent merely indicates that its unspecified activities are unrelated to the Complainant and asserts that the Complainant has no trade mark relative to the third level of the Domain Name in its entirety. However, the trade mark search accompanying the Response, far from supporting the Respondent's position, is favourable to the Complainant's case. It demonstrates, to an even greater degree of detail than was to be found in the Complaint, the extent of registered trade mark rights which the Complainant has built up in the KLARNA mark. The lack of suitable answers in the Response also fortifies the Expert in making the reasonable inference on the balance of probabilities as outlined above regarding the Respondent's primary purpose in registering the Domain Name, thus leading to a finding of Abusive Registration in this case.

For completeness, the Expert has reviewed the Response in the context of the non-exhaustive list of factors which may be evidence that the Domain Name is not an Abusive Registration as set out in paragraph 8 of the Policy. The offering for sale of the Domain Name in the particular circumstances of this case could not be described as a genuine offering of goods or services. There is no evidence that the Respondent has been commonly known by or legitimately connected with a mark identical or similar to the Domain Name, nor is there any likelihood of this on the balance of probabilities given the evidence that the third level of the Domain Name can only sensibly refer to the Complainant. There is no suggestion that the Respondent is making a non-commercial or fair use of the Domain Name or that it is generic or descriptive. While paragraph 8.4 notes that trading in domain names for profit is of itself a lawful activity, the Expert is directed to review each case on its merits. The Expert finds that the circumstances of this particular case engage paragraph 5.1.1.1 of the Policy whereby registration of a domain name for an attempted sale which effectively targets a complainant's Rights under the Policy may be held to be an Abusive Registration.

In all of these circumstances, the Expert finds on the balance of probabilities that the Domain Name, in the hands of the Respondent, is an Abusive Registration.

## **7. Decision**

The Expert finds that the Complainant has proved that it has Rights in a name or mark which is similar to the Domain Name and that the Domain Name, in the hands of the Respondent, is an Abusive Registration. The Expert therefore directs that the Domain Name be transferred to the Complainant.

**Signed** .....

**Andrew D S Lothian**

**Dated** 31 January 2018 .....