

ADMINISTRATIVE PANEL DECISION

Ernesto Huerta v. Erick Calder

Case No. D2023-2349

1. The Parties

The Complainant is Ernesto Huerta, Mexico, self represented.

The Respondent is Erick Calder, United States of America (“United States”).

2. The Domain Name and Registrar

The disputed domain name <cryptospace.com> is registered with Google LLC (the “Registrar”).

3. Procedural History

The Complaint was filed with the WIPO Arbitration and Mediation Center (the “Center”) on May 31, 2023. On May 31, 2023, the Center transmitted by email to the Registrar a request for registrar verification in connection with the disputed domain name. On May 31, 2023, 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 (Contact Privacy Inc. Customer 7151571251) and contact information in the Complaint. The Center sent an email communication to the Complainant on June 1, 2023, 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 amendment to the Complaint on June 3, 2023.

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 June 6, 2023. In accordance with the Rules, paragraph 5, the due date for Response was June 26, 2023. The Response was filed with the Center on June 21, 2023.

The Center appointed Warwick A. Rothnie as the sole panelist in this matter on July 10, 2023. 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.

On July 19, 2023, the Complainant submitted an unsolicited supplemental filing to the Center.

On July 20, 2023, the Panel issued an Administrative Panel Order (unrelated to the Complainant's unsolicited supplemental filing) inviting the Complainant to address the basis for his request for transfer of the disputed domain name to himself rather than to the companies claimed to own the trademark rights on which the Complaint was based, and making provision for a response by the Respondent. The Parties were given to July 24 and 28, respectively, to respond. In the event, neither party made any further supplemental filings. The decision date would be extended to at least August 11, 2023.

4. Factual Background

The Complainant is the CEO of two companies: Huerta Consulting Services LLC and Cryptospace LLC. According to the Complaint, both companies are wholly owned subsidiaries of Digital Nomad Holdings, LLC. The Complainant also claims to be the owner of these companies, although he acknowledges that the Respondent has, or had, a minority shareholding.

According to the Complaint, these companies carry on a business dealing in cryptocurrency assets.

Huerta Consulting Services LLC has registered the Fictitious Business Name "Cryptospace" in California in the United States.

Cryptospace LLC, a limited liability company California of 461 W 6TH ST STE 201 San Pedro 90731, is the registered owner of United States Registered Trademark No 5458743, CRYPTOSPACE. This trademark was registered on May 1, 2018 in the Principal Register in respect of currency exchange services in International Class 36. A claim of first use in commerce on July 26, 2017 has been recorded by the United States Patent and Trademark Office.

According to the Complainant, Cryptospace LLC, a company organised and existing under the laws of the State of California with its head office located at 403 W. Sixth St, San Pedro, CA 90731 acquired the disputed domain name in January 2020 from a third party for USD 15,000.

The disputed domain name is, however, registered in the name of the Respondent.

According to the Complainant, the Respondent was formerly the chief technology officer ("CTO") of the companies Digital Nomad Holdings, LLC, Huerta Consulting Services LLC, and Cryptospace LLC and, as noted above, a minority shareholder. The Complainant claims that the Respondent was released from his role as CTO for non-performance.

The Respondent disputes most of these matters. There is no dispute between the parties that the Respondent is or was a minority shareholder in the companies. According to the Respondent, however, he is or was a member of the board, trustee of the domain, investor in the company, creditor to the Complainant and managing partner.

In support of the claim that the Respondent was the CTO and released for non-performance, the Complainant has submitted a document headed "Vendor Release Form". It purports to be "DocuSigned" by the Complainant and Alejandra Meixueiro, Human Resources. The document is dated April 15, 2023 although it purports to record the termination of the Respondent on November 4, 2023 [sic]. Even allowing for a typographical error in the date of the year, it is an oddity that the form was completed and signed some five months after the Respondent's engagement was apparently terminated.

On November 5, 2023, however, the Complainant filed a complaint with the Federal Bureau of Investigation relating to the Respondent's alleged conduct.

The disputed domain name does not currently resolve to an active website.

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

It is well accepted that the first element functions primarily as a standing requirement. The standing (or threshold) test for confusing similarity involves a reasoned but relatively straightforward comparison between the Complainant's trademark and the disputed domain name. WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Third Edition, (["WIPO Overview 3.0"](#)), section 1.7.

The Complainant has proven that Cryptospace LLC owns the registered trademark in the United States, CRYPTOSPACE.

Cryptospace LLC is not the Complainant. It does not appear to be in dispute, however, that the Complainant is the CEO of Cryptospace LLC or that he is the majority shareholder. On that basis, the Panel would be prepared to find that the Complainant has sufficient standing to bring the Complaint on behalf of the company. It is well recognised that the parent company of a corporate group may bring a complaint on behalf of a subsidiary it controls. See e.g., [WIPO Overview 3.0](#), section 1.4. Correspondingly, the Panel is to prepare to accept the CEO of a company may have standing to bring the Complaint on behalf of the company.

The Complainant also claims that Huerta Consulting Services LLC has rights in "Cryptospace" through its registration of the Fictitious Business Name in California. The Complainant has not advanced evidence to indicate that the registration of a Fictitious Business Name under California law gives the registrant of the name the right to sue for infringements of that name. In the absence of such evidence, the Complainant's claim must rest on rights in the name as an unregistered or common law trademark. The Complainant, however, has not provided evidence of the manner and extent of the use of "Cryptospace" as a trademark by Huerta Consulting Services LLC to support an inference that the name has become distinctive of that company. See e.g., [WIPO Overview 3.0](#), section 1.3. In those circumstances, the Panel is not prepared to find the Complainant has established Huerta Consulting Services LLC has the claimed common law rights in "Cryptospace" as an unregistered trademark.

In comparing the disputed domain name to the Complainant's proven trademark, 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.

The disputed domain name is, therefore, identical to Cryptospace LLC's trademark, CRYPTOSPACE.

Accordingly, the Panel finds that the Complainant has established that the disputed domain name is identical with a trademark in which the Complainant, on behalf of Cryptospace LLC, has rights 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 a list of circumstances in which the Respondent may demonstrate rights or legitimate interests in a disputed domain name.

While the overall burden of proof in UDRP proceedings is on the complainant, panels have recognized that proving a respondent lacks rights or legitimate interests in a domain name may result in the often impossible task of “proving a negative”, requiring information that is often primarily within the knowledge or control of the respondent. As such, where a complainant makes out a *prima facie* case that the respondent lacks rights or legitimate interests, the burden of production on this element shifts to the respondent to come forward with relevant evidence demonstrating rights or legitimate interests in the domain name. If the respondent fails to come forward with such relevant evidence, the complainant is deemed to have satisfied the second element. [WIPO Overview 3.0](#), section 2.1.

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.

There is no evidence before the Panel that the Respondent is using, or is preparing to use, the disputed domain name in connection with a good faith offering of goods or services. Nor is there any evidence of any use for legitimate noncommercial or fair use of the disputed domain name.

It is not clear when the disputed domain name became registered in the Respondent’s name – whether on completion of the “purchase” of the disputed domain name in 2020 or at some later point. The Complainant contends the disputed domain name became registered in the Respondent’s name when the Respondent’s engagement with the business was terminated.

In any event, the Complainant contends that the Respondent was not authorised to register the disputed domain name in his name rather than the name of Cryptospace LLC (or, for that matter, Huerta Consulting Services LLC) and has “absconded” with it.

As noted above, the Respondent claims he is entitled to hold the registration as trustee in his capacity as a member of the board, an investor in the company, a creditor and managing partner.

It does not appear to be in dispute between the parties that USD 15,000 was paid by, or on behalf of, Cryptospace LLC for the transfer of the disputed domain name to Cryptospace LLC. The Complainant says that he has personally paid the renewal fees.

The Panel would not ordinarily expect that a member of the Board of Directors, the managing partner or a creditor would be entitled to register and hold a company asset in his or her own name except where there has been some sort of agreement with the Board or the company granting the security. There is no evidence before the Panel that other directors knew about or agreed to the arrangement. There does appear to be a dispute between the Complainant and the Respondent over their business relationship. So far as the record in this proceeding reveals, however, it appears that the Respondent unilaterally appointed himself as trustee of the disputed domain name.

It appears therefore that the Respondent is holding the disputed domain name as some form of “self-help” measure in connection with the protection of the Respondent’s personal interests in the business dispute.

It is no part of the Panel’s role to adjudicate on the rights and wrongs of business disputes between the parties. However, the Panel considers that the business dispute between the Complainant and the Respondent over the Respondent’s role in the companies, whatever the merits, does not give the

Respondent rights or legitimate interests over the disputed domain name. As noted above, so far as the record in this proceeding discloses, the disputed domain name was, or became, an asset of Cryptospace LLC's business, not of the Respondent. Nor is there any evidence that the company granted the Respondent a right to take a security interest over the disputed domain name or otherwise to assume trusteeship or possession of the disputed domain name.

Therefore, the Panel finds that the Complainant has established a *prima facie* case that the Respondent does not have rights or legitimate interests in the disputed domain name and the Respondent has not rebutted that *prima facie* case.

Based on the available record, the Panel finds the second element of the Policy has been established.

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](#).

Paragraph 4(b) identifies situations which may demonstrate that registration or use of a disputed domain name was not in bad faith under the Policy:

For the purposes of paragraph 4(a)(iii), the following circumstances, in particular but without limitation, if found by the Panel to be present, shall be evidence of the registration and use of [the disputed] domain name in bad faith:

- (i) circumstances indicating that [the Respondent] has registered or [the Respondent has] acquired the [disputed] domain name primarily for the purpose of selling, renting, or otherwise transferring the [disputed] 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 [the Respondent's] documented out-of-pocket costs directly related to the [disputed] domain name; or
- (ii) [the Respondent has] registered the [disputed] 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 [the Respondent has] engaged in a pattern of such conduct; or
- (iii) [the Respondent has] registered the [disputed] domain name primarily for the purpose of disrupting the business of a competitor; or
- (iv) by using the [disputed] domain name, [the Respondent has] intentionally attempted to attract, for commercial gain, Internet users to [the Respondent's] web site 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 [the Respondent's] website or location or of a product or service on [the Respondent's] web site or location.

The instances of bad faith set out in paragraph 4(b) of the Policy are examples only, intended to illustrate types of conduct which is caught by the Policy. See *Do The Hustle, LLC v Tropic Web*, WIPO Case No. [D2000-0624](#).

Given the Respondent's role, whether as CTO or Board member, investor, creditor or managing partner, it is not in dispute between the parties that the Respondent was aware of Cryptospace LLC's rights in its trademark.

As noted above, it is not clear when the disputed domain name became registered in the Respondent's

name. If it was when the disputed domain name was transferred to Cryptospace LLC in or around January 2020, the Respondent has not provided an adequate explanation why the registration was put in his name.

If the disputed domain name was transferred into the Respondent's name at a later date, there is similarly no adequate explanation. Further, if the Respondent transferred the disputed domain name into his own name when the business dispute arose, the existence of that business dispute does not provide a basis for the Respondent to have taken control of the disputed domain name.

In each of these scenarios, therefore, the Panel considers the Complainant has demonstrated that the Respondent registered the disputed domain name in bad faith under the Policy.

The Respondent's refusal to return the registration and continued holding of the disputed domain name which, so far as the record shows, is an asset of the business constitutes use in bad faith. The circumstances are closely analogous to the circumstances outlined in at least paragraph 4(b)(i).

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

D. Remedy

The Complainant has requested transfer of the disputed domain name to himself.

This appears to be on the basis that the Complainant considers himself the owner of the business.

As the Complainant contends in his supplemental filing, however, "No stakeholder can run off with access to company property without explicit permission (none of which was given)." The Complainant does make this point several times in the context of the Respondent being a minority, 17.5 *per cent* stakeholder.

The Panel considers it is applicable equally to any stakeholder or shareholder in a company: ordinarily, the assets of the company are the company's assets and not assets of the shareholders. The Panel acknowledges it does not appear to be in dispute that the Complainant is the majority shareholder. But that does not change the "ordinary" position, at least as a matter of company law. It also appears from the Complainant's supplemental filing that, while the Complainant is the majority stakeholder, there are other "stakeholders" in addition to himself and the Respondent.

Accordingly, the Panel issued the Administrative Panel Order which materially provided:

"As the Complaint is based on the trademark of Cryptospace LLC and/or Huerta Consulting Services LLC, however, it is not clear to the Panel on what basis transfer to the Complainant rather than to one or the other company is permissible under the Policy if the Panel finds the Complaint is made out.

"Pursuant to paragraphs 12 and 10 of the Rules for Uniform Domain Name Dispute Resolution Policy (the "Rules"), therefore, the Panel invites the Complainant to submit a supplemental filing explaining why, if the Complaint is successful, the disputed domain name should be transferred to the Complainant instead of one of the companies owning the rights asserted in the Complaint. Alternatively, the Complainant may submit a further amendment to the Complaint to request transfer, if the Complaint is successful, to Cryptospace LLC, the holder of the registered trademark right, or Digital Nomad Holdings, LLC."

Despite the issuance of the Administrative Panel Order, the Complainant chose not to respond.

The Panel has considered ordering transfer to the Complainant in his capacity as CEO of Cryptospace LLC. The legal effect of such a transfer is far from clear to the Panel.

Furthermore, acknowledging that panels have been prepared to treat the holding company and its subsidiaries as a single economic entity (see e.g., [WIPO Overview 3.0](#), section 1.4), the Panel does not

consider that approach can be extended to individual shareholders, particularly in a context where there appears to be a business dispute between them.

Instead, noting that Cryptospace LLC is the owner of the registered trademark on which the Complaint is based, the Panel considers in the exercise of the powers under paragraph 10 of the Rules, the appropriate order is to order transfer to Cryptospace LLC, the owner of the registered trademark or, if that company no longer exists, its successor in title to the registered trademark.

In that context, the Panel notes that United States Register of Trademarks shows that the last listed owner of Trademark No 5,458,743 is Cryptospace LLC, limited liability company California with an address at 461 W 6th St Ste 201 San Pedro United States 90731 which appears to have taken an assignment or transfer from a Colorado limited liability corporation of the same name.

7. 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, <cryptospace.com>, be transferred to Cryptospace LLC, the owner of United States Registered Trademark No 5,458,743.

/Warwick A. Rothnie/

Warwick A. Rothnie

Sole Panelist

Date: August 11, 2023