

ADMINISTRATIVE PANEL DECISION

Gunther Marktl, and StepsApp GmbH v. Privacy service provided by Withheld for Privacy ehf / Michael Smirnov (or Michael Smirnoff)

Case No. D2022-1746

1. The Parties

The Complainants are Gunther Marktl, Austria, and StepsApp GmbH, Austria, represented by Dr. Isabella Hödl, LL.M., Austria.

The Respondent is Privacy service provided by Withheld for Privacy ehf, Iceland / Michael Smirnov (or Michael Smirnoff), Russian Federation, represented by John Berryhill, United States of America (“United States”).

2. The Domain Name and Registrar

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

3. Procedural History

The Complaint was filed with the WIPO Arbitration and Mediation Center (the “Center”) on May 13, 2022. On the same day, the Center transmitted by email to the Registrar a request for registrar verification in connection with the disputed domain name. On the same day, the Registrar transmitted by email to the Center its verification response disclosing registrant and contact information for the disputed domain name that differed from the named Respondent and contact information in the Complaint. The Center sent an email communication to the Complainants on May 30, 2022 providing the registrant and contact information disclosed by the Registrar and inviting the Complainants to submit an amendment to the Complaint. The Complainants replied on June 13, 2022 and the Center sent a follow-up email on June 14, 2022. The Complainants filed an amendment to the Complaint on June 15, 2022.

The Center verified that the Complaint together with the amendment to the 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 17, 2022. In accordance with paragraph 5 of the Rules, the original due date for Response was July 7, 2022 but, pursuant to paragraph 5(b) of the Rules, at the Respondent's request the due date for Response was extended to July 11, 2022. The Response was filed with the Center on July 8, 2022.

The Center appointed Matthew Kennedy, Reinhard Schanda, and Richard G. Lyon as panelists in this matter on July 28, 2022. The Panel finds that it was properly constituted. Each member of 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 Complainants are Gunther Marktl, an individual, and StepsApp GmbH, a company of which Mr. Marktl is the CEO. The Complainant company makes available a pedometer application or app named "StepsApp", that was originally created by Mr. Marktl. StepsApp counts steps, acts as a walking GPS tracker, and analyzes users' activity data. Mr. Marktl is the proprietor of various trademark registrations for a figurative mark (the "STEPSAPP mark"), including the following:

- European Union trademark registration number 015179989, registered on September 15, 2016 and specifying goods and services in classes 9, 41, and 42;
- International trademark registration number 1329875, claimed in colors, registered on August 24, 2016, designating multiple jurisdictions and specifying goods and services in classes 9, 41, and 42;
- European Union trademark registration number 018401971, registered on June 26, 2021 and specifying goods and services in classes 25, 38, and 41; and
- International trademark registration number 1597905, registered on March 24, 2021, designating multiple jurisdictions and specifying goods and services in classes 25, 38, and 41.

The above trademark registrations remain current. The Complainant company uses the domain name <steps.app> in connection with a website that promotes the STEPSAPP pedometer app and links to websites where the mobile application can be downloaded. The website prominently displays the STEPSAPP mark as its title and as a smaller version in the top-left hand corner.

The Respondent is identified in the amended Complaint as a privacy service and the underlying registrant, Michael Smirnov (spelt "Smirnoff" in the Response). The Response claims that Mr. Smirnov is a technical contractor who was engaged to register the disputed domain name and perform other technical functions by the persons identified on the website associated with the disputed domain name.

The disputed domain name was created on May 6, 2018. It resolves to a website that promotes a "Step" development protocol for fitness finance. It states that the first app on the protocol is "Step App", which turns fitness goals into income, powered by technology in metaverse, augmented reality, and blockchain. The website presents a core team of nine individuals. The website displays a logo consisting of the words "STEP APP" separated by a running shoe in the top-left hand corner of each page.

5. Parties' Contentions

A. Complainants

The disputed domain name is almost identical to the Complainants' STEPSAPP marks. The Complainant company is the rightful owner of all StepsApp domain names including <stepapp.io>, registered on

November 20, 2015. At the time of submitting the Complaint, the Complainants' app had over five million active users. The app has been downloaded over 20 million times. The Complainants have therefore built a reputation under their trademarks. The disputed domain name appears to be an intentional misspelling or "typosquatting" of a well-known trademark. The disputed domain name was registered at a point in time when the Complainants' domain name and app were already widely used and known in the fitness interested consumer market. The Respondent provides a fitness application under the disputed domain name that addresses the same consumer category but combines the tracking of steps with the creation of a cryptocurrency. The Complainants strongly distance themselves from any cryptocurrency business and do not want to have their company goodwill and well-known trademarks tarnished, confused, or compared with the Respondent's products.

The Respondent has no rights or legitimate interests in respect of the disputed domain name. The Complainants' trademarks have priority dates that reach back to 2016 and they are the owner of several StepsApp domain names created in 2015. The Complainants' app has been available on all leading app stores across the world since July 2015 and achieved over four million downloads in iOS alone by 2018. The Respondent does not have any proprietary or contractual rights in any registered or common law trademarks in whole or in part to the disputed domain name, is not commonly known by the disputed domain name or the STEPSAPP mark, is not licensed or authorized by the Complainants to register, hold or use the disputed domain name. The use of the generic Top-Level Domain ("gTLD") suffix ".app" indicates that the Respondent was aware of the Complainants and their products. The Respondent uses the disputed domain name commercially.

The disputed domain name was registered and is being used in bad faith. It is inconceivable that the Respondent, which appears to be well-versed in technology, did not conduct a Google search before registering the disputed domain name, which would have revealed the Complainants' <steps.app> domain name and several other StepsApp domain names held by the Complainants. The Respondent filed for the disputed domain name using an example of typosquatting, in order to engage in the making of cryptocurrency, which is also a commercial gain and a commercial use of the Complainants' earlier rights. The disputed domain name misdirects Internet users by creating a false initial impression of an affiliation with the Complainants. One can even see similarities between the Parties' respective websites: as on the Complainants' official website, the Respondent made sure to put the logo "STEP APP" in capital letters in the left-hand upper corner of the screen.

B. Respondent

While it is often the case that stylized elements of a mark are disregarded for purposes of the Policy, there are significant exceptions to that general rule which are present here. To disregard distinctive figurative presentations of what are essentially generic terms would be to use the Policy to expand the scope of trademark rights to encompass generic, or non-distinctive descriptive, words and phrases. The Complainants have consistently applied for figurative or combined marks. The only English-language jurisdiction in which the Complainants have claimed rights (*i.e.*, the United States) has taken exception to a broad claim in STEPS APP apart from other elements of the mark. The USPTO initially refused the Complainants' latter application because its software is used to count user's steps and, thus, the wording merely describes the function and feature of the Complainants' services. It is obvious, in the context of a pedometer application software, that the words "step" and "app" are unavoidably descriptive. The Complainants publish an app which counts steps and have decided to call it STEPS APP. To distinguish itself in the marketplace, the Complainants have further chosen to adorn their advertising materials with a distinctive logo, which the Complainants have registered as a mark. A trader who adopts a descriptive term as its mark bears the risk that the scope of coverage therein will be limited. The relevant marketplaces (Google Play and App Store) both sell "apps" and present over a dozen apps that use the word "step" or "steps", including another "step app" and a "steps up" app. The principal distinguishing features among the various "step" or "steps" apps are the icons and logos.

The Respondent has the right to use descriptive words in relation to its planned product. The Respondent is preparing what is known in the cryptocurrency community as a variation on the “play to earn” game model of non-fungible token apps, with an “exercise to earn” app. The goal is both gamification and monetization of exercise. The Parties’ respective apps are aimed at different users with different goals. The Respondent has made substantial preparations and investment in its team and its developing technology in accordance with its published business plan to launch an app which relies on step counting. The disputed domain name corresponds to those two descriptive words. The Complainants’ figurative mark is no bar to the general use of the word “step” or “steps” in relation to software. There are many other European Union trademark registrations and pending applications in class 9 that consists of the word “step” or “steps”, which were no bar to the Complainants’ narrow figurative mark. The Respondent is not attempting to divert the Complainants’ business.

The disputed domain name was not registered and is not being used in bad faith. The Respondent, seeking to plan and launch a “play to earn” crypto app based upon counting steps, obtained the most directly descriptive domain name for a step app. The situation is clearer than if the Complainants were claiming to have acquired distinctiveness in a descriptive term as a mark. The Complainants have affirmatively sought registration of a distinctive figurative mark. In the only jurisdiction which analyzes such elements separately, the Complainants have been forced to disclaim the descriptive matter or to expressly claim elements such as color as an inseparable part of their mark as a whole. The actually-claimed mark does not confer a monopoly in the words “steps” and “app” in the apparently crowded market of apps involving steps in one way or another. To confer such a broad scope in the context of a summary proceeding such as the UDRP in two demonstrably descriptive and widely-used words in the relevant marketplace is an unwarranted expansion of any commercial rights actually inherent in the Complainants’ various figurative, disclaimed, and expressly-limited trademark registrations.

6. Discussion and Findings

6.1 Preliminary Issue

A. Consolidation of Complainants

The Complaint was filed by two complainants. The Complainant individual owns the STEPSAPP mark and is the CEO of the Complainant company, which makes available the STEPSAPP app. The Panel finds that the Complainants have a common grievance against the Respondent and that it is equitable and procedurally efficient, and of no prejudice to the Respondent, to permit the consolidation of the complainants. Therefore, the Complainants are referred to below collectively as “the Complainant” except as otherwise indicated.

B. Identity of the Respondent

Paragraph 1 of the Rules defines the respondent as “the holder of a domain name registration against which a complaint is initiated.”

The original Complaint identified a privacy service as the respondent. After the Registrar revealed information relating to the underlying registrant, the Center, in accordance with standard practice, provided this information to the Complainant and invited it to amend the Complaint to reflect such information. See WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Third Edition (“[WIPO Overview 3.0](#)”), section 4.4.1. The Complainant later filed an amendment to the Complaint to add the underlying registrant as a second respondent.

The Panel notes that the Registrar disclosed the underlying registrant information in a timely manner and that nothing in the record indicates any relationship between the named respondents beyond the provision of privacy registration services. Accordingly, the Panel exercises its discretion to determine that the underlying registrant, Michael Smirnov (spelt “Smirnoff” in the Response), is the respondent against whom this case should proceed. Mr. Smirnov is referred to in this Decision as the “Respondent”.

The Response indicates that Mr. Smirnov participates in this proceeding as “agent for Step Labs LLC-FZ”, a company registered in the Meydan Free Zone, Dubai, United Arab Emirates. Specifically, the Response alleges that Mr. Smirnov was engaged as a technical contractor by the persons identified on the website associated with the disputed domain name while they set up this company.

The Panel notes that Step Labs LLC-FZ is not the holder of the disputed domain name registration and that nothing in the record substantiates the assertion that it has a relationship to Mr. Smirnov either directly or through the persons identified on the website associated with the disputed domain name. Moreover, Step Labs LLC-FZ was not registered until June 28, 2022, after the notification of the amended Complaint. Accordingly, the Panel determines that Step Labs LLC-FZ is not a respondent in this proceeding.

6.2 Substantive Issues

Paragraph 4(a) of the Policy provides that the Complainant must prove each of the following elements with respect to each disputed domain name:

(i) the disputed domain name is identical or confusingly similar to a trademark or service mark in which the Complainant has rights;

(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.

Failure to prove any one of the above elements will result in the rejection of the Complaint.

A. Identical or Confusingly Similar

Based on the evidence submitted, the Panel finds that the Complainant has rights in the STEPSAPP mark.

The Panel recalls that the STEPSAPP mark is a figurative mark. However, the figurative elements of the mark do not overtake the textual element in prominence. Given that the figurative elements of the mark cannot be represented in a domain name, the Panel will disregard them in the comparison between the disputed domain name and the mark for the purposes of the first element of paragraph 4(a) of the Policy. See [WIPO Overview 3.0](#), section 1.10. However, the figurative elements are relevant to the evaluation of the third element.

Given that the gTLD extension and the second-level portion of the disputed domain name, in combination, contain most of the relevant trademark, the Panel considers it appropriate to compare the disputed domain name in its entirety with the mark. See [WIPO Overview 3.0](#), section 1.11.3 and, for example, *Totaljobs Group Limited v. Faisal Khan, CreativeMode Ltd*, WIPO Case No. [D2017-0295](#).

The disputed domain name incorporates most of the textual element of the STEPSAPP mark, omitting only the plural “s” and adding the dot. The Panel does not consider that these minor differences prevent a finding of confusing similarity because most of the textual element of the mark is recognizable within the disputed domain name in its entirety.

Accordingly, the Panel finds that the disputed domain name is confusingly similar to a trademark in which the Complainant has rights.

Therefore, the Complainant has satisfied the first element in paragraph 4(a) of the Policy.

B. Rights or Legitimate Interests

Given the Panel's conclusion regarding the third element of paragraph 4(a) of the Policy, it is unnecessary for the Panel to evaluate the second element.

C. Registered and Used in Bad Faith

Paragraph 4(b) of the Policy provides that certain circumstances shall be evidence of the registration and use of a domain name in bad faith, but these circumstances are not exhaustive. In any case, the Complainant must demonstrate, with evidence, that the Respondent targeted the Complainant or its mark when he registered the disputed domain name.

The disputed domain name was created on May 6, 2018, more than a year after the earlier registrations of the Complainant's STEPSAPP mark. The disputed domain name incorporates most of the textual element of the STEPSAPP mark, omitting only the plural "s". The Complainant submits that the Respondent was aware of the Complainant's app and domain names, including <steps.app>, and that the Respondent intentionally misspelt the Complainant's mark in the disputed domain name. The Panel will evaluate the bases for this submission in turn.

The Complainant claims that its domain name and pedometer app were already widely used and known in the fitness interested consumer market at the time when the disputed domain name was registered. It asserts that the app was downloaded millions of times by 2018. The Panel is willing to accept this but it bears noting that the Complaint provides no evidence to support these assertions. The Complainant provides scant details regarding its own domain names and does not indicate the date on which it registered the <steps.app> domain name. The evidence on record does not indicate that the mark is well-known or specially associated with the Complainant and, as the Respondent asserts, it has obvious descriptive characteristics.

The Complainant argues that the similarity between the disputed domain name (including the gTLD extension) and the textual element of its mark is evidence that the Respondent targeted the mark. However, the Panel notes that the textual element of the Complainant's mark is a combination of the two English words "steps" and "app", which together describe the function and feature of the Complainant's app to count steps. It is not disputed that the Respondent provides or plans to provide its own step-tracking app. The Respondent submits that the disputed domain name corresponds to the descriptive words "step" and "app". As the Respondent shows, the names of multiple pedometer apps incorporate the word "steps" or "step". Contrary to the Complainant's submission, the incorporation of the gTLD ".app" does not indicate an awareness of the Complainant; rather, this gTLD is designed for apps, which the Parties agree is what the Respondent provides or plans to provide. In all these circumstances, the Panel considers that the combination of "step" and "app", even where it spans the dot in the same way as the Complainant's <steps.app> domain name, contains the singular of the word "steps" in the mark, and was registered afterwards, are insufficient by themselves to demonstrate that the Respondent targeted the Complainant or its mark.

The Complainant also claims that there are similarities between the Parties' respective websites. It refers in particular to the capitalization and position of the logo in the top left-hand corner of each page on the Respondent's site. However, the Panel notes that the logo on the Respondent's site does not contain the stylized letters in the Complainant's mark, nor an electrocardiograph line as in the Complainant's mark, nor the colors of the Complainant's mark. In the Panel's view, the capitalization and position of the Respondent's logo are commonplace and do no support either Party's case. The logo also includes a running shoe that is not present in the Complainant's mark and it omits the plural "s". The chief similarity between the logo and the mark stems from the similarity between the domain name and the textual element of the mark, which the Panel does not consider to be evidence of targeting for the reasons set out above. Moreover, it is not disputed that the Respondent's app is a fitness finance app, unlike the Complainant's app, and the Respondent's site contains no references to the Complainant or its app.

Accordingly, based on the evidence on the record of this proceeding, the Panel is unable to find on the evidence that the disputed domain name was registered in bad faith. As registration in bad faith must be separately proven, it is therefore unnecessary to evaluate whether the disputed domain name is being used in bad faith.

Therefore, the Complainant has failed to satisfy the third element in paragraph 4(a) of the Policy.

7. Decision

For the foregoing reasons, the Complaint is denied.

/Matthew Kennedy/

Matthew Kennedy

Presiding Panelist

/Reinhard Schanda/

Reinhard Schanda

Panelist

/Richard G. Lyon/

Richard G. Lyon

Panelist

Date: August 9, 2022