

## **ADMINISTRATIVE PANEL DECISION**

EF Hutton Partners Holdings, LLC v. Domains By Proxy, LLC / C Davis,  
Victoria Factum Trust, EF Hutton Inc.

Case No. D2022-1666

### **1. The Parties**

Complainant is EF Hutton Partners Holdings, LLC, United States of America (“United States”), represented by Loeb & Loeb, LLP, United States.

Respondent is Domains By Proxy, LLC, United States / C Davis, Victoria Factum Trust, EF Hutton Inc., United States.

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

The disputed domain names <efhutton.com> and <efhutton.net> (the “Domain Names”) are registered with GoDaddy.com, LLC (the “Registrar”).

### **3. Procedural History**

The Complaint was filed with the WIPO Arbitration and Mediation Center (the “Center”) on May 6, 2022. On May 9, 2022, the Center transmitted by email to the Registrar a request for registrar verification in connection with the Domain Name <efhutton.com>. On May 11, 2022, the Registrar transmitted by email to the Center its verification response disclosing registrant and contact information for the Domain Name <efhutton.com> which differed from the named Respondent and contact information in the Complaint. The Center sent an email to Complainant on May 12, 2022, providing the registrant and contact information disclosed by the Registrar, and inviting Complainant to submit an amendment to the Complaint. Complainant filed an amended Complaint on May 17, 2022, and requested to add the Domain Name <efhutton.net> to the proceeding.

On May 23, 2022, the Center transmitted by email to the Registrar a request for registrar verification in connection with the Domain Name <efhutton.net>. On May 24, 2022, the Registrar transmitted by email to the Center its verification response disclosing registrant and contact information for the Domain Name <efhutton.net> which differed from the named Respondent and contact information in the Complaint. The Center sent an email to Complainant on May 27, 2022, providing the registrant and contact information disclosed by the Registrar, and inviting Complainant to submit an amendment to the Complaint. On May 31, 2022, Complainant filed an amended Complaint.

The Center verified that the Complaint together with the amended Complaints 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 Respondent of the Complaint, and the proceedings commenced on June 2, 2022. In accordance with the Rules, paragraph 5, the due date for Response was June 26, 2022. The Response was filed with the Center on June 27, 2022.

The Center appointed Robert A. Badgley as the sole panelist in this matter on June 30, 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.

On July 18, 2022, the Panel issued Procedural Order No. 1, which stated:

"Having reviewed the materials submitted to date by the Parties, the Panel confirms that the two Domain Names at issue shall be regarded as being under common control and shall be addressed in this single proceeding, and that the various named Respondents are, for purposes of this proceeding, operating as a monolith (and shall, unless the context calls for more specificity, be referred to as "Respondent" or "VF Trust")."

"The Panel further orders that the Parties provide the following information and documentation on or before August 1, 2022:

Complainant:

1. With respect to the Domain Name <efhutton.com>, did Complainant ever own this Domain Name (the Whois database indicates that this Domain Name was first registered on January 5, 1998)? If so, please provide documentation of same, and indicate the duration of such ownership.
2. With respect to the Domain Name <efhutton.com>, did the entity from whom Complainant purchased the trademark registrations for EF HUTTON, or any of that entity's predecessors, ever own this Domain Name? If so, please provide documentation of same, and indicate the duration of such ownership.
3. In this proceeding, is Complainant asserting any trademark rights in the mark EF HUTTON based on trademark use prior to January 2012?
4. In what year did the merger of the original E.F. Hutton firm ("Old Hutton") with Shearson Lehman/American Express ("Shearson") occur?
5. Following the merger of Old Hutton and Shearson, was the trademark EF HUTTON used in commerce continuously until 2021, when Complainant purchased the trademark registrations? If there was a gap in use of the EF HUTTON mark, please indicate the duration of that gap.
6. Was there some relationship between Dominant Brands LLC (the entity that registered with the United States Patent and Trademark Office ("USPTO") trademark Reg. Nos. 4,122,970 (word mark E.F. HUTTON) and 4,126,754 (stylized mark E.F. HUTTON) in April 2012) and Stanley Hutton Rumbough ("Rumbough"; the person who assigned those USPTO registrations to Complainant in April 2021)? If so, please describe the relationship. If not, please explain how these registrations were owned by Rumbough at the time of the assignment.
7. Respond to the assertion in the Response (paragraphs 45 and 47) that Dominant's sole owner is the VF Trust and therefore Respondent has the right to use the term "EF HUTTON" because Dominant owns the registration of the so-called "x248 Mark."
8. With respect to Complainant Annex 15, a June 15, 2021 press release announcing the rebranding of Kingswood Capital Markets ("Kingswood") as E.F. Hutton, describe the relationship between Kingswood and Benchmark Investments LLC ("Benchmark"; the entity to whom Complainant states that it licensed the EF HUTTON trademark registrations; see paragraph 29 of Second Amended Complaint).

9. Respond to the allegations in paragraphs 21-23 of the Response, including the allegation that Complainant and/or its predecessors-in-interest reached agreements with Respondent under which Respondent has acquired a legitimate interest in respect of the Domain Names.
10. Respond to the allegations in paragraphs 52 and 53 of the Response.
11. Has Complainant taken any legal action in opposition to USPTO application No. 97373756, seeking to register "EF HUTTON" as a trademark in Class 35? If so, please provide a copy of such opposition. If not, please explain why not.

Respondent:

1. On what date did Respondent acquire each of the Domain Names? From whom (if there was a prior registrant/owner) did Respondent acquire each of the Domain Names? Please provide documentation of same.
2. At the time Respondent acquired each of the Domain Names, was Respondent aware of the EF HUTTON registered trademarks indicated in the Second Amended Complaint, or aware of the EF HUTTON brand?
3. If the answer to the previous question is Yes, why did Respondent register the Domain Names, and why did Respondent adopt the company name EF Hutton Inc.?
4. With respect to Complainant's Annex 4 (April 14, 2022 email from Respondent representative "Pierre" to Complainant's counsel), why did Respondent send this email? Why was it addressed to Complainant's counsel, as opposed to Complainant itself? How was Respondent aware of the identity of Complainant's counsel?
5. With respect to Complainant's Annex 4, why did Respondent describe the Domain Name <efhutton.com> as a "premium" domain name in which "multiple parties" had expressed interest? Why did Respondent state that a "low-ball" offer would not be entertained? Below what dollar amount did Respondent consider an offer a "low-ball" offer at that time?
6. With respect to Complainant's Annex 4, why would Respondent have solicited an offer to buy the Domain Name, given Respondent's alleged intent to operate a "communications" business under the name EF Hutton Inc.?
7. With respect to the sentence on Respondent's current website (<efhutton.com>), "When EF Hutton talks, people listen," was Respondent aware that this was a famous line used by Old Hutton for many years?
8. With respect to Complainant's Annex 8 (April 28, 2022 cease-and-desist letter), please respond to the allegation in that letter that, prior to the date of the letter, the website to which the Domain Name <efhutton.com> resolved was "soliciting consumers for your purported advisory, financial and investment services." Why, if Respondent intended to operate as a "communications company" that did not "sell any securities or investments" (Complainant Annex 9; Respondent's April 29, 2022 email response to Complainant's counsel) would such content have been placed on Respondent's website?"

"Because the record presented to date is not altogether clear, the Panel recognizes that an erroneous premise may reside within one or more of the foregoing questions. In recognition of this possibility, the Panel invites the Parties to clarify in the event a question is based on an inaccurate or incomplete factual predicate."

"Each of the Parties may respond, on or before August 8, 2022, to the other Party's responses to this Procedural Order."

"The Panel reserves the right to raise additional questions and make additional requests."

Both Parties filed timely submissions on August 1, 2022, and August 8, 2022, in accordance with Procedural Order No. 1.

#### 4. Factual Background

The record in this case is as convoluted as any that this Panelist has confronted in any UDRP proceeding. The extensive information sought in the above-quoted Procedural Order No. 1 clarified some points, but muddled others and raised still more questions. To dispose of this dispute, the Panel will confine itself to a few salient facts and assertions, and will present some points in summary fashion.

For many decades, there was a prominent investment adviser and securities brokerage firm called E.F. Hutton. Its EF HUTTON trademark was famous, as was the tagline “When E.F. Hutton talks, people listen.” Apparently, E.F. Hutton (“Old Hutton”) ran into some difficulties, and it was acquired by Shearson Lehman/ American Express (“Shearson”) in December 1987. It appears undisputed here that, for a good 20 years or so, the EF HUTTON ceased to be used as a trademark – certainly not used continuously or widely.

Complainant is the current owner of two registrations of the trademark E.F. HUTTON, namely, United States Patent and Trademark Office (“USPTO”) Reg. No. 4,122,970 for the word mark E.F. HUTTON, registered on April 3, 2012, in connection with financial services and investment advice related to stocks, bonds, real estate, mutual funds, and other assets in International Class 36 (with a January 18, 2012, date of first use in commerce); and USPTO Reg. No. 4,126,754 for the stylized mark E.F. HUTTON, registered on April 10, 2012, in connection with the same services as are associated with the first mark in Class 36 (with a January 12, 2012, date of first use in commerce). These marks were registered in favor of a firm called Dominant Brands LLC, a New York limited liability company (“Dominant”). It appears that Dominant filed Intent-to-Use trademark applications on March 16, 2011, which resulted in these two registrations.

The original owner of these trademark registrations, Dominant, evidently assigned the marks to a person named Stanley Hutton Rumbough (“Rumbough”), because the record here shows that it was Rumbough who assigned the marks, and all associated goodwill, to Complainant on April 12, 2021 (the assignment was recorded with the USPTO on or about April 26, 2021). At the time of the assignment, Complainant’s name was Platinum Arc Holdings, LLC. On April 4, 2022, Complainant changed its name to EF Hutton Partners Holdings, LLC.

Respondent asserts that it acquired the Domain Name <efhutton.com> in May 2020 when the Network Solutions (a domain name registrar) account of Respondent’s predecessor-in-interest (“Bedom”) was transferred to the Respondent trust. According to Respondent, Bedom had acquired the Domain Name in 2012 from a person who had not used the Domain Name for any purpose despite owning it for more than five years. In late 2021, Respondent changed the registrar from Network Solutions to the Registrar noted above (GoDaddy).

With respect to the Domain Name <efhutton.net>, Respondent asserts that Bedom acquired that Domain Name directly from the Yahoo! Registry, because it had not been previously registered. In 2020, Bedom transferred this account to Respondent. Respondent states that documentation of this acquisition “is unavailable at this moment,” but asserts that “there is a lawyer who did work for Predecessor [Bedom] and could attest to the fact that it was a first time registration because she suggested registering it.” Respondent states that it “has not yet been able to be in contact with this person.”

As alleged in the Response (though not mentioned in the Complaint), Bedom entered into an “Exclusive URL License Agreement” in March 2016 with EF Hutton America, Inc. In that agreement, it was confirmed that Bedom owned the Domain Name <efhutton.com>, and that the licensee was entitled, in exchange for payment of fees, to use the Domain Name. The agreement also stated that the licensee “acknowledges the value of the goodwill in connection with the URL [Domain Name], and confirms that the URL and relevant rights and the goodwill pertaining to the URLs shall belong to the License holder [Bedom], notwithstanding and not limiting goodwill of the Licensee within the jurisdiction of its trademark rights.”

Respondent also annexes to the Response a June 22, 2022, affidavit of Christopher Daniels (“Daniels”), the former President and CEO of HUTN Inc., f/k/a EF Hutton America, Inc. from 2015 to April 2019. Daniels signed the March 2016 agreement discussed above, before EF Hutton America, Inc. changed its name to

HUTN Inc. Daniels also states that Rumbough was Chairman of EF Hutton America, Inc. at that time.

In an excerpt of a Securities Exchange Commission (“SEC”) filing for the quarter ending March 31, 2016, which excerpt is annexed to the Response, there is mention of the March 2016 agreement (though it is evidently misdated as March 2015). In that SEC filing, it is stated that Bedom is “majority owned by a family member of [Daniels].”

On February 11, 2022, Complainant’s counsel sent a cease-and-desist letter to the Registrar’s privacy service (the Whois information for the Domain Name <efhutton.com> was protected by a privacy service), asserting Complainant’s registered trademark rights and alleging that Respondent had no legitimate basis to have registered the Domain Name.

On April 14, 2022, Respondent’s purported representative “Pierre” sent Complainant’s counsel an email. (Note below Respondent’s statement, 15 days later, that it deals only with a party’s principals, not its lawyers.) In this email, Respondent stated that the Domain Name <efhutton.com> was a “premier” domain name in which “a number of parties” had expressed an interest. The email also stated that Respondent would not respond to a “low-ball” offer.

(Respondent now denies that “Pierre” was acting on Respondent’s behalf or had any authority to do so.)

On April 28, 2022, Complainant’s counsel sent Respondent a cease-and-desist letter. Among other things, Complainant’s counsel wrote:

“Although the website at www.efhutton.com was previously inactive and could not be reached, we are aware that you are now displaying content, including our Client’s trademarks, and soliciting consumers for your purported advisory, financial and investment services. Both your domain name and the content displayed at www.efhutton.com are infringing our Client’s registered marks.”

On April 29, 2022, Respondent sent a series of emails to Complainant’s counsel. The first one stated in full:

“Your message makes false claims and is simply rude. EF Hutton has every right to conduct business in our class of services.”

“Moreover, attempting to smear us and shut down our business by copying our domain registrar is tortious interference in our business and is libelous. Your approach is not conducive to an amicable and beneficial outcome.”

“If your client wants to reach a productive business-like arrangement we are open to discussion. If your client wants a lawsuit we are ready to fully defend our rights and may assert our own claims. If the former, tell a principal at your client’s company to send a message because we only negotiate with business principals not with lawyers. If the latter, file a complaint and you will hear from our lawyer.”

In a subsequent email that day, Respondent stated that it was a “communications company” and that “we do not sell any securities or investments.” Respondent did not deny in that email the allegation that its website was “soliciting consumers for your purported advisory, financial and investment services.”

Also that day, Respondent sent another email to Complainant’s counsel, this time stating that Respondent’s website had been altered by the addition of a disclaimer, stating that “we provide no mortgage, real estate, securities or investment products.”

As noted above, the original Complaint in this proceeding was filed on May 6, 2022. After the Complaint was filed, Complainant learned that the Domain Name <efhutton.net> had been registered, and that it resolved to the same website as <efhutton.com>. Complainant asked that the two Domain Names be considered in a single proceeding, arguing that the two Domain Names were under common control and/or ownership. Respondent did not dispute this contention in any meaningful way, and essentially conceded to the

consolidation request. Accordingly, in its Procedural Order No. 1, quoted above, the Panel ordered that both Domain Names be considered in this single proceeding, and that the various persons or entities associated with the two Domain Name registrations were essentially acting as a single party, and would be treated and referred to as such.

## **5. Parties' Contentions**

### **A. Complainant**

Complainant contends that it has established all three elements required under the Policy for a transfer of the Domain Names.

### **B. Respondent**

Respondent vehemently disputes nearly all of Complainant's contentions. Those points raised by Respondent which are essential to a disposition of this case are either reflected above in the "Factual Background" section or will be taken up below in the "Bad Faith" discussion.

## **6. Discussion and Findings**

Paragraph 4(a) of the Policy lists the three elements which Complainant must satisfy with respect to each of the Domain Names:

- (i) the Domain Name is identical or confusingly similar to a trademark or service mark in which Complainant has rights; and
- (ii) Respondent has no rights or legitimate interests in respect of the Domain Name; and
- (iii) the Domain Name has been registered and is being used in bad faith.

### **A. Identical or Confusingly Similar**

The Panel concludes that Complainant has rights in the trademark EF HUTTON through registration and use demonstrated in the record. The Panel also concludes that the Domain Names are identical to that mark.

Complainant has established Policy paragraph 4(a)(i).

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

For each of the Domain Names, pursuant to paragraph 4(c) of the Policy, Respondent may establish its rights or legitimate interests in the Domain Name, among other circumstances, by showing any of the following elements:

- (i) before any notice to you [Respondent] of the dispute, your use of, or demonstrable preparations to use, the Domain Name or a name corresponding to the Domain Name in connection with a *bona fide* offering of goods or services; or
- (ii) you [Respondent] (as an individual, business, or other organization) have been commonly known by the Domain Name, even if you have acquired no trademark or service mark rights; or
- (iii) you [Respondent] are making a legitimate noncommercial or fair use of the Domain Name, without intent for commercial gain to misleadingly divert consumers or to tarnish the trademark or service mark at issue.

The Panel need not consider this element, in view of its decision below on the "bad faith" element.

### C. Registered and Used in Bad Faith

For each of the Domain Names, paragraph 4(b) of the Policy provides that the following circumstances, “in particular but without limitation,” are evidence of the registration and use of the Domain Name in “bad faith”:

- (i) circumstances indicating that Respondent has registered or has acquired the Domain Name primarily for the purpose of selling, renting, or otherwise transferring the Domain Name registration to Complainant who is the owner of the trademark or service mark or to a competitor of that Complainant, for valuable consideration in excess of its documented out of pocket costs directly related to the Domain Name; or
- (ii) that Respondent has registered the 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 Respondent has engaged in a pattern of such conduct; or
- (iii) that Respondent has registered the Domain Name primarily for the purpose of disrupting the business of a competitor; or
- (iv) that by using the Domain Name, Respondent has intentionally attempted to attract, for commercial gain, Internet users to Respondent’s website or other online location, by creating a likelihood of confusion with Complainant’s mark as to the source, sponsorship, affiliation, or endorsement of Respondent’s website or location or of a product or service on Respondent’s website or location.

The Panel concludes, on this convoluted record, that Complainant has not carried its burden of proving that Respondent registered and used the Domain Names in bad faith. Ultimately, though sometimes the points are not fully or adequately supported, Respondent has raised enough apparently serious points to give the Panel pause, especially since this is a UDRP proceeding, where discovery is largely nonexistent, witnesses cannot be put under oath for cross-examination, etc. This dispute belongs in a court of law.

For example, Respondent disavows that the “Pierre” who sent solicitation emails to Complainant was affiliated with Respondent or had any authority to do so. Whether this disavowal is legitimate cannot be reliably tested by the Panel here. The resolution of this issue calls for document discovery and witness depositions, which processes lay well beyond a UDRP case. Because the origins “Pierre” communications have been put so squarely in dispute, and because these communications, if they could be reliably traced to Respondent, could be probative indications of possible bad faith, the Panel is incapable of passing judgment on a potentially critical part of the narrative here.

The Panel also notes that Complainant’s Amended Complaint made no mention of the apparent prior relationship between, at a minimum, some of Complainant’s predecessors-in-interest and some of Respondent’s predecessors-in-interest. Indeed, the Amended Complaint seemed to suggest that Complainant knew very little about Respondent at the time this proceeding was initiated. Unless Respondent is simply making up documents and testimony out of whole cloth, it appears from the record here that Respondent’s predecessor Bedom actually licensed the use of the Domain Name <efhutton.com> to Complainant’s predecessor EF Hutton America, Inc. for a license fee. It also appears that a family member of Complainant’s predecessor’s CEO Daniels may have been the majority owner of Respondent’s predecessor Bedom, the owner of the Domain Name at the time of the March 2016 license agreement.

Complainant’s reaction to this information, after Respondent brought it to light, was essentially to present a series of hyper-technical challenges to this and that fact, while ignoring the larger issue here – the story of these Parties and these Domain Names is far more complex than Complainant would have had the Panel believe based on the Amended Complaint. For instance, Complainant notes at one point that the March 2016 license agreement was not applicable to the period from 2012 up to March 2015, during which period Complainant’s predecessor held trademark rights in EF HUTTON. This argument ignores the point that the very existence of the March 2016 agreement may reflect the tacit recognition by Complainant’s predecessor that Respondent’s predecessor Bedom was the legitimate owner of the Domain Name <efhutton.com>. One may well have expected Complainant’s predecessor to demand a transfer of the Domain Name at the time, rather than agreeing to pay a license fee to the owner of that Domain Name. Complainant’s omission of this complex history has undermined Complainant’s credibility in this proceeding.

The Panel notes further that both Parties have adopted a very similar – though internally inconsistent – posture vis-à-vis the concept of predecessors-in-interest. Each Party relies heavily on its own predecessors-in-interest when it comes to its own rights (the duration of Complainant’s trademark rights, and the duration of Respondent’s rights in the Domain Names), but each Party belittles the other Party’s predecessors-in-interest as essentially irrelevant to the resolution of this dispute. Such “heads I win, tails you lose” advocacy is not only unsavory to behold, but it also undermines the credibility of each Party.

In sum, based on the record here, this is not a clear case of cybersquatting. This dispute belongs in a court of law. Complainant has not established Policy paragraph 4(a)(iii).

## **7. Decision**

For the foregoing reasons, the Complaint is denied.

/Robert A. Badgley/

**Robert A. Badgley**

Sole Panelist

Date: August 18, 2022