Decision for dispute CAC-UDRP-106578

Case number	CAC-UDRP-106578
Time of filing	2024-06-11 08:59:34
Domain names	chanelbronzer.store, chanelfoundation.store, chanellipstick.store

Case administrator

Organization	Iveta Špiclová (Czech Arbitration Court) (Case admin)

Complainant

Organization	Chanel, Inc.

Complainant representative

Organization	SILKA AB

Respondent

Name	Joe Lucas

OTHER LEGAL PROCEEDINGS

The Panel is not aware of any other legal proceedings which are pending or decided and which relate to the disputed domain name.

IDENTIFICATION OF RIGHTS

The Complaint is based amongst others on the following trademarks for the sole term CHANEL registered in the United States of America in the Complainant's name and dating back until 1925 and covering goods in class 3:

- CHANEL - US Registration no. 195360, registered on February 24, 1925 for goods in class 3;
- CHANEL - US Registration no. 510992, registered on June 14, 1949 for goods in classes 3 and 5.

It results from undisputed evidence provided by the Complainant, that afore mentioned trademarks have duly been renewed and are in force.

FACTUAL BACKGROUND

It results from the Complainant's undisputed allegations that it is a subsidiary of the Chanel Group, a world leader in creating, developing, manufacturing and distributing luxury products. At the end of 2021, the Chanel Group reported global revenues of USD 15.6 billion, despite the Covid-19 pandemic, and employed over 28,500 people worldwide.

CHANEL is considered one of the most valuable brands in the world by the most prestigious rankings, like Interbrand (#22 in 2021) and the Reputation Institute (#27 in 2022).

The Registrar Verification response confirmed that the Respondent registered the three disputed domain names on March 25, 2024. It is undisputed amongst the parties that all three disputed domain names resolve to websites that which - in the same manner - feature images and descriptions of various fashion accessories (such as makeup bags, contour sticks, bronzer sticks, glitter spray, nail clippers). Users that click on these items are directed to a page containing further information about the item and, among other things, a button reading ‘Add To Cart’. Clicking on this button directs users to a URL under <amazon.com> where the item can be purchased. The URLs, to which users are directed, each feature ‘tag=zedebronze00-20’ which appears to be an Amazon affiliate link, the unique identifier of a particular affiliate programme account.

PARTIES CONTENTIONS

A. Complainant

The Complainant contends that:

(1) The disputed domain names are confusingly similar to its CHANEL trade mark. All three domain names contain the CHANEL mark in the first position. The addition of the descriptive terms 'bronzer', 'foundation' and 'lipstick' is not sufficient to distinguish the disputed domain names from the mark;

(2) The Respondent has no prior rights or legitimate interests in the disputed domain names. In particular, the Respondent has no trademark rights in 'chanel', 'chanelbronzer', 'chanelfoundation', 'chanellipstick' or any similar term, and is not known by it. Furthermore, the Respondent is not associated with or affiliated with the Complainant and has not received any licence or consent to use the CHANEL mark in any way. Each of the domain names was used to resolve to a website that similarly displayed images and descriptions of various fashion accessories. The Respondent's use of the domain names is therefore clearly commercial and exploits the commercial value of the CHANEL mark. Finally, the disputed domain names, each of which consists of the CHANEL mark, carry a high risk of implicit association;

(3) The Respondent has registered and is using the disputed domain names in bad faith.In particular, the Complainant contends that the Respondent's choice of the disputed domain names, each of which combines the CHANEL mark with a related term and the .store-TLD, reflects the Respondent's knowledge and intent to target the Complainant by registering those domain names. As noted above, these domain names create a high risk of implied association. It is apparent to the Complainant that, notwithstanding all other considerations, the Respondent would have otherwise been aware of the globally recognised CHANEL brand through the exercise of the simplest degree of due diligence. Given the nature of the disputed domain names and the reputation of its CHANEL mark, the Respondent has deliberately sought, for commercial gain, to attract Internet users by creating a likelihood of confusion with the Complainant's CHANEL mark. In short, the Respondent uses the reputation of the CHANEL mark to attract and increase the volume of traffic through its affiliate programme for commercial gain.

B. Respondent

The respondent contends in its administratively compliant Response, which has finally been filed on July 1, 2024, that:

(1) the disputed domain names are not identical or confusingly similar to the Complainant’s trademark because the of the terms ‘bronzer’, ‘foundation’, and ‘lipstick’ are sufficient to distinguish these domain names from the CHANEL trademark;

(2) the Respondent has legitimate rights and interests in the disputed domain names because it is engaged in the bona fide business of providing goods and services, as evidenced by its operation of an e-commerce site selling health, beauty and fashion accessories. According to the WIPO Overview 3.0, section 2.3, this constitutes a legitimate use. The mere possession of a domain name does not automatically confer rights or legitimate interests, but in this case the Respondent's activities are consistent with legitimate business practices;

(3) the disputed domain names were not registered or used in bad faith. Rather, the Respondent claims to operate a legitimate business, and any use of affiliate links is a common practice in e-commerce that does not in itself constitute bad faith (WIPO Overview 3.0, Section 3.1). The Respondent's actions do not meet the criteria set forth in paragraph 4(b)(iv) of the Policy. The composition of the domain names does not imply affiliation with the Complainant, and there is no evidence of intentional attempts to attract users through confusion with the Complainant's mark.

RIGHTS

The Complainant has, to the satisfaction of the Panel, shown the disputed domain names are identical or confusingly similar to a trademark or service mark in which the Complainant has rights (within the meaning of paragraph 4(a)(i) of the Policy).

It is well accepted that this 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, see WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Third Edition, (“WIPO Overview 3.0”), section 1.7.

The Complainant has shown rights in respect of a trademark or service mark for the purposes of the Policy, WIPO Overview 3.0,

section 1.2.1. The entirety of these marks CHANEL is reproduced within the disputed domain names. Accordingly, the Panel has no doubts that the disputed domain names are confusingly similar to the trademark for the purposes of the Policy. WIPO Overview 3.0, section 1.7.

Although the addition of other terms - here, 'bronzer', 'foundation', and 'lipstick' - may bear on the assessment of the second and third elements, the Panel finds the addition of such term does not prevent a finding of confusing similarity between the disputed domain names and the mark for the purposes of the Policy. WIPO Overview 3.0, section 1.8.

Finally, the applicable Top-Level Domain ("TLDs") ".store" of the disputed domain names may be disregarded under the first element confusing similarity test, see WIPO Overview 3.0 at section 1.11.1.

NO RIGHTS OR LEGITIMATE INTERESTS

The Complainant has, to the satisfaction of the Panel, shown the Respondent to have no rights or legitimate interests in respect of the disputed domain names (within the meaning of paragraph 4(a)(ii) of the Policy).

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.
Although 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 difficult 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 (although the burden of proof always remains on the complainant). 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.

Having reviewed the available record, the Panel finds the Complainant has established such a prima facie case that the Respondent lacks rights or legitimate interests in the disputed domain names. In particular, the Panel notes that all three disputed domain names contain the Complainant's registered and well-known trademark CHANEL and that more likely than not, this trademark is not a trademark that one would legitimately adopt as a domain name unless to suggest an affiliation with the Complainant. Accordingly, the Panel finds it most likely that the Respondent registered the disputed domain names with the intention to mislead Internet users by taking advantage of the reputation and goodwill inherent in the Complainant's trademark. Given the commercially oriented nature of the websites to which the disputed domain names resolve, it seems clear to the Panel that the Respondent sought to use the confusingly similar disputed domain names for its commercial gain, which cannot vest in the Respondent rights or legitimate interests.

It is important for the Panel to emphasize that the Panel is not making any statement on the Respondent's business as such and his use of affiliate links to sell his own products. It is only holding that using the well-known mark CHANEL as part of a domain name to promote and finally sell his own products does not demonstrate any rights or legitimate interests. Finally, WIPO Overview 3.0, section 2.3., to which the Respondent refers, does not contradict these findings. It deals with the question of how a respondent would show that it is commonly known by the domain name or a name corresponding to the domain name, which is not under discussion in the present case.

BAD FAITH

The Complainant has, to the satisfaction of the Panel, shown the disputed domain names have been registered and are being used in bad faith (within the meaning of paragraph 4(a)(iii) of the Policy).

Paragraph 4(b) of the Policy sets out a non-exhaustive list of circumstances that may indicate that a domain name has been registered and used in bad faith, but other circumstances may be relevant in assessing whether a Respondent's registration and use of a domain name is in bad faith, see WIPO Overview 3.0, Section 3.2.1.

In the present case, the Panel shares the view of other UDRP panels and finds that the Complainant's trademark CHANEL is well known. Therefore, the Panel has no doubt that the Respondent was or should have been aware of the Complainant's trademark when it registered the disputed domain names. This is underscored by the fact that the disputed domain names clearly consist of the Complainant's trademark. Panels have consistently held that the mere registration by an unaffiliated entity of a domain name that is identical or confusingly similar to a famous or widely known trademark (in particular, domain names that contain typographical errors or that contain the trademark plus a descriptive term) may in itself create a presumption of bad faith, WIPO Overview 3.0, Section 3.1.4. The Panel shares this view.

Furthermore, the additional circumstances surrounding the registration and use of the disputed domain names confirm the findings that the Respondent has registered and is using the disputed domain names in bad faith:

(1) the worldwide reputation and history of the Complainant's trademark CHANEL which has existed for almost 100 years at the

point in time when the Respondent registered the disputed domain name;

(2) the nature of the disputed domain names, which entirely incorporate the Complainant's well-known CHANEL-trademark;

(3) the commercial content of the websites to which the disputed domain names direct, promoting products such as makeup bags, contour sticks, bronzer sticks, glitter spray, nail clippers, which are complementary to CHANEL's products in the beauty field;

(4) the clear absence of rights or legitimate interests coupled with no credible explanation for the Respondent's choice of the disputed domain names;

(5) the fact that the Respondent hides its identity behind a privacy shield.

PROCEDURAL FACTORS

The Panel is satisfied that all procedural requirements under UDRP were met and there is no other reason why it would be inappropriate to provide a decision.

PRINCIPAL REASONS FOR THE DECISION

(1) The disputed domain names are identical or confusingly similar to a trademark or service mark in which the Complainant has rights because the entirety of the CHANEL marks is reproduced within the disputed domain names. The Panel finds the addition of other terms - here, 'bronzer', 'foundation', and 'lipstick' - does not prevent a finding of confusing similarity between the disputed domain names and the mark.

(2) The Respondent lacks rights or legitimate interests in the disputed domain names. All three disputed domain names contain the Complainant's registered and well-known trademark CHANEL and that more likely than not, this trademark is not a trademark that one would legitimately adopt as a domain name unless to suggest an affiliation with the Complainant. Given the commercially oriented nature of the websites to which the disputed domain names resolve, it seems clear that the Respondent sought to use the confusingly similar disputed domain names for its commercial gain, which cannot vest in the Respondent rights or legitimate interests.

(3) The Panel has no doubt that the Respondent was or should have been aware of the Complainant's trademark when it registered the disputed domain names. Panels have consistently held that the mere registration by an unaffiliated entity of a domain name that is identical or confusingly similar to a famous or widely known trademark (in particular, domain names that contain typographical errors or that contain the trademark plus a descriptive term) may in itself create a presumption of bad faith. Finally, the additional circumstances surrounding the registration and use of the disputed domain names confirm the findings that the Respondent has registered and is using the disputed domain names in bad faith.

FOR ALL THE REASONS STATED ABOVE, THE COMPLAINT IS

Accepted

AND THE DISPUTED DOMAIN NAME(S) IS (ARE) TO BE

1. **chanelbronzer.store**: Transferred
2. **chanelfoundation.store**: Transferred
3. **chanellipstick.store**: Transferred

PANELLISTS

Name	**Tobias Malte Müller**

DATE OF PANEL DECISION 2024-07-22

Publish the Decision