

ARBITRATION AND MEDIATION CENTER

# ADMINISTRATIVE PANEL DECISION

Skechers U.S.A., Inc. II v. Client Care, Web Commerce Communications Limited Case No. D2023-2178

# 1. The Parties

The Complainant is Skechers U.S.A., Inc. II, United States of America ("United States"), represented by D Young & Co LLP, United Kingdom.

The Respondent is Client Care, Web Commerce Communications Limited, Malaysia.

## 2. The Domain Name and Registrar

The disputed domain name <lojasskechersportugal.com> is registered with Alibaba.com Singapore E-Commerce Private Limited (the "Registrar").

# 3. Procedural History

The Complaint was filed with the WIPO Arbitration and Mediation Center (the "Center") on May 17, 2023. On May 19, 2023, the Center transmitted by email to the Registrar a request for registrar verification in connection with the disputed domain name. On May 22, 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 (Redacted Domain Holder) and contact information in the Complaint. The Center sent an email communication to the Complainant on May 22, 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 amended Complaint on May 23, 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 May 26, 2023. In accordance with the Rules, paragraph 5, the due date for Response was June 15, 2023. The Respondent did not submit any response. Accordingly, the Center notified the Respondent's default on June 23, 2023.

The Center appointed Rodrigo Azevedo as the sole panelist in this matter on June 27, 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.

## 4. Factual Background

The Complainant is a member of the Skechers group of companies, producing and commercializing the worldwide famous SKECHERS trademarked footwear.

The Complainant is the owner of numerous trademark registrations for SKECHERS, such as the United States registration no. 1,851,977, registered on August 30, 1994.

The Respondent registered the disputed domain name on July 9, 2022.

The Panel accessed the disputed domain name on July 8, 2023, when it was not linked to any active website<sup>1</sup>. The Complainant submitted evidence that the disputed domain name was recently pointing to a website reproducing the SKECHERS brand and promotional copyrighted materials, offering for sale footwear that the Complainant suspects to be counterfeit.

## 5. Parties' Contentions

## A. Complainant

The Complainant makes the following contentions:

- The disputed domain name is identical or confusingly similar to a trademark in which the Complainant has rights. The Complainant's rights in the SKECHERS Trademarks have been recognized by Panels in UDRP panel decisions. The disputed domain name includes the SKECHERS Trademark in its entirety. The inclusion of the descriptive term "lojas", meaning "stores" in Portuguese, does not remove the disputed domain name from the realm of confusing similarity, especially since the website associated with the disputed domain name specifically targets Portuguese consumers: its default language is Portuguese and the default currency is Euros. The mere inclusion of a geographic term to the Complainant's SKECHERS Trademark in the disputed domain name from the realm of confusing similarity, especially given that the public in Portugal is being specifically targeted. The SKECHERS trademark is clearly recognizable within the disputed domain name. The addition of the generic Top-Level Domain ("gTLD") ".com" to the disputed domain name does not avoid confusion as it will merely be viewed as a standard registration requirement and should therefore be disregarded for the purposes of assessing similarity.
- The Respondent has no rights or legitimate interests in respect of the disputed domain name. The Respondent registered the disputed domain name over 25 years after the Complainant registered and began using the SKECHERS trademark. SKECHERS is an arbitrary term which has no meaning outside its use as a means to identify the Complainant as a source of the relevant products. The Complainant is the proprietor of the SKECHERS trademark in relation to *inter alia* footwear. The Respondent is not a licensee, authorized retailer, or distributor of the Complainant's products, nor is

<sup>&</sup>lt;sup>1</sup> Further to the WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Third Edition ("<u>WIPO Overview 3.0</u>"), section 4.8, "[n]oting in particular the general powers of a panel articulated inter alia in paragraphs 10 and 12 of the UDRP Rules, it has been accepted that a panel may undertake limited factual research into matters of public record if it would consider such information useful to assessing the case merits and reaching a decision...This may include visiting the website linked to the disputed domain name in order to obtain more information about the respondent or its use of the domain name...".

the Respondent otherwise authorized to use the name or the SKECHERS trademark for any purpose, and has no connection or affiliation with the Complainant. Upon information and belief, the Respondent is not commonly known by the disputed domain name. It is clear that the Respondent is not making use of the disputed domain name in connection with a *bona fide* offering of goods/services or legitimate non-commercial or fair use, given that the Respondent is operating the disputed domain name to gain commercially from falsely suggesting an affiliation with the Complainant. The disputed domain name reverts to a website offering for sale suspected counterfeit SKECHERS trademarked footwear. Panels have previously found that products that are offered through a disputed domain name at a lower price than those offered by a complainant, usually suggests that they are counterfeit products. Furthermore, the Respondent uses multiple logos and promotional images, the copyright in which is owned or exclusively licensed to the Complainant, without authorization and in breach of copyright. As a result, unsuspecting consumers may have been duped into believing that the Respondent's website was an official website of the Complainant and the products displayed originate from the Complainant, when that is not the case.

The disputed domain name was registered and is being used in bad faith. Upon information and belief, the Respondent knowingly registered the disputed domain name containing a confusingly similar reproduction of the well- known SKECHERS trademark to capitalize on consumer recognition of the SKECHERS trademark. The Complainant's SKECHERS trademark first obtained registration in 1994, well before the Respondent's registration of the disputed domain name in 2022. The unauthorized use of the Complainant's promotional images and logos on its website, in breach of copyright, are further evidence of bad faith. Moreover, the designation SKECHERS is unique and arbitrary such that it is unlikely the Respondent devised the term on its own. The bad faith allegations set out above, combined with the Respondent's lack of interest or rights in the disputed domain name and the absence of any conceivable good faith use, should lead the Panel to the inevitable conclusion that there is no plausible circumstance under which the Respondent could legitimately register or use the disputed domain name. Therefore, the disputed domain name was registered and is being used by the Respondent in bad faith.

#### **B.** Respondent

The Respondent did not reply to the Complainant's contentions.

#### 6. Discussion and Findings

Paragraph 4(a) of the Policy provides that in order to be entitled to a transfer of the disputed domain name, a complainant shall prove the following three elements:

- (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.

#### A. Identical or Confusingly Similar

The Panel has no doubt that "skechers" is a coined term directly connected with the Complainant's trademarks.

Annexes 5 and 6 to the Complaint show trademark registrations belonging to the Complainant for SKECHERS that date as early as in 1994.

The trademark SKECHERS is wholly encompassed within the disputed domain name. The disputed domain name differs from the Complainant's trademark SKECHERS merely by the by the addition of the prefix "lojas" and of the suffix "portugal", as well as of the gTLD extension ".com".

Previous UDRP decisions have found that the mere addition of terms (such an "lojas", which means "stores" in Portuguese) or geographical terms (such as "Portugal") to a trademark in a domain name does not avoid a finding of confusing similarity (see, *e.g.*, *BHP Billiton Innovation Pty Ltd v. Oloyi*, WIPO Case No. <u>D2017-0284</u>; and *Allianz SE v. IP Legal, Allianz Bank Limited*, WIPO Case No. <u>D2017-0287</u>).

It is also already well established that the addition of a gTLD extension such as ".com" is typically irrelevant when determining whether a domain name is confusingly similar to a complainant's trademark.

As a result, the Panel finds that the disputed domain name is confusingly similar to the Complainant's trademarks, and that the Complainant has satisfied the first element of the Policy.

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

Paragraph 4(c) of the Policy provides some examples without limitation of how a respondent can demonstrate rights or legitimate interests in a domain name:

- (i) before receiving any notice of the dispute, the respondent used or made demonstrable preparations to use the domain name in connection with a *bona fide* offering of goods or services; or
- (ii) the respondent has been commonly known by the domain name; or
- (iii) the respondent is 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 at issue.

Based on the Respondents' default and on the *prima facie* evidence in the Complaint, the Panel finds that the above circumstances are not present in this particular case and that the Respondent has no rights or legitimate interests in the disputed domain name.

The Complainant has not licensed or authorized the usage of its trademarks to the Respondent, and it does not appear from the present record that the Respondent is commonly known by the disputed domain name. The Respondent has not indicated any reason to justify why it has chosen the specific term "lojasskechersportugal" to compose the disputed domain name.

The Panel notes that the present record provides no evidence to demonstrate the Respondent's intent to use or to make preparations to use the domain name in connection with a *bona fide* offering of goods or services. Indeed, the disputed domain name is currently not linked to any active website and previously resolved to a website reproducing the Complainant's brand and promotional materials, offering for sale footwear that the Complainant suspects to be counterfeit. While the nature of the goods and the availability of said goods is unknown, the Panel notes that the nature of the disputed domain name, and in particular its false sense of affiliation to the Complainant and lack of disclaimer reinforcing said impression, demonstrate that the Respondent has no rights or legitimate interests in the confusingly similar disputed domain name. <u>WIPO</u> Overview 3.0, sections 2.5.1 and 2.8.

Consequently, the Panel is satisfied that the Respondent has no rights or legitimate interests in the disputed domain name, and the Complainant has proven the second element of the Policy.

# C. Registered and Used in Bad Faith

Paragraph 4(b) of the Policy states that the following circumstances in particular, but without limitation, shall be evidence of registration and use of a domain name in bad faith:

- circumstances indicating that the respondent has registered or acquired the domain name primarily for the purpose of selling, renting, or otherwise transferring the 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 documented out-of-pocket costs directly related to the domain name; or
- the respondent 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 the respondent has engaged in a pattern of such conduct; or
- (iii) the respondent has registered the domain name primarily for the purpose of disrupting the business of a competitor; or
- (iv) by using the domain name, the respondent has intentionally attempted to attract, for commercial gain, Internet users to its website or other online location, by creating a likelihood of confusion with the complainant's mark as to the source, sponsorship, affiliation, or endorsement of its website or location or of a product or service on its website or location.

When the disputed domain name was registered by the Respondent (in 2022) the trademark SKECHERS was already well-known worldwide and directly connected to the Complainant's footwear.

According to the WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Third Edition ("<u>WIPO</u> <u>Overview 3.0</u>"), section 3.1.4, UDRP panels have consistently found that the mere registration of a domain name that is identical or confusingly similar to a widely known trademark by an unaffiliated entity can by itself create a presumption of bad faith.

The disputed domain name is being used to allegedly sell SKECHERS footwear that the Complainant suspects to be counterfeit, reproducing the SKECHERS trademark and logo. "Sketchers" is a coined term, with no dictionary meaning.

Therefore, the Panel concludes that it would not be feasible to consider that the Respondent – at the time of the registration of the disputed domain name – could not have been aware of the Complainant's famous trademark, as well as that the adoption of the expression "lojasskechersportugal" together with the gTLD extension ".com" could be a mere coincidence.

In this Panel's opinion, the addition of the terms "lojas" ("stores", in Portuguese) and "Portugal" even enhances the risk of confusion in the present case, suggesting that the disputed domain names refer to the official SKECHERS commercial website in Portugal. Given the prior use to host a commercial website allegedly offering for sale the Complainant's trademarked goods, the Panel's finding on bad faith registration and use is reaffirmed.

From the Panel's search, the disputed domain name does not currently resolve to any active website.

However, UDRP panels have frequently found that the apparent lack of so-called active use of the domain name (passive holding) does not prevent a finding of bad faith. See <u>WIPO Overview 3.0</u>, section 3.3; *Telstra Corporation Limited v. Nuclear Marshmallows*, WIPO Case No. <u>D2000-0003</u>; and *Polaroid Corporation v. Jay Strommen*, WIPO Case No. <u>D2005-1005</u>.

The non-collaborative posture of the Respondent, *i.e.*, (a) not presently using the disputed domain name, (b) not indicating any intention to use it, and (c) not at least providing justifications for the use of a famous third party trademark, certainly cannot be used in benefit of the Respondent in this Panel's opinion, which circumstances, together with (d) the lack of any plausible justification for the adoption of the term "lojasskechersportugal" by the Respondent, (e) the evidence provided by the Complainant's demonstration of previous uses of the disputed domain name, and (f) the subsequent change in use of the disputed domain name, are enough in this Panel's view to characterize bad faith registration and use in the present case.

Accordingly, the Panel finds that the disputed domain name was registered and is being used in bad faith, and the Complainant has also satisfied the third element of the Policy.

## 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 <lojasskechersportugal.com> be transferred to the Complainant.

/Rodrigo Azevedo/ Rodrigo Azevedo Sole Panelist Date: July 13, 2023.