

ADMINISTRATIVE PANEL DECISION

LIDL Stiftung & Co. KG v. Michael Nava, Domain Nerdz LLC

Case No. DCO2022-0080

1. The Parties

The Complainant is LIDL Stiftung & Co. KG, Germany, represented by HK2 Rechtsanwälte, Germany.

The Respondent is Michael Nava, Domain Nerdz LLC, United States of America ("US").

2. The Domain Name and Registrar

The disputed domain name <lidl-shop.co> (the "Domain Name") is registered with Sav.com, LLC (the "Registrar").

3. Procedural History

The Complaint was filed with the WIPO Arbitration and Mediation Center (the "Center") on September 27, 2022. On September 27, 2022, the Center transmitted by email to the Registrar a request for registrar verification in connection with the Domain Name. On September 27, 2022, the Registrar transmitted by email to the Center its verification response disclosing registrant and contact information for the Domain Name, which differed from the named Respondent (Privacy Protection) and contact information in the Complaint. The Center sent an email communication to the Complainant on September 29, 2022, 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 October 4, 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 October 5, 2022. In accordance with the Rules, paragraph 5, the due date for the Response was October 25, 2022. The Respondent did not submit any

response. Accordingly, the Center notified the Respondent's default on October 26, 2022.

The Center appointed Jon Lang as the sole panelist in this matter on November 4, 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.

4. Factual Background

The Complainant belongs to the LIDL Group, a famous global discount supermarket chain based in Germany. The LIDL Group operates more than 10,000 stores with over 300,000 employees. Its stores can be found in 31 countries.

The Complainant owns various national and international trademark registrations for LIDL in various countries, including Germany and the US, *e.g.*, German trademark registration No. 2006134 registered on November 11, 1991 and International trademark registration No. 1541701 registered on January 30, 2020.

The LIDL Group promotes the Complainant's trademarks worldwide through websites *e.g.* "www.lidl.de" and "www.lidl.com".

The Domain Name was registered on April 14, 2022. It resolves to a parking page on which the Domain Name is offered for sale. The Complainant has requested that the page be permanently blocked and be transferred to it.

5. Parties' Contentions

A. Complainant

The following is a summary of the main assertions of the Complainant.

The Domain Name is identical or confusingly similar to a trademark or service mark in which the Complainant has rights

LIDL is an inherently distinctive mark and has a strong international reputation.

The Domain Name comprises the LIDL trademark in its entirety and is recognizable within the Domain Name. The addition of other descriptive, geographical or meaningless terms does not prevent a finding of confusing similarity.

The LIDL trademark within the Domain Name is its distinctive element and Internet users will automatically associate it with the Complainant. Internet users would expect product offers of the Complainant when accessing the Domain Name.

The combination of the LIDL trademark with the descriptive term "shop" and the country code Top-Level Domain (ccTLD) ".co", leads Internet users to think of a LIDL online shop.

The ccTLD *i.e.* ".co", does not affect determination of identity or similarity to a trademark.

The Respondent has no rights or legitimate interests in respect of the Domain Name.

Non-commercial or fair use of the Domain Name is not evident. Where a domain name consists of a trademark plus an additional term, UDRP panels have largely held that such composition cannot constitute fair use if the Domain Name effectively impersonates or suggests sponsorship or endorsement by the trademark owner.

Here, the composition of the Domain Name suggests endorsement by the Complainant - Internet users will expect, especially given the additional term ("shop"), an online shop of the Complainant offering its products. The Domain Name cannot therefore fairly be used by the Respondent. It is confusing.

There is no indication that the Respondent has used or has made demonstrable preparations to use the Domain Name in connection with a *bona fide* offering of goods or services given that it only resolves to a parking page. The use of a Domain Name for a parking page does not constitute legitimate use. In light of the infringement of the Complainant's trademark rights and the threat of further damage to the Complainant's business, the Complainant has requested that the domain provider permanently block/delete the webpage.

The Respondent is not commonly known by "Lidl" or "lidl-shop", is not in any way affiliated with the Complainant and has not been authorized by the Complainant to use the Complainant's trademarks. To the Complainant's knowledge, the underlying the Respondent has not acquired any trademarks or other rights which include the word "Lidl".

The Domain Name was registered and is being used in bad faith

Registration of a domain name that is identical or confusingly similar (particularly domain names incorporating the trademark plus a descriptive term) to a famous or widely-known trademark by an unaffiliated entity can by itself create a presumption of bad faith.

The Domain Name creates an assumption of affiliation between the Complainant and the Domain Name as Internet users would expect the Domain Name to point to a website of the Complainant. In light of Internet users' presumption of trustworthiness in domain names consisting of or incorporating registered trademarks, the potential risks posed by phishing or fraudulent activities must be considered as circumstances evidencing bad faith.

Where a respondent knew or should have known of the registration and use of trademarks of a complainant prior to registration of a domain name, bad faith should be found. The Complainant's use of its trademarks and business activities as a famous discount supermarket chain predates the registration of the Domain Name by decades. "Lidl" is not a common dictionary word and the Complainant's trademarks are extremely well known with a strong reputation around the world (including in the US). It is inconceivable that the Respondent was not aware of the Complainant's trademarks at the time of registering the Domain Name, particularly given the additional element "shop", which is often used for web pages in the commercial sector the Complainant operates within. The Respondent did not choose the Domain Name by chance.

There is no possibility of legitimate use of the Domain Name by the Respondent. The Domain Name only resolves to a parking page yet it so obviously suggests a connection to the Complainant. The Domain Name's use by someone with no connection to the Complainant suggests opportunistic bad faith. Moreover, any commercial use would most likely infringe the Complainant's trademarks, which are registered in a multitude of classes and in various countries.

Whilst the Domain Name only resolves to a parking page, non-use does not prevent a finding of bad faith under the doctrine of passive holding. Given that the Complainant's trademarks are very distinctive and have a strong reputation, that the Respondent concealed his identity and that the Domain Name cannot be used in good faith, the passive holding of the Domain Name in this case infers bad faith registration and use.

B. Respondent

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

6. Discussion and Findings

Paragraph 4(a) of the Policy requires a complainant to prove: (i) that a respondent has registered a domain name which is identical or confusingly similar to a trademark or service mark in which a complainant has rights; (ii) that the respondent has no rights or legitimate interests in respect of the domain name; (iii) that the domain name has been registered and is being used in bad faith. A complainant must prove each of these three elements to succeed.

A. Identical or Confusingly Similar

The Complainant is the owner of the LIDL trademark and thus clearly has rights for the purposes of the Policy.

Ignoring the ccTLD “.co” (as the Panel may do for comparison purposes), the Domain Name comprises the LIDL trademark followed by a hyphen and then the word “shop”. Accordingly, the LIDL trademark and Domain Name are not identical and thus the issue of confusing similarity must be considered. Application of the confusing similarity test under the UDRP typically involves “a side-by-side comparison of the domain name and the textual components of the relevant trademark to assess whether the mark is recognizable within the disputed domain name.” (section 1.7 of the WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Third Edition (“[WIPO Overview 3.0](#)”). Section 1.7 of the [WIPO Overview 3.0](#) goes on to provide “...in cases where a domain name incorporates the entirety of a trademark, the domain name will normally be considered confusingly similar to that mark for purposes of UDRP standing.”

The LIDL trademark is incorporated in its entirety within the Domain Name. It is clearly recognizable within the Domain Name. The addition of the term and the hyphen “-shop” does not prevent a finding of confusing similarity.

The Panel finds that the Domain Name is confusingly similar to the LIDL trademark for the purposes of the Policy and thus paragraph 4(a)(i) of the Policy has been established.

B. Rights or Legitimate Interests

By its allegations, the Complainant has made out a *prima facie* case that the Respondent lacks rights or legitimate interests in the Domain Name. Accordingly, the burden of production shifts to the Respondent to come forward with arguments or evidence demonstrating that it does in fact have such rights or legitimate interests. The Respondent has not done so and accordingly, the Panel is entitled to find, given the *prima facie* case made out by the Complainant, that the Respondent indeed lacks rights or legitimate interests in the Domain Name. Despite the lack of any answer to the Complaint, however, the Panel is entitled to consider whether there would be anything inappropriate in such a finding.

A respondent can show it has rights or legitimate interests in a domain name in various ways even where, as is the case here, it is not licensed by or affiliated with a complainant. For instance, it can show that it has been commonly known by the domain name or that it 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 or service mark at issue.

The Respondent here is not commonly known by the Domain Name. Further, given the use to which the Domain Name has been put, namely to re-direct Internet users to dan.com (a market place for domain names) where the Domain Name is offered for sale, it would be difficult to conclude that there is anything noncommercial or, given that the Domain Name is confusingly similar to the LIDL trademark, fair about the Respondent's use. As to an absence of an intent to mislead (for commercial gain), the Respondent's choice of Domain Name, the dominant element being the Complainant's LIDL trademark (with the addition of the descriptive word "shop" which would do little to reduce but likely much to increase the risk of confusion) suggests the very opposite.

A respondent can also show that it is using a domain name in connection with a *bona fide* offering of goods or services. However, it seems clear that the Respondent set out to acquire a domain name that would create a misleading impression of association with the Complainant, which has then been used to resolve to an online market place where the Domain Name is offered for sale. These circumstances cannot amount to a *bona fide* offering of goods or services for the purposes of the Policy.

The Respondent has sought to create an impression of association with the Complainant and has chosen not to attempt to justify his actions. That, perhaps, is not surprising given that it appears to the Panel that there is very little the Respondent could say to challenge the Complainant's assertion that the Respondent lacks rights or legitimate interests in the Domain Name.

The Panel finds that the Complainant has fulfilled the requirements of paragraph 4(a)(ii) of the Policy.

C. Registered and Used in Bad Faith

Paragraph 4(b) of the Policy lists a number of non-exclusive scenarios, which may evidence a respondent's bad faith. They include, for instance, a respondent registering a domain name in order to prevent an owner of the trademark or service mark to which it is said to be confusingly similar or identical, from reflecting the mark in question in a corresponding domain name (provided that the respondent has engaged in a pattern of such conduct). A respondent registering a domain name primarily for the purposes of disrupting the business of a competitor is another scenario, as is a respondent intentionally attempting to attract, for commercial gain, Internet users to its website by creating a likelihood of confusion with a complainant's mark as to the source, sponsorship, affiliation or endorsement of its website or of products or services on it.

If circumstances are such as to indicate that a 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 to a competitor of that complainant) for valuable consideration in excess of out-of-pocket costs directly related to the domain name, that too can be indicative of registration and use of a domain name in bad faith.

A complainant does not have to demonstrate a precise literal application of one of the paragraph 4(b) scenarios. They are non-exclusive and illustrative only, and as long as there is evidence demonstrating that a respondent is seeking to take unfair advantage of, or to abuse a complainant's trademark, such behaviour would satisfy the general principle underlying the bad faith requirement of the Policy.

The Complainant puts forward various arguments to support its contention of bad faith *e.g.* the potential risks of fraudulent behaviour given the assumption of affiliation between the Complainant and Domain Name, but not one based on the *offering for sale* of the Domain Name on the parking page to which it resolves. Whilst the mere practice of registering a domain name for subsequent resale (including for a profit) does not in itself support a claim that the respondent registered the domain name in bad faith for the primary purpose of selling it to a trademark owner (or its competitor), in the Panel's view it is an area worthy of consideration in this Complaint. Section 3.1.1 of the [WIPO Overview 3.0](#), provides some helpful guidance in these circumstances. It states that where "...circumstances indicate that the respondent's intent in registering the disputed domain name was in fact to profit in some fashion from or otherwise exploit the complainant's trademark, panels will find bad faith on the part of the respondent. While panel assessment remains fact-specific, generally speaking such circumstances, alone or together, include: (i) the respondent's likely knowledge of the complainant's rights, (ii) the distinctiveness of the complainant's mark, [...] (vii) failure of a respondent to present a credible evidence-backed rationale for registering the domain name.

Particularly where the domain name at issue is identical or confusingly similar to a highly distinctive or famous mark, panels have tended to view with a degree of skepticism a respondent defense that the domain name was merely registered for legitimate speculation (based for example on any claimed dictionary meaning) as opposed to targeting a specific brand owner".

It seems unlikely, given the distinctiveness, and wide and extensive use of the LIDL trademark, that the Respondent would not have known of the Complainant and its LIDL trademark at the time of registration of the Domain Name. The Respondent appears to have targeted the Complainant. Moreover, it would have been obvious to the Respondent that the Domain Name creates an impression of association with the Complainant and that such impression is false and misleading. In these circumstances, it is difficult to contemplate any legitimate use of the Domain Name without permission of the Complainant. Given the foregoing, the fact that the Respondent has caused the confusingly similar Domain Name to be offered for sale (advertised with a "Buy now" price of USD1,988) leads the Panel to conclude that the Domain Name has been registered primarily with the intention of selling, renting, or otherwise transferring it to the Complainant or a competitor of the Complainant, for profit. Given this finding, there is little point in exploring other potential grounds for a finding of bad faith registration and use.

In all the circumstances, the Panel finds that, for the purposes of the Policy, there is evidence of both registration and use of the Domain Name in bad faith.

7. Decision

For all the foregoing reasons, in accordance with paragraphs 4(i) of the Policy and 15 of the Rules, the Panel orders that the Domain Name <lidl-shop.co> be transferred to the Complainant.

/Jon Lang/

Jon Lang

Sole Panelist

Date: November 18, 2022