Panel Decision for dispute CAC-ADREU-006295

Case number	CAC-ADREU-006295
Time of filing	2012-10-08 13:29:35
Domain names	benefitcosmetics.eu

Case administrator

Tereza Bartošková (Case admin)

Complainant

Organization	Benefit Cosmetics LLC

Respondent

Name	Domains Master

INSERT INFORMATION ABOUT OTHER LEGAL PROCEEDINGS THE PANEL IS AWARE OF WHICH ARE PENDING OR DECIDED AND WHICH RELATE TO THE DISPUTED DOMAIN NAME

The Panel is not aware of any other legal proceedings relating to the disputed domain name.

FACTUAL BACKGROUND

1 The Complainants are Benefit Cosmetics LLC (the “First Complainant”) and Benefit Cosmetics Limited (the “Second Complainant”). The First Complainant is active as a cosmetics company, having its principal place of business in San Francisco, California, in the United States of America. The Second Complainant is a private limited company incorporated in England in February 2000, and having its registered office there, and is a wholly owned subsidiary of the First Complainant.

2 The First Complainant is the owner of numerous trade mark registrations for the mark BENEFIT world-wide, including UK national trade marks and European CTMs. All of these registrations pre-date the Respondent’s registration of the disputed domain name benefitcosmetics.eu (the “Domain Name”). The First Complainant submitted a copy of relevant trade mark registrations dating back to 1999, additional registrations having been obtained in 2009 and 2010. The First Complainant asserts that it has made and sold a wide array of cosmetics and related products under the BENEFIT mark, and using the BENEFIT COSMETICS trade name, for more than twenty years; and that it has invested substantial sums of money advertising and marketing its products, including in Europe. Since opening its first cosmetics counter in the UK in 1997, it has sold its products extensively throughout Europe, both in BENEFIT branded boutiques, through authorised third party retailers, and on its e-commerce websites. The First Complainant’s cosmetics products have received numerous awards, they are frequently the subject of positive editorial coverage, and the Complainants have thereby accrued extensive goodwill in the BENEFIT mark and the BENEFIT COSMETICS trade name throughout the world, including in Europe. The First Respondent asserts that BENEFIT is one of the world’s most popular cosmetics brands with annual sales in excess of US$100 million in Europe alone.

3 The Second Complainant uses the BENEFIT trade mark and BENEFIT COSMETICS trade name in a number of European countries under the authorisation and supervision of the First Complainant although there is no formal licensing relationship between the Complainants.

4 The First Complainant holds the domain name benefitcosmetics.com (launched in 2002) and submits that the domain name benefitcosmetics.co.uk (launched in 2006) has been registered to the Second Complainant with its authorisation.

5 The Respondent appears to be an entity called Domains Master but is identified in the EURid Whois record for the Domain Name only by its e-mail address, juwpoo@googlemail.com; no other contact details are provided for the Respondent. Upon the Complainants’ request for further information, EURid’s verification identified the Respondent by the name of Domains Master and disclosed further information consisting of an invalid postal address and phone number, purportedly in London, England. The Respondent registered the

Domain Name on 25 December 2011.

6 The Complainants have conducted further investigations into the Respondent's identity and submit that the Respondent's name can be identified as Juwel Poon, based on information from an arbitration proceeding under the National Internet Exchange of India's INDRP Policy, where the same e-mail address was associated with Juwel Poon as is cited in the WhoIs records for the Domain Name. The Domains Master name has been associated with Mr Poon in the following three INDRP proceedings in which he was found to have registered domain names for no legitimate purpose and/or in bad faith: Vingcard Elsafe AS v Juwel Poon, INDRP/205; Confederation Nationale DU Credit Mutuel v Domains Masters/Juwel Poon, INDRP/164; and Commercial SA v Domains Masters/Juwel Poon, INDRP/209.

7 The website accessed via the Domain Name appears to be a parking web-site and provides links to various cosmetics, beauty and hair care products marketed by companies not related to the Complainants and in some cases, in direct competition with the Complainants. It is not known whether the Respondent generates "click-through" revenue from the site.

8 On 15 June 2012, the Complainants issued the Complaint in the present ADR proceedings. The Czech Arbitration Court sent the Respondent written notice of the commencement of proceedings, which was, perhaps unsurprisingly, returned undelivered because the address given by the Respondent was invalid. The notice was nevertheless considered delivered on 23 July 2012. The Respondent did not submit a Response to the Complaint within the required time period, which expired on 4 September 2012. A Notification of Respondent's Default was issued on 5 September 2012.

9 The Panel invited the parties by Nonstandard Communication dated 19 September 2012 to make additional submissions on specific issues raised by the Panel. While the Complainants made further submissions, the Respondent failed to respond to the Panel's Communication.

A. COMPLAINANT

10 The Complainants seek a decision transferring the Domain Name to the Second Complainant.

11 The Complainants submit that the Respondent should be considered as having no right or legitimate interest in the disputed domain name because:

11.1 The Complainants have prior rights in the trade mark BENEFIT and the trade name and company name BENEFIT COSMETICS, which precede the Respondent's registration of the domain name;

11.2 The First Complainant's trade mark is registered in more than forty jurisdictions world-wide, including in the United Kingdom, and is well-known throughout the world;

11.3 The Second Complainant extensively uses the BENEFIT COSMETICS trade name in connection with its business, achieving considerable goodwill in its trade name and company name, which is protected under English law on passing-off;

11.4 The Domain Name incorporates in its entirety the First Complainant's registered trade mark BENEFIT and combines it with the generic term "cosmetics";

11.5 The addition of the word "cosmetics" heightens the confusion between the Domain Name and the Complainants' trade mark as the Complainants sell cosmetics as their primary product line, trade under the BENEFIT COSMETICS name, and operate e-commerce sites under domain names that consist of the words BENEFIT COSMETICS followed by a generic or country-code top-level domain, just like in the case of the Domain Name;

11.6 There is no existing or previous relationship between the Complainants and the Respondent, and no license, permission or authorisation by which the Respondent would have been authorised to register or use the Domain Name incorporating the Complainants' mark BENEFIT; and

11.7 The Respondent's use of the Domain Name to generate pay-per-click traffic via links to the Complainants' competitors' websites is not a legitimate use of the Domain Name.

12 The Complainants further argue that the Domain Name should be considered as having been registered and used in bad faith because:

12.1 the Respondent provided false or incomplete contact information to register the Domain Name;

12.2 given the First Complainant's reputation and its longstanding use of the BENEFIT mark and BENEFIT COSMETICS trade name, the circumstances of the case suggest that the Respondent was aware that the First Complainant is a leading cosmetics brand;

12.3 the Respondent uses the Domain Name to generate pay-per-click revenue, specifically through links to the Complainants' competitors' websites; and

12.4 the Respondent has appeared in at least three INDRP proceedings in which he was found to have registered domain names for no legitimate purpose and/or in bad faith and failed to respond to the complainant's complaint.

13 With regard to the general eligibility requirements for registration of a .eu domain name, the Complainants submit that the Second Complainant satisfies the requirements by virtue of it being an English registered private limited company.

B. RESPONDENT

14 The Respondent did not file a Response to the Complaint and did not respond to the Panel's Non-Standard Communication inviting further submissions on specific issues raised by the Panel.

DISCUSSION AND FINDINGS

General

15 The Panel has reviewed and considered the Complainants' Complaint, and their further submissions in response to the Panel's Nonstandard Communication, together with the annexed supporting documents, in detail.

16 Article 22.10 of Commission Regulation EC 874/2004 (the "Regulation") and Paragraph B.10(a) of the ADR Rules provide that if, as in the present case, a party fails to respond to a complaint within the applicable deadlines, the Panel shall proceed to a decision on the Complaint and may consider this failure to comply as grounds to accept the claims of the other party.

17 However, the Panel does not consider that the Regulation or the ADR Rules envisage the Panel simply upholding the Complaint in all cases where a Respondent fails to respond. Rather, in order for the complaint to succeed, the Complainant must still demonstrate that the requirements of Article 21.1 of the Regulation and Paragraph B.11(d)(1) of the ADR Rules are satisfied.

18 In order for the Complaint to succeed, the Complainants must show, in accordance with Article 21.1 of the Regulation and Paragraph B.11(d)(1) of the ADR Rules, that:

(a) the disputed domain name is identical with or confusingly similar to a name in respect of which a right is recognized or established by the national law of a Member State and /or Community law; and either

(b) the domain name has been registered by the Respondent without rights or legitimate interest in the name; or

(c) the domain name has been registered or is being used in bad faith.

19 If the Complainants succeed in this respect, in order to obtain a transfer of the Domain Name to the Second Complainant, Article 22.11 of the Regulation further requires that the Second Complainant applies for the Domain Name and satisfies the general eligibility criteria set out in Article 4(2)(b) of Regulation (EC) No 733/2002. If the general eligibility criteria are not met, the remedy that the Panel may otherwise grant will be restricted to revocation of the disputed domain name (although that alternative remedy has not been requested by the Complainants).

20 The Panel notes that, pursuant to Article 22.1(a) of the Regulation, an ADR procedure may be initiated by any party (emphasis added) where the registration is speculative or abusive within the meaning of Article 21. The First Complainant is therefore able to bring the present Complaint, and may institute an ADR procedure on its own behalf; it does not matter in this context that the First Complainant does not meet the general eligibility requirements within the meaning of Article 22(11) of the Regulation and Article 4(2)(b) of Regulation (EC) No 733/2002.

Is the domain name identical or confusingly similar to a name in respect of which a right is recognised or established by the national law of a Member State and/or Community law?

21 The First Complainant's CTM registrations for the mark BENEFIT are established (and protected) by Community law. The First Respondent has further adduced evidence of national trade mark registrations for the mark BENEFIT in a wide range of EU Member States, where they are recognised and established under their respective national laws.

22 However, Article 10.1 of the Regulation is rather wider in scope and also recognises unregistered trade marks, trade names, business identifiers and company names as possible 'prior rights'. Prior domain name registrations have not been included in that definition. The First Complainant may therefore not rely on the rights which it has in the domain name benefitcosmetics.com (or, indeed, the rights which the Second Complainant has in the domain name benefitcosmetics.co.uk) per se. However, the First Complainant has adduced evidence of extensive use of the name BENEFIT COSMETICS in the course of trade, including in e-commerce, in marketing materials, on its website, YouTube channel, Twitter and Facebook accounts, including in the European Union and in the United Kingdom, and has shown that it is referred to by that name. The Second Complainant uses the BENEFIT COSMETICS trade name in connection with its distribution business, on its website (www.benefitcosmetics.co.uk) and blog, and on sales receipts, and has been recognised in the UK press by that name.

23 The Complainants' evidence establishes longstanding use of the mark BENEFIT COSMETICS and accrual of substantial goodwill in that name, including through frequent positive press reviews of its products and the substantial turn-over which it achieves. The Complainants' use of the unregistered trade mark, trade name and company name BENEFIT COSMETICS is protected under English common law by the tort of passing-off and may therefore in addition to the First Complainant's registered trade mark rights be relied upon by both Complainants as a name in respect of which a right is recognised by the national laws of a Member State (see, for example, case 5118 (Byron Advertising) for another instance of successful reliance on an unregistered trade name protected by passing off, and case 06139 (Euroclima) for reliance on rights in a company and trade name).

24 The Domain Name is identical with the protected trade name BENEFIT COSMETICS.

25 The Domain Name is further confusingly similar to the registered trade mark BENEFIT. The Domain Name combines the BENEFIT trade mark with a generic term, here: "cosmetics", which simply describes the Complainants' primary range of products and thereby actually increases the likelihood of confusion by suggesting that the Domain name is associated with the Complainants and their products (see, for example, cases 2235 (Palmercocoabutter), 04645 (Airfranceonline), and 5126 (Averygraphics)).

26 The Complainants were unable to point to a written licence agreement between the First and Second Complainants from which the Second Complainant's right to use the BENEFIT trade marks and the BENEFIT COSMETICS trade name arises, and which would define the scope of those rights. Instead, the Complainants submitted that the First Complainant is the sole shareholder of the Second Complainant; that the Second Complainant is the First Complainant's exclusive distributor and licensee for the European market; that the Second Complainant uses the registered BENEFIT mark and BENEFIT COSMETICS trade name with the First Complainant's permission, and that the Second Complainant is permitted by the First Complainant to own and control domain names that include the BENEFIT trade mark and the BENEFIT COSMETICS trade name, as well as to seek recovery of infringing domain names.

27 In circumstances where the Second Complainant has succeeded in establishing independent common law rights through its unchallenged use of the trade mark BENEFIT and the trade name BENEFIT COSMETICS, the Panel need not concern itself further with the existence and scope of the contractual licensing arrangements between the Complainants (see, for example, cases 04588 (Riecke) and 06152 (Petrobras)).

Has the domain name been registered by the Respondent without rights or legitimate interest in the name?

28 Based on a review of the circumstances referred to in Article 21.2 of the Regulation and ADR Rules B.11(e), the Panel accepts the Complainants' submission that the Domain Name was registered by the Respondent without rights or legitimate interest in the name. The Respondent has not been licensed or otherwise authorised by the Complainants to use the mark BENEFIT or the trade name BENEFIT COSMETICS or register the Domain Name. The Respondent is not known by the name BENEFIT COSMETICS. The Respondent's name, Domains Master, suggests that it is a domain development company and not in the business of selling cosmetic products. The Respondent further does not use the Domain Name in connection with the offering of goods or services: the website is simply a parking page which provides click-through links to the websites of competitors of the Complainants. However, providing links to other commercial web-sites unrelated to the Respondent's business in this way does not amount to a genuine offering of goods and services and does not generate rights or legitimate interests (see, for example, cases 3926 (Esprit), 3949 (ACL), 4337 (Enterprisecarrental) and 4829 (Tobiasgrau)); likewise, it does not amount to an offering of goods and services if the Respondent is seeking to attract and/or divert online traffic. Finally, the Respondent cannot be said to make legitimate and non-commercial or fair use of the Domain Name without intent to mislead consumers or harm the Complainants' trade marks and trade name. Indeed, case 2300 (7forallmankind)

supports the proposition that creating a pay-per-click website demonstrates an intention to mislead.

29 The Panel further notes that the Respondent did not file a Response in this ADR Procedure and took no steps to assert the existence of any such rights or legitimate interest. The Panel derives further support from the Respondent's default for the view that no such rights or legitimate interest exist (this approach is supported by cases such as case 06235 (Microsoft)).

Has the domain name been registered or is it being used in bad faith?

30 Having established that the Domain Name has been registered by the Respondent without rights or legitimate interest in the name, it is not necessary for the Complainants to show, or for the Panel to make a decision, that the Respondent registered or is using the Domain Name in bad faith. However, the Panel regards the fact that the Respondent was involved in at least three INDRP proceedings in which he was found to have registered the respective domain names without legitimate interest and/or in bad faith as revealing a pattern of cybersquatting by the Respondent (see, for example, cases 05455 (Epsonoffer) and 05818 (Koudsi)). The Panel further regards the fact that the Respondent provided incorrect and incomplete information about itself when registering the Domain Name in breach of .eu Domain Name Registration Terms and Conditions as supporting the view that the Respondent did in fact act in bad faith.

31 The Second Complainant is a private limited company registered in England and satisfies the general eligibility criteria for registration set out in Paragraph 4(2)(b) of Regulation (EC) No 733/2202.

DECISION

For all the foregoing reasons, in accordance with Paragraphs B12 (b) and (c) of the Rules, the Panel orders that the disputed domain name BENEFITCOSMETICS.eu be transferred to the Second Complainant.

PANELISTS

Name	**Gregor Kleinknecht, LLM MCIArb**

DATE OF PANEL DECISION 2012-10-08

Summary

ENGLISH SUMMARY OF THIS DECISION IS HEREBY ATTACHED AS ANNEX 1

The First Complainant (a corporate entity based in San Francisco, California, USA) and the Second Complainant (an English registered private limited company) seek the transfer of the disputed domain name BENEFITCOSMETICS.eu (registered on 25 December 2011) to the Second Complainant. The Respondent failed to respond to the Complaint and the Panel's Nonstandard Communication within the applicable time limits, or at all. The Complainants adduced evidence of prior rights in the registered trade mark BENEFIT and in the unregistered trade name and company name BENEFIT COSMETICS. The Complainants established that the disputed domain name is confusingly similar to the registered trade mark BENEFIT owned by the First Complainant and identical with the unregistered trade name BENEFIT COSMETICS in respect of which both Complainants have established rights which are recognised by the national law of a Member State. The Panel found that the Respondent has no rights or legitimate interest in the disputed domain name. In view of that finding, the Panel did not need to consider whether the Respondent also acted in bad faith but noted that there was evidence supporting that view. Since the Second Complainant fulfilled the general eligibility criteria, the Complainants were entitled to a transfer of the disputed domain name to the Second Complainant.