

DISPUTE RESOLUTION SERVICE

D00008907

Decision of Independent Expert

Deckers Outdoor Corporation

and

David Lee

1. The Parties:

Complainant:

Deckers Outdoor Corporation
300 S. Wacker Drive, Suite 2500
Chicago, Illinois
60606
United States of America

Respondent:

Mr David Lee
BaoHua Road
Nanning
72111
China

2. The Domain Names:

feelugg.co.uk
snowugg.co.uk
ugg2all.co.uk
uggbaileybutton.co.uk
uggclassic.co.uk
uggs4sale.co.uk
uggsboot.co.uk
uggscardy.co.uk
uggshort.co.uk
uggsline.co.uk
uggsoutlet.co.uk
uggtall.co.uk

3. Procedural History:

- 3.1 The complaint was received by Nominet on 6 August 2010 (the 'Complaint'). On 9 August 2010, Nominet validated the Complaint and took appropriate steps to notify the Respondent of the Complaint. No response to date has been received by Nominet from the Respondent.
- 3.2 On 13 September 2010, the Complainant paid the fee to obtain the full expert decision pursuant to paragraph 21 of Nominet's Dispute Resolution Service ('DRS') Procedure (the 'Procedure').
- 3.3 On 20 September 2010, Dr Russell Richardson was appointed as the expert (the 'Expert') who confirmed to Nominet that he knew of no reason why he could not properly accept the invitation to act as the Expert in this case and that he knew of no matters which ought to be drawn to the attention of the parties which might appear to call into question his independence and/or impartiality.

4. Factual Background

- 4.1 The Complainant is a footwear manufacturer, selling sheepskin boots, slippers, shoes, purses and other products. It does so under the 'UGG' trade mark, which it has registered in various jurisdictions (see for example in the United Kingdom, U.K. Registration No. 2373334) (the 'Mark').¹ Such trade marks were either filed by the Complainant or the Complainant's former wholly owned subsidiary UGG Holdings, Inc. and have since been assigned to the Complainant.
- 4.2 Additionally, the Complainant extensively markets the UGG brand in the U.K., the United States and other countries and (together with predecessors) has spent tens of millions of pounds since 1979 to build the UGG brand internationally.² In the UK, UGG brand boots are sold by various retailers, and have received various brand awards.³
- 4.3 The Domain Names were registered by the Respondent between March and October 2009.⁴

5. Parties' Contentions

The Complaint:

- 5.1 In summary, the Complainant argues that the Domain Names should be transferred to it because:

¹ Complainant registrations for the trademark UGG (and stylized variations) also include: in the European Community (E.C. Reg. No. 001409721; E.C. Reg. No. 006335632); and, the United States (Reg. No. 3,050,925).

² From the Complainant's Annual Report in 2009, UGG brand sales were over £497 million.

³ E.g. 2003 Brand of the Year, (Footwear News, December, 2003), 2004 Brand of the Year (Footwear Plus, February 2005).

⁴ The Domain Names were registered: *feelugg.co.uk* (7 September 2009); *snowugg.co.uk* (7 September 2009); *ugg2all.co.uk* (7 September 2009); *uggbaileybutton.co.uk* (9 October 2009); *uggclassic.co.uk* (7 October 2009); *uggs4sale.co.uk* (26 May 2009); *uggsboot.co.uk* (4 March 2009); *uggscardy.co.uk* (9 October 2009); *uggshort.co.uk* (9 October 2009); *uggsline.co.uk* (27 July 2009); *uggsoutlet.co.uk* (27 July 2009); and, *uggtall.co.uk* (9 October 2009).

- it has Rights in a name that is similar or identical to the Domain Names as it has registered the Mark;⁵ and since at least 1999, has operated a website where it promotes and sells genuine UGG brand footwear – www.uggaustralia.com.

Also, it pays for brand advertising in magazines including Elle;⁶ Glamour;⁷ and, Vogue⁸ and has extended its brand into clothing and accessories. It has thus developed goodwill and reputation in the brand name (the 'Name').⁹

As each of the Domain Names incorporate the Mark/Name in its entirety, it has Rights in a mark/name which is identical to, or at least similar to, the Domain Names.

- The Domain Names, in the hands of the Respondent, are Abusive Registrations.

This is because, the Respondent has no trade mark or trade name rights to the Mark and is not an authorised retailer or licensee of the Complainant, or authorised in any way to use the Mark/Name.

Due to the "fame" of the Mark/Name as well as the Respondent's sales of UGG branded boots, it can be inferred that the Respondent had both constructive and actual knowledge of the Complainant and its Mark/Name at the time of registration. By registering the Domain Names, the Respondent sought to trade on the goodwill in the Mark/Name.

The websites attached to the Domain Names (the 'Websites') have been or are being used to sell counterfeit UGG boots. Those Websites target actual and potential Complainant customers in an effort to unfairly draw them away from the Complainant's website to the Websites; to the Complainant's commercial detriment.

The Respondent uses the Complainant's copyright protected images on the Websites without the Complainant's permission and creates the inaccurate impression that the counterfeit goods offered at the Websites are sold by the Complainant or under its authority.

Finally, the Respondent is a repeat offender that was ordered to transfer domain names incorporating the Mark to the Complainant,¹⁰ and the Complainant has successfully brought numerous Nominet and UDRP (ICANN) actions against infringing domains, resulting in the transfer of dozens of infringing domain names that have included the Mark.¹¹

⁵ See footnote 1 above.

⁶ *Elle*, August 2007, Advertisement.

⁷ *Glamour*, April 2009, November 2007, December 2007 Advertisements.

⁸ *Vogue*, September 2007, January 2004, Advertisements.

⁹ See, for example, *Footwear Plus*, March 2004, "Ugg has Sheepskin in the Bag"; *New York Times*, 6 July 2004, "Ugg, Ugg and Away"; and, *Lucky*, December 2008, "Editor Picks - Knit Accents").

¹⁰ Referring to *Deckers Outdoor Corporation v. David Lee*, DRS 07730 (Nominet, 11 November 2009).

¹¹ See, e.g., *Deckers Outdoor Corporation v. David Lee*, DRS 07730 (Nominet 11 November 2009); *Deckers Outdoor Corporation v. Original UGG*, DRS 06347 (Nominet 20 Apr. 2009); and, *Deckers Outdoor Corporation v. Yuan Chen*, DRS 07638 (Nominet 28 Oct. 2009).

The Complainant provided other exhibits than the ones referred to above, and references to various Nominet domain name decisions. The Expert has seen all exhibits and read the decisions referred to and has taken them into consideration when making his Decision.

Respondent:

No response to the Complaint has been provided by the Respondent.

6. Outstanding formal/procedural issues

- 6.1 Although Nominet sent the Complaint to the Respondent on 9 August 2010, no response has been provided by the Respondent. As no exceptional circumstances have been raised by the Respondent as to why no response has been received, the Expert has proceeded to a Decision (as per paragraph 15 *b.* of the Procedure).
- 6.2 While noting paragraph 15 *c.* of the Procedure (which states that in such circumstances, the Expert will draw such inferences as he considers appropriate), the Expert has drawn no inferences from the Respondent's failure to respond in this case, and has based his Decision on the facts and evidence before him.
- 6.3 It is important to note that the Complainant does not automatically receive the remedy it has requested merely because the Respondent has not responded to the Complaint (see, for example, Nominet decision *equazen.co.uk* DRS 02735).

7. Discussions and Findings

General

- 7.1 To succeed in the Complaint, the Complainant has to prove pursuant to paragraph 2 of the DRS policy (the 'Policy') that, on the balance of probabilities (that is, the Complainant's case is more likely than not to be the true version¹²):

“(i) The Complainant has Rights in respect of a name or mark identical or similar to the Domain Name; and,

(ii) The Domain Name, in the hands of the Respondent, is an Abusive Registration.”

- 7.2 Addressing each of these limbs in turn:

i) Complainant's Rights

- 7.3 Paragraph 1 of the Policy defines 'Rights' as:

“[...] rights enforceable by the Complainant, whether under English law or otherwise, and may include rights in descriptive terms which have acquired a secondary meaning;”

¹² <http://www.nominet.org.uk/disputes/drs/legalissues/>.

- 7.4 The Complainant must have the Rights at the time of the complaint.
- 7.5 The Expert notes that, as referred to at paragraphs 4.1 and 4.2 above, the Complainant is the proprietor of a number of registered trade marks in respect of the name 'UGG', and through various advertising campaigns, trade awards and sales placements has developed considerable goodwill and reputation in the 'UGG' name.
- 7.6 Further, each of the Domain Names incorporate the Complainant's Mark/Name in its entirety. While each of the Domain Names has added wording to the Mark/Name (being: 'feel', 'snow', '2all', 'baileybutton', 'classic', '4sale', 'boot', 'cardy', 'hort', 'line', 'outlet' and 'tall'), the Expert considers that such wording does not make the Domain Names distinctive of themselves.
- 7.7 As discussed in the Nominet case 07638, *Deckers Outdoor Corporation v Yuan Chen* (24 May 2010), the Expert considers that a web-user would "deconstruct [these additional terms] into recognizable parts where possible" and view them as merely descriptive of the Mark/Name (e.g. *snow* UGG or UGGs *outlet*).
- 7.8 Given those factors, as well as the fact that the requirement to demonstrate 'Rights' is not a particularly high threshold (Nominet appeal panel decision, *Seiko-shop* DRS 00248h), the Expert considers that at the time of the Complaint, the Complainant had Rights in the Mark/Name, which is similar to the Domain Names. In concluding the above, the Expert has disregarded the domain suffix 'co.uk'.

ii) Abusive Registration

- 7.9 The Expert has considered whether the Domain Names, in the hands of the Respondent, are Abusive Registrations as understood by Paragraph 2 a. ii. of the Policy.
- 7.10 Paragraph 1 of the Policy defines "Abusive Registration" as a domain name which either:
- i. was registered or otherwise acquired in a manner which, at the time when the registration or acquisition took place, took unfair advantage of or was unfairly detrimental to the Complainant's Rights; or*
- ii. has been used in a manner, which has taken unfair advantage of or has been unfairly detrimental to the Complainant's Rights;"*
- 7.11 In relation to (i) above – the Expert considers there was an Abusive Registration at the time the Domain Names were registered.
- 7.12 The Policy at Paragraph 3, sets out a non-exhaustive list of factors which may be evidence that the Domain Names are Abusive Registrations. The Policy sets out at Paragraph 3 a. C. that a factor which may be evidence that the Domain Names are an Abusive Registration is circumstances indicating that the Respondent has registered the Domain Names primarily: "*for the purpose of unfairly disrupting the business of the Complainant.*"

- 7.13 While it may be helpful to consider the Respondent's intentions at the time of the registration of the Domain Names, or in its subsequent use, as the Respondent has not explained his intentions, the evidence before the Expert is that provided by the Complainant.¹³
- 7.14 Given the goodwill and reputation in the Mark/Name, as described for example at paragraph 7.5 above, the Expert agrees with the Complainant that the Respondent would have been aware of the Complainant and the Mark/Name at the time of registration of the Domain Names in 2009.
- 7.15 The Expert is satisfied on the balance of probabilities that the Respondent deliberately chose the Domain Names to 'piggy-back' on the goodwill and reputation of the Mark/Name (and the Complainant), in order to sell non-authorized boots purporting to be those of the Complainant.¹⁴
- 7.16 For the reasons set out at paragraphs 7.19 to 7.23 below, the Expert considers that such actions took unfair advantage of, and was unfairly detrimental to, the Complainant's Rights.
- 7.17 In relation to (ii) above – the Expert considers there was an Abusive Registration through the use by the Respondent of the Domain Names.
- 7.18 The Policy sets out at Paragraph 3 (a) (ii) that:
- “[there may be evidence of an Abusive Registration if there are] Circumstances indicating that the Respondent is using [...] the Domain Name in a way which has confused or is likely to confuse people or businesses into believing that the Domain Name is registered to, operated or authorised by, or otherwise connected with the Complainant.”*
- 7.19 As evidenced by the Website print-outs provided to the Expert, the Respondent has used the Websites to offer for sale boots purporting to be those of the Complainant, using the Mark/Name to represent that such boots are genuine.
- 7.20 On the balance of probabilities, such representations by the Respondent have confused and are likely to confuse those accessing the Websites into believing that the Domain Names (and the goods offered for sale there) are those of the Complainant or are at least authorised by the Complainant. However, that is not the case.
- 7.21 In this way, the Respondent has taken unfair advantage of the Complainant's Rights by seeking to rely on the Complainant's goodwill and reputation in the Mark/Name in order to generate the web traffic to the Websites, and to sell unauthorised UGG branded boots on the back of that.
- 7.22 Such use of the Domain Names was also unfairly detrimental to the Complainant as the use of the Websites has diverted traffic away from the Complainant's website, and thus the Complainant has lost possible sales income. Further, the Respondent has represented that the quality of the

¹³ See Nominet appeal panel decision, *Guidestar* DRS 02193.

¹⁴ The Expert was aided by the evidence provided by the Complainant, including a witness statement by *Thomas R. Fitzsimons* (the Complainant's US intellectual property attorney).

goods sold on the Websites is the true quality of the Complainant's goods; which is not the case.

- 7.23 The Expert has considered whether there is evidence before him to suggest that any of the factors listed at Paragraph 4 of the Policy demonstrate that the Domain Names are not Abusive Registrations.
- 7.24 However, the Expert does not consider that the Domain Names are generic or descriptive (the Mark itself is distinctive of the Complainant's goods); and, for the reasons set out at paragraphs 7.19 to 7.23 above, the Respondent is not making fair use of them (Paragraph 4 a. ii of the Policy).
- 7.25 Indeed, the Expert does not consider any factors set out at Paragraph 4 of the Policy, or otherwise, are relevant which would weigh in favour of the Respondent's registration and use of the Domain Names as not being Abusive Registrations.
- 7.26 Finally, the Complainant contends, as described in paragraph 5.1 above, that the Respondent is a repeat offender. The Expert was unsure whether such a statement sought to rely on Paragraph 3 c. of the Policy which states that there is a presumption of Abusive Registration where the Respondent:
- "[...] has been found to have made an Abusive Registration in three (3) or more DRS cases in the two (2) years before the Complaint was filed."*
- 7.27 The Expert searched Nominet's database and located only two such decisions.¹⁵ Although this was not sufficient in this case to raise any presumption under Paragraph 3 c. of the Policy, the Expert notes that (including this Decision) there are now three decisions against the Respondent.

8. Decision

- 8.1 Accordingly, the Expert finds, on the balance of probabilities, that the Complainant has Rights in a name or mark that is similar to each of the Domain Names and that the Domain Names, in the hands of the Respondent, are Abusive Registrations. Therefore, the Expert directs that the Domain Names be transferred to the Complainant.

Signed Russell Richardson

Dated 15 October 2010

¹⁵ The one referred to by the Complainant at paragraph 5.1 above and *Cartier International, N.V. v David Lee*, DRS 08385 (Nominet, 22 April 2010).