

World Trademark Review Daily

UDRP complaints require more than simple assertions International - Hogan Lovells

Cybersquatting

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In *Karen Millen Fashions Limited v Cullen* (Case D2011-1134), *Karen Millen Fashions Limited* has failed to obtain the transfer of the domain name 'karenmillenoutletonline.com' under the [Uniform Domain Name Dispute Resolution Policy](#) (UDRP).

UK-based Karen Millen is renowned internationally for marketing and selling women's fashion items and clothing. In the complaint, Karen Millen stated that it had been exploiting the KAREN MILLEN mark since 1981 and relied on several trademark registrations, including a UK one and a Community trademark.

Karen Millen discovered that Danny Cullen, based in Pasadena, California, had registered the domain name 'karenmillenoutletonline.com' and was using it to sell what appeared to be counterfeit items.

The fashion company decided to attempt recuperation of the domain name by initiating a UDRP case before the Mediation and Arbitration Chamber of the [World Intellectual Property Organisation](#) (WIPO).

To be successful in a UDRP procedure, a complainant must evidence that:

- the domain name is identical, or confusingly similar, to a trademark or service mark in which it has rights;
- the respondent has no rights or legitimate interests in respect of the domain name; and
- the domain name has been registered and is being used in bad faith.

To support its request, Karen Millen underlined that the domain name was confusingly similar to the KAREN MILLEN mark, as the mark constituted the dominant component of the domain name. Second, it indicated that it had not granted the respondent the right to use the KAREN MILLEN mark. Finally, Karen Millen argued that it had not licensed the respondent to use the domain name and, more importantly, that the goods offered on the website to which the domain name was pointing had been "verified as counterfeit" and had been "causing considerable damage to [Karen Millen's] business". Such damage was apparently due to the fact that consumers had been confused into purchasing poor quality garments from the respondent's website and had voiced their complaints directly to Karen Millen's customer services.

Despite these elements and the lack of response by the respondent, the panel found that the complaint lacked substance and evidence.

The panel first reminded all complainants in UDRP cases that, even in the absence of a response, they have to prove their case, and that, in accordance with the consensus view of panels set out on the WIPO website, "the failure of the respondent to argue its case does not mean that the panel must accept the propositions of the complainant".

In this respect, the panel explained that, while it could accept certain uncontested assertions by the complainant, others had to be supported by sufficient evidence. Among contentions which had to be supported by actual evidence, the panel included "assertions of dishonesty". The panel even asserted that, "if such assertion is essential to the complainant's claim, and is not supported in any way, then the complaint will generally fail".

Although the confusing similarity between the domain name and the KAREN MILLEN mark was easily acknowledged by the panel, the analysis of the second and third limbs of the UDRP led to the rejection of the complaint.

To dismiss the argument that the respondent had no rights or legitimate interests in the domain name, the panel underlined the fact that, while the argument that Karen Millen had not licensed its mark to the respondent was not contested, other factual elements could establish legitimate interests for the respondent to hold the domain name.

For instance, the panel pointed out that a legitimate reseller could have legitimate interests in a domain name comprising the trademark of the products it offers. In the case at hand, the panel noted, the website to which the domain name pointed purported to be "devoted exclusively to promoting the complainant's products for sale".

World Trademark Review *Daily*

Nevertheless, Karen Millen had asserted that the products sold on the website were counterfeits, therefore demonstrating the lack of legitimate interests and bad faith of the respondent. However, despite supplemental rounds of proceedings in which the panel requested that Karen Millen provided concrete evidence of the counterfeit nature of the goods, Karen Millen failed to substantiate this assertion.

The panel refused to accept as fact the sole allegations of the complainant and mere circumstantial evidence such as the low price of the goods offered for sale on the website (without any comparative scale), as such circumstantial elements could be potentially justified by other elements and circumstances (eg, cheap products may come from a 'grey market').

Furthermore, the panel noted that no elements in the case evidenced the fact that the respondent's website was deceiving its clients into believing that it was affiliated with Karen Millen, noting that "most internet users of average intelligence would be unlikely to confuse the website as being owned or endorsed by the complainant". To support this vision, the panel underlined that the domain name described the website as an 'outlet' for Karen Millen products and that the descriptions of the products available on the website were of an extremely poor quality in consideration of those offered on the official website.

On the basis of the elements above and of the absence of any proof of the counterfeit nature of the goods, the panel dismissed the allegation that the respondent had no rights or legitimate interest in the domain name.

Regarding the third criterion, the panel underlined that, in a case like this one, the elements relating to the defendant's potential rights and legitimate interests were generally relevant in the evaluation of bad faith. Nevertheless, this question was not analysed further as, having failed to establish the second criterion, Karen Millen's case had to be dismissed.

This case constitutes an emphatic reminder to all UDRP complainants that they must always strongly substantiate their cases to ensure that all facts and assertions are duly supported by matching evidence.

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