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UDRP case shows how cybersquatting and counterfeiting often go hand in hand
International - Hogan Lovells LLP

Counterfeiting
Cybersquatting

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In a recent case brought under the [Uniform Domain Name Dispute Resolution Policy](#) (UDRP) before the [World Intellectual Property Organisation](#) (WIPO), an internationally renowned Italian fashion company has [obtained the transfer](#) of a domain name incorporating its brand which was pointing to a website based in China offering counterfeit products for sale.

The complainant was [Dolce & Gabbana Srl](#), the Italian fashion house founded by designers Domenico Dolce and Stefano Gabbana in the mid-1980s. The complainant is the exclusive licensee of numerous trademarks consisting of the terms 'Dolce & Gabbana', including international trademarks and Community trademarks registered since 1990. The complainant's DOLCE & GABBANA marks enjoy worldwide renown in the field of fashion.

The respondent was Qing Liao, an individual residing in China. No other details were known about the respondent and he did not reply to the complaint.

The disputed domain name was 'dolcegabbanafrance.net'. It was registered by the respondent on March 2 2013 and was pointing to a website offering counterfeit products of the complainant for sale, such as handbags, shoes and other fashion items.

The complainant filed a UDRP complaint to obtain the transfer of the domain name. To be successful in a complaint under the UDRP, a complainant must satisfy the following three requirements:

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

Prior to examining each of the requirements set out above, the panel considered the issue of the language of the proceedings. Pursuant to Paragraph 11 of the UDRP Rules, the language of the proceedings is generally the language of the Registration Agreement, unless the parties agree otherwise. However, the panel has the discretion to designate a different language, taking into consideration the circumstances surrounding the case such as the parties' nationality and the language of the website associated with the disputed domain name, among other factors.

In the present case, the relevant Registration Agreement was in Chinese. The complainant, however, submitted its complaint in English and requested that English be the language of the proceedings based on reasons that suggested that the respondent was familiar with the English language, including:

- the fact that the domain name contained a non-Chinese word ('France'); and
- the website associated with the domain name was not in Chinese, but rather in English and French.

In view of the fact that the respondent did not object to the complainant's change of language request, coupled with the indications previously mentioned, the panel accepted the complainant's request to hold the proceedings in English, thereby sparing the Italian complainant the burden of translating the complaint into Chinese. It should be noted, however, that the respondent would have been able to respond in either English or Chinese.

Moving on to the substantive requirements under the UDRP, the first limb of the three-prong test is a low-threshold, standing requirement, which is generally satisfied by proving trademark rights, regardless of when or where the trademark was registered, although these factors may be relevant for the purpose of the third limb of the test.

Having determined that the complainant had established relevant trademark rights, the panel examined whether the domain name was identical, or confusingly similar, to the complainant's trademark rights. The panel noted that the domain name incorporated in its entirety the complainant's DOLCE & GABBANA mark, together with the descriptive term 'France'. It found that the mere addition of a descriptive term such as 'France' was insufficient to eliminate a likelihood of confusion. On the contrary, the panel noted that the term 'France' reinforced the likelihood of confusion, given that France is strongly associated with fashion, precisely the goods and services for which the complainant's trademarks were registered, and so internet

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users would likely believe that the domain name was operated by the complainant to sell its products in France. Therefore, the panel held that the domain name was confusingly similar to the complainant's mark, and so the complainant satisfied the first requirement under the UDRP.

Turning to the second limb, the complainant was able to easily make a *prima facie* case that the respondent did not have any rights or legitimate interests in the domain name. The complainant was the exclusive licensee of the DOLCE & GABBANA mark and thus the respondent was not authorised or otherwise allowed to use the same in any way, including as part of a domain name. Furthermore, there was no evidence that the respondent was commonly known by the domain name and neither could it be said that the respondent was using the domain name in connection with a good-faith offering of goods or services or a legitimate non-commercial or fair use, given that the respondent was not authorised to use the DOLCE & GABBANA mark. Therefore, the panel held that the complainant had met the second requirement under the UDRP.

Turning to the third requirement under the UDRP, the panel found that the respondent was undoubtedly aware of the complainant and its trademark at the time of registration of the domain name, particularly in view of the complainant's longstanding use of its trademark and its worldwide renown, and the fact that the respondent offered for sale on the website associated with the domain name purported DOLCE & GABBANA products. The fact that the respondent failed to submit a response to the complaint was a further indication of the respondent's bad faith. Thus, the panel held that the domain name had been registered in bad faith.

As far as bad-faith use was concerned, the panel found that, by using a domain name incorporating the complainant's trademark to offer for sale counterfeit products of the complainant, the respondent was intentionally attempting to attract for commercial gain internet users to its website by creating a likelihood of confusion with the complainant's mark as to the source or sponsorship of the website. Thus, according to the panel, the respondent was giving the false impression that the website associated with the domain name was either the complainant's official website or authorised by the complainant. The panel therefore concluded that the domain name was being used in bad faith and so the complainant also satisfied the third requirement under the UDRP. The panel therefore ordered the transfer of the domain name to the complainant.

This case is certainly a sweet victory for Dolce & Gabbana, and highlights how cybersquatting and counterfeiting often go hand in hand. Cybersquatters often use domain names incorporating brands to attract internet users to their websites with the purpose of creating a veil of legitimacy and misleading them into purchasing counterfeit products. It is therefore not surprising that, according to WIPO, more than 20% of the UDRP cases filed involve some type of counterfeiting activity.

Whilst the UDRP is not a one-size-fits-all mechanism that may be used to tackle every type of infringing activity online, it is often an effective tool for trademark holders to deal with domain names pointing to websites selling counterfeit goods where the domain name in question incorporates the name of the brand, particularly given that counterfeiters are often located in a foreign country and the UDRP has built-in mechanisms that allow complainants to overcome such jurisdictional issues. The UDRP itself cannot assist in taking down the actual websites selling counterfeit goods, but it can certainly make them harder to stumble upon by effectively cutting off the domain names that point to them.

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