

## Skechers U.S.A Inc. II v. Sketchers Ltd.

### IL-DRP Panel Decision

#### 1. The Parties

The Complainant Skechers U.S.A Inc., US based company, represented by Mr. Gilad Shay, Adv of Herzog, Fox Neeman.

The Respondent is Sketchers Ltd., of Holon, Israel.

#### 2. The Domain Name and Registrar

The disputed domain name <sketchers.co.il> is registered with Communigal Communication Ltd.

#### 3. Procedural History

The Complaint was filed with ISOC-IL on June 1, 2016. The Complaint was transmitted to the Israeli Dispute Resolution Panel of ISOC-IL ("**IL-DRP**") under the IL-DRP Rules ("**Rules**").

On June 1, 2016 the IL-DRP appointed Jonathan Agmon as the sole panelist.

In accordance with the Rules, on June 29, 2016, the Panel transmitted to the Respondent by e-mail a copy of the Complaint and attached materials, providing the Respondent 15 days to respond to the Complaint.

The Respondent did not response to the complaint.

#### 4. Factual Background

The disputed domain name <sketchers.co.il> was created on July 21, 2015.

The Complainant and its affiliates are an internationally well-known and highly successful shoe, apparel and accessories group of companies. The Complainant designs, develops and markets more than 3,000 styles for men, women and children.

The Complainant is the owner of numerous trademark registrations for the mark SKECHERS worldwide. For example: Israeli trademark registration No. 88823 – SKECHERS, with the registration date of September 3, 1995; Israeli trademark registration No. 162186, with the registration date of March 2, 2004, and many others.

The Complainant also developed its presence on the Internet and is the owner of <skechers.com> domain name, which consists its mark SKECHERS (hereinafter: "**the Mark**").

The disputed domain name <sketchers.co.il> currently resolves to a website with links to third parties' websites offering the Complainant's goods for sale.

## 5. Parties' Contentions

### A. Complainant

The Complainant argues that the disputed domain name is confusingly similar to the Mark and to the Complainant's registered company name.

The Complainant further argues that the disputed domain name constitutes the same letters as its Mark with the addition of the letter "t" and suffix "co.il"

The Complainant further argues that the disputed domain name is a misspelling of the Mark which does not alter the principal components of the Mark.

The Complainant further argues that it is the sole and rightful owner of the Mark, and that the Respondent has no right or legitimate interests in respect of the Disputed domain name.

The Complainant further argues the Respondent is not affiliated with the Complainant and has never been licensed or otherwise authorized to use the Mark.

The Complainant further argues that the Respondent application for allocation of the disputed domain name as well as its use was in bad faith.

The Complainant further argues that the disputed domain name was registered more than 19 years after the Mark was registered in Israel, therefore the Respondent had registered the disputed domain name with knowledge of the Complainant's Mark.

The Complainant further argues that the Respondent passive use of the disputed domain name, as a parked website displaying sponsored links constitutes bad faith behavior.

The Complainant further argues that the Respondent by redirecting internet users to a third party's competitor website, used the disputed domain name in bad faith.

The Complainant further argues that the Complainant's attorneys sent a cease-and-desist letter and email to the Respondent on March 20, 2016, and to this date the Respondent has not responded to the letter (The letter has returned, but the email did not bounce back).

For all of the above reasons, the Complainant requests the transfer of the disputed domain name or alternatively to revoke and cancel the allocation of the disputed domain name to the Respondent.

### B. Respondent

The Respondent did not response.

## 6. Discussion and Findings

The IL-DRP is an alternative dispute resolution procedure intended to provide expedited resolution to disputes regarding the allocation of domain names under the .IL ccTLD in accordance with the Rules. The Respondent submitted to this process and Rules when he applied for and registered the disputed domain name with Communigal Communication Ltd. registration agreement provides that the applicant for the domain name accepts the ISOC-IL registration rules (see <https://secure.galcomm.co.il/General/RegistrationAgreement.aspx>).

The ISOC-IL registration rules provide that "the [domain name] holder agrees to the jurisdiction of the IL-DRP." (See section 12.3). The Respondent, therefore, by applying for and registering the disputed domain name agreed to the IL-DRP and the Rules.

It is also noted that the Rules now adopted by ISOC-IL follow closely those of the Uniform Dispute Resolution Policy (UDRP) and therefore the WIPO Arbitration and Mediation Center case law (and others interpreting the UDRP) can be used as examples of how previous panels have adopted and interpreted provisions similar to the Rules and UDRP.

The Rules provide that disputes regarding the allocation of a domain name by a Holder may be brought by a Complainant on the following grounds:

- 3.1. the disputed domain name is the same or confusingly similar to a trademark, trade name, registered company name or legal entity registration ("Name") of the Complainant; and
- 3.2. the Complainant has rights in the Name; and
- 3.3. the holder has no rights in the Name; and
- 3.4. the application for allocation of the disputed domain name was made or the disputed domain name was used in bad faith.

### A. Same or Confusingly Similar

It is up to the Complainant to show that the disputed domain names are the same or confusingly similar to a trademark, trade name, registered company name or legal entity registration of the complainant.

The Complainant is the owner of many trademark registrations, which consist of the mark SKECHERS. For example: Israeli trademark registration No. 88823 –

SKECHERS, with the registration date of September 3, 1995; Israeli. trademark registration No. 162186, with the registration date of March 2, 2004, and many others.

The disputed domain name <sketchers.co.il> comprises of the Complainant's SKECHERS trademark with the addition of the letter "t" and the suffix ".co.il".

The suffix ".co.il" is ignored for the purpose of determination of the similarity between the disputed domain name since it is a common suffix showing that the domain name is part of the .il domain and associated with commercial activities (.co suffix).

The addition of the letter "t" to the disputed domain name does not serve sufficiently to distinguish or differentiate the disputed domain name from the Complainant's SKECHERS trademark.

Previous UDRP panels have ruled that the mere addition of a non-significant element does not sufficiently differentiate the domain name from the registered trademark: "The incorporation of a trademark in its entirety is sufficient to establish that a domain name is identical or confusingly similar to the Complainant's registered mark" (See Britannia Building Society v. Britannia Fraud Prevention, WIPO Case No. D2001-0505).

Also, "[t]he Panel has compared the domain name at issue with the Complainant's trademarks INFOSPACE in their entireties, and concludes that the mere addition of the word "India" at the front of the Respondent's domain name is not sufficient to distinguish it from the trademarks of the Complainant. The Panel notes that such addition appears to be made most likely with a[n] intent to induce Internet users to believe that they are connecting their computers with a site pertaining to an Indian affiliate of the Complainant, or to some kind of "Indian operation" of the Complainant (See InfoSpace.com, Inc. v. Hari Prakash, WIPO Case No. D2000-0076).

It is therefore, the finding of the Panel that the disputed domain name is confusingly similar to a trademark owned by the Complainant.

#### **B. Rights in the Name**

Next, it is up to the Complainant to show that the Complainant has rights in the SKECHERS trademark, and that the Respondent has no rights in the SKECHERS trademark.

The Complainant showed sufficient evidence showing it has rights in the SKECHERS trademark.

The evidence shows that the Complainant's SKECHERS trademark has gained significant goodwill, especially in Israel.

It is also up to the Complainant to show that the Respondent has no rights in the Name. The Complainant has provided that it has not approved or permitted for the Respondent to use its trademark or Name.

While the Complainant bears the "general burden of proof" under Rule 3.3, this burden shifts to the Respondent once the Complainant makes a prima facie showing that the Respondent lacks rights or legitimate interests. (See: Neusiedler Aktiengesellschaft v. Kulkarni, WIPO Case No. D2000-1769; see also Dow Jones & Company and Dow Jones LP v. The Hephzibah Intro-Net Project Limited, WIPO Case No. D2000-0704.)

In the present case, the Complainant alleged that the Respondent has no rights or legitimate interests in respect of the disputed domain names and the Respondent failed to assert any such rights, or legitimate interests.

The Panel finds that the Complainant established such a prima facie case inter alia due to the evidence provided to the Panel and due to the fact that the Complainant has not licensed or otherwise permitted the Respondent to use its SKECHERS trademark or a variation of it. The Respondent did not submit a response and did not provide any evidence to show any rights or legitimate interests in the disputed domain names. Thus, the Respondent did not rebut the Complainant's prima facie case.

Accordingly, the Panel finds that the Respondent has no rights or legitimate interests in respect of the disputed domain names.

### C. Application and Use in Bad Faith

Finally, it is up to the Complainant to show that the Respondent applied for allocation of the disputed domain name or the disputed domain name was used in bad faith.

WIPO Panels, relying on Rule 4.1 of the UDRP Rules, often rule that the bad faith clause provides a non-exclusive list of circumstances which can be helpful in showing that the Respondent acted in bad faith when he or she applied for or used the disputed domain name:

"For the purposes of [Paragraph 3.4 above], the following circumstances, in particular but without limitation, if found to be present, shall be evidence of the allocation or use of a domain name in bad faith:

- a. the Holder continues to hold the domain name during or after termination of employment or work for hire contract where the domain name allegedly should have been allocated to the employing/contracting party; or
- b. the Holder has requested allocation of the domain name primarily for the purpose of disrupting the business of a competitor; or circumstances indicating that the Holder has requested allocation or holds the Domain Name primarily for the purpose of

- selling, renting, or otherwise transferring the Domain Name allocation to the complainant who is the owner of the trademark or service mark or to a competitor of that Complainant, for valuable consideration in excess of documented out-of-pocket costs directly related to the domain name; or
- c. the Holder has requested allocation of the domain name in order to prevent the owner of the trademark or service mark from reflecting the mark in a corresponding domain name, provided that there is evidence of having engaged in a pattern of such conduct; or
  - d. by using the domain name, the Holder has intentionally attempted to attract, for commercial gain, Internet users to its web site or other on-line location, by creating a likelihood of confusion with the Complainant's Name as to the source, sponsorship, affiliation, or endorsement of its web site or location or of a product or service on its web site or location".

Rule 4.1(b) provides that this Panel can find that the Respondent acted in bad faith if there are circumstances showing that the Respondent requested allocation of the disputed domain name primarily for the purpose of disrupting the business of a competitor; or circumstances indicating that the Respondent requested allocation or holds the disputed domain name primarily for the purpose of selling, renting, or otherwise transferring the disputed domain name allocation to the Complainant, who is the owner of the trademark or the service mark, or to a competitor of the Complainant, for valuable consideration in excess of documented out-of-pocket costs directly related to the domain name.

The disputed domain name is confusingly similar to the Complainant's SKECHERS trademark. Previous WIPO Panels ruled that "a likelihood of confusion is presumed, and such confusion will inevitably result in the diversion of Internet traffic from the Complainant's site to the Respondent's site" (see *Edmunds.com, Inc v. Triple E Holdings Limited*, WIPO Case No. D2006-1095). To this end, prior WIPO Panels have established that attracting Internet traffic by using a domain name that is identical or confusingly similar to a registered trademark is evidence of bad faith under paragraph 4(b)(iv) of the UDRP (see *Humana Inc., op. cit. supra*; *Edmunds.com v. Ultimate Search, Inc.*, WIPO Case No. D2001-1319).

Rule 4.1(d) provides that this Panel can find that the Respondent acted in bad faith if there are circumstances showing that the Respondent has intentionally attempted to attract, for commercial gain, Internet users to its web site or other on-line location, by creating a likelihood of confusion with the Complainant's Name as to the source, sponsorship, affiliation, or endorsement of its web site or location or of a product or service on its web site or location.

The website under the disputed domain name <sketchers.co.il> incorporates the Complainant's SKECHERS trademark with the mere addition of the letter "t" and offers sponsored links of e-commerce websites.

The Panel finds, that the use of the disputed domain name <sketchers.co.il> offering sponsored links, some of which seem to relate to the business of the Complainant, is a clear indication of the Respondent knowledge of the Complainant and its registered trademark.

It is also suggestive of the Respondent's bad faith when the trademark of the Complainant was registered before the allocation of the disputed domain name (See: Sanofi-Aventis v. Abigail Wallace, WIPO Case No. D2009-0735). The Complainant's SKECHERS trademark is registered in Israel since the year 1995 and is well-known worldwide. The Respondent registered the disputed domain name after the Complainant registered its SKECHERS trademark.

The Panel accepts the Complainant arguments that the Respondent's use of the disputed domain name, as a parked website with sponsored links, is also an indication, in this case, of bad faith registration or bad faith use of the disputed domain name.

This Panel cites with approval that “[t]he concept of a domain name being used in bad faith is not limited to positive action: inaction is within the concept” See Cho Yong Pil v. Kee Dooseok, WIPO Case No. D2000-0754. See also: “[t]he significance of the distinction is that the concept of a domain name ‘being used in bad faith’ is not limited to positive action; inaction is within the concept. That is to say, it is possible, in certain circumstances, for inactivity by the Respondent to amount to the domain name being used in bad faith” (Telstra Corporation Limited v. Nuclear Marshmallow, WIPO Case No. D2000-0003).

The facts established above are sufficient to establish that the Respondent had registered or is using the disputed domain name in bad faith, as provided in Rule 4.1(b) and 4.1(d).

Thus, it is the finding of the Panel that the Complainant met the burden of showing that the Respondent registered or used the disputed domain name in bad faith in accordance with Rule 3.4.

## 7. Decision

For all the foregoing reasons, in accordance with the Rules, the Panel orders that the domain name, <sketchers.co.il> be TRANSFERRED to the Complainant.

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Jonathan Agmon

Sole Panelist

Date: July 20, 2016.