

ADMINISTRATIVE PANEL DECISION

Taschh Ltd. v. Wenjie Chen d/b/a Bicora Limited
Case No. D2017-2363

1. The Parties

The Complainant is Taschh Ltd. of Hong Kong, China, represented by Kushnirsky Gerber PLLC, United States of America (“United States”).

The Respondent is Wenjie Chen d/b/a Bicora Limited of Singapore, represented by Steven Rinehart, United States.

2. The Domain Name and Registrar

The disputed domain name <dudesgadget.com> is registered with eNom, Inc. (the “Registrar”).

3. Procedural History

The Complaint was filed with the WIPO Arbitration and Mediation Center (the “Center”) on November 29, 2017. On November 30, 2017, the Center transmitted by email to the Registrar a request for registrar verification in connection with the disputed domain name. On December 1, 2017, the Registrar transmitted by email to the Center its verification response disclosing registrant and contact information for the disputed domain name which differed from the named Respondent and contact information in the Complaint. The Center sent an email communication to the Complainant on December 6, 2017, providing the registrant and contact information disclosed by the Registrar, and inviting the Complainant to submit an amended Complaint. The Complainant filed an amended Complaint on December 6, 2017.

The Center verified that the Complaint together with the amended Complaint satisfied the formal requirements of the Uniform Domain Name Dispute Resolution Policy (the “Policy” or “UDRP”), the Rules for Uniform Domain Name Dispute Resolution Policy (the “Rules”), and the WIPO Supplemental Rules for Uniform Domain Name Dispute Resolution Policy (the “Supplemental Rules”).

In accordance with the Rules, paragraphs 2 and 4, the Center formally notified the Respondent of the Complaint, and the proceedings commenced on December 8, 2017. In accordance with the Rules, paragraph 5, the due date for Response was December 28, 2017. The Response was filed with the Center on December 28, 2017.

The Center appointed Christopher J. Pibus as the sole panelist in this matter on January 15, 2018. The Panel finds that it was properly constituted. The Panel has submitted the Statement of Acceptance and Declaration of Impartiality and Independence, as required by the Center to ensure compliance with the Rules, paragraph 7.

The Panel issued Administrative Panel Procedural Order No. 1 ("Panel Order No. 1") on February 2, 2018, requesting the Complainant to provide additional materials, and inviting the Respondent to comment on any such additional materials. The Complainant submitted the requested additional materials to the Center on February 5, 2018. No further response was received from the Respondent by the given due date or otherwise.

4. Factual Background

The Complainant operates a website at "www.dudegadgets.com" to market and sell a wide range of electronics and consumer goods.

The Complainant created the "www.dudegadgets.com" website in March 2016, and officially launched its web store under the DUDE GADGETS trademark on April 15, 2016. The Complainant began the business with a single item for sale, but expanded its offerings over time. In June 2017, an application was filed to register the mark DUDE GADGETS in the United States of America under Serial No. 87501988, filed in the name of Chou, Min DBA Tasch Limited Liability Company Hong Kong. By that time, the Complainant's sales and total website visits had significantly increased.

The Respondent registered the disputed domain name <dudesgadget.com> on October 27, 2016. The Respondent uses the disputed domain name and the mark DUDES GADGET in association with a website selling a wide range of consumer goods.

The Complainant provided supplemental materials on February 2, 2018, which showed that between its launch in April 2016 and October 2016, the Complainant's total sales increased from approximately \$100,000 to over \$3,400,000. Online visits reached approximately 2,500,000 by August 2016. The largest increase in sales through the "www.dudegadgets.com" website occurred in August and September 2016.

5. Parties' Contentions

A. Complainant

The Complainant relies on common law rights in the DUDE GADGETS trademark by virtue of its significant sales through its website, and its substantial investment in advertising and promotions. The Complainant submits that after its initial success in April 2016, it launched an advertising push, spending \$100,000 on advertising to promote its "www.dudegadgets.com" web store. The Complainant has continued to spend thousands of dollars promoting its services, and in 2016 the Complainant generated revenue in the amount of \$5,190,000. The Complainant further submitted evidence showing that sales increased dramatically, along with the number of visitors to their web store in August and September 2016. The Complainant contends that it developed significant common law reputation in its trademark DUDE GADGETS and domain name <dudegadgets.com> before the Respondent's registration of the disputed domain name. The Complainant argues that the disputed domain name is functionally identical to the trademark DUDE GADGETS, having identical spelling except that "gadgets" is singular and "dude" is pluralized.

The Complainant further submits evidence of actual confusion as a result of the Respondent adopting a confusingly similar domain name. The Complainant has been contacted by a large number of customers who have purchased products from the Respondent's web store at "www.dudesgadget.com" with product return issues. Furthermore, the Complainant contends that it receives online reviews and customer service complaints about the Respondent's products from customers who have been confused by the disputed

domain name and led to make purchases from the Respondent's website believing it to be the Complainant's online store.

The Complainant contends that the Respondent registered the confusingly similar domain name <dudesgadget.com> to divert customers who were seeking the Complainant's web store to its similarly designed website offering similar products. The Complainant contends that it was ultimately forced to redesign its website to prevent a significant level of actual customer confusion.

The Complainant submits that the use of the confusingly similar domain name and the near identical design of the website associated with the disputed domain name is not considered *bona fide* use under the Policy and does not serve to establish a right or legitimate interest in the disputed domain name <dudesgadget.com>.

The Complainant submits that the Respondent has registered and is using the disputed domain name in bad faith for the sole purpose of improperly diverting customers seeking the Complainant's web store to the Respondent's website which closely resembles the Complainant's website design for purposes of commercial gain. The Complainant further submits that it has received numerous complaints about poor quality and service from customers who have purchased products from the Respondent's website. As a result, the Respondent is damaging the goodwill in the Complainant's common law trademark and causing irreparable harm.

The Complainant contends that the registration and use of a confusingly similar domain name in association with a confusing website which diverts customers from the Complainant, thereby interfering with the Complainant's business, is cogent evidence of bad faith under the Policy. The evidence of actual customer confusion and complaints with respect to the Respondent's products and service is further proof of such bad faith.

B. Respondent

The Response claims that the Respondent had no actual knowledge or constructive notice of the Complainant's business or website when registering the disputed domain. The Panel notes the absence of any sworn evidence or declarations to this effect. The Respondent also submits that the Complainant has not provided evidence of its rights to the common law mark that predate registration of the disputed domain name. Any reputation held by the Complainant in the trademark only arose after the registration of the disputed domain name in October 2016, according to the Respondent's chronology.

The Respondent alleges that the Complainant's trademark is merely descriptive of gadgets which appeal to males, and that no evidence of secondary meaning has been presented. The Respondent submits that it is using the term "dudes gadget" because of the attraction of dictionary words, not to replicate a trademark.

The Respondent characterizes itself as a good-faith registrant and user of the disputed domain name. The Respondent argues that the Complainant filed its complaint in a bad faith attempt to extort the Respondent into selling or transferring the disputed domain name. The Respondent further submits that the Complainant had no *bona fide* basis for commencing this proceeding and is culpable for reverse domain name hijacking.

6. Discussion and Findings

According to paragraph 4(a) of the Policy, in order to succeed, the Complainant must establish each of the following elements:

- (i) The disputed domain name is identical or confusingly similar to the trademark or service mark in which the Complainant has rights;
- (ii) The Respondent has no rights or legitimate interest in respect of the disputed domain name; and

(iii) The disputed domain name has been registered and is being used in bad faith.

A. Identical or Confusingly Similar

The Panel finds that the Complainant does have common law trademark rights in the mark DUDE GADGETS for the purposes of this proceeding which were established by considerable sales and advertising of its web store under that name particularly in the period between May and September 2016.

The Panel finds that the disputed domain name <dudesgadget.com> is confusingly similar to the Complainant's trademark DUDE GADGETS as the disputed domain name and mark are virtually identical. The change of position of the letter "s" making the word "dude" plural in the disputed domain name and the word "gadgets" singular in the Complainant's mark does not serve to distinguish the disputed domain name from the DUDE GADGETS trademark.

The Respondent has raised arguments to the effect that the mark DUDE GADGETS is obviously generic or merely descriptive, but has failed to file any evidence to support this submission. It was open to the Respondent to bring forward evidence of common usage by third parties or even dictionary definitions, showing where and how "dude" and "gadget(s)" are widely employed in commerce. As it stands, the Respondent has made an unsupported assertion of descriptiveness, which the Panel is not prepared to accept.

Accordingly, the Panel finds that the Complainant has satisfied the requirement under paragraph 4(a)(i) of the Policy.

B. Rights or Legitimate Interests

In the Panel's view, this is one of those cases where a respondent's denial of knowledge of the complainant's rights cannot be accepted, based on a careful reading of all the evidence. A number of factors lead to this conclusion, including the design of the Respondent's website, the proper characterization of the Complainant's use of its mark for its online store in the months prior to the registration date for the disputed domain name, and the Respondent's choice of spelling for the disputed domain name.

With respect to the design of the Respondent's website associated with the disputed domain name, the Panel takes notice that there is a high degree of resemblance between the respective web stores of the parties, including the design of the webpages, and particularly the home page. The Respondent's display and lettering for the words "Dudes Gadget" across the banner of its home page is strikingly similar to the manner in which the Complainant displayed its mark DUDE GADGETS on its corresponding webpage beginning in April 2016. The overall format of the websites are similar, including the display of thumbnail photos of promoted items for sale arranged horizontally on the pages beneath the distinctive banner. The Complainant submits that this degree of similarity has always characterized the Respondent's website. This evidence suggests deliberate copying by the Respondent, and it is not surprising that actual confusion has occurred.

Secondly, in its arguments, the Respondent submits that the Complainant has failed to establish relevant common law rights in its mark because it relies on sales activities after the registration of the disputed domain name. The Respondent has mischaracterized the evidence, because the Complainant has in fact shown significant sales and advertising beginning in May 2016, and sharply accelerating sales in August and September 2016, prior to the moment when the Respondent chose to register the disputed domain name. The Complainant has produced sales and web store visit reports which track its activities right up to October 27, 2016, which clearly show massive exposure of its website (more than 8,790,000 visits to its store in a period of six months) and more than \$3,400,000 in sales from its launch on April 2016. This is an example of a complainant becoming well-known on a very fast track, a phenomenon that originates in the fast moving world of ecommerce, but nevertheless generates a foundation for enforceable rights and reputation.

Thirdly, the Panel notes that the structure of the disputed domain name itself raises questions about its legitimacy, when considered with all the other circumstances. The choice of <dudesgadget.com> can be viewed as typosquatting since it involves the exchange of a single letter “s”, transferred from “gadgets” to “dudes”. The restructuring of the mark is ill-suited to the Respondent’s associated website since its obvious purpose is to sell many “gadgets” not a single “gadget” as the disputed domain name would suggest. The Respondent has not raised any significant evidence to the contrary. Once again, this factor leads to an inference of knowledge of the Complainant’s prior rights as a source for the disputed domain name.

On the balance of probabilities, the Panel finds that the Respondent was likely aware of the Complainant’s rights in the mark DUDE GADGETS before it registered the disputed domain name <dudesgadget.com>. For the reasons set out above, the Panel does not accept the Respondent’s assertion that it was unaware of the Complainant and its website, and does not accept that the Complainant’s trademark is merely descriptive and therefore freely available to other users. The Panel finds on the balance of probabilities that the Respondent has no rights or legitimate interests in the disputed domain name.

The Respondent has clearly registered and is using a confusingly similar domain name in association with a highly similar website, thereby intentionally trading on the goodwill and reputation of the Complainant, for the purposes of monetary gain.

Accordingly, the Panel finds that the Complainant has satisfied the requirement under paragraph 4(a)(ii) of the Policy.

C. Registered and Used in Bad Faith

The Panel finds that the Respondent has registered and used the disputed domain name in bad faith. The evidence shows that the Respondent was likely aware of the Complainant’s online activities at least as early as August and September 2016, and registered a confusingly similar domain name to take advantage of the Complainant’s reputation. The Respondent then targeted the Complainant in an abusive manner by designing a website that was close in appearance to the Complainant’s website in a clear attempt to interfere with the Complainant’s business, direct customers seeking the Complainant to its own website, and thereby trade on the goodwill and reputation of the Complainant. Further, the Respondent has caused damage to the reputation of the Complainant by causing confusion amongst customers, and by providing inferior products. This is evidenced by the many customer complaints the Complainant has received about the Respondent’s defective products, all of which are shown in detail in the Complainant’s customer logs, produced in response to Panel Order No. 1.

Accordingly, the Panel finds that the Complainant has satisfied the requirement under paragraph 4(a)(iii) of the Policy.

7. Decision

For the foregoing reasons, in accordance with paragraphs 4(i) of the Policy and 15 of the Rules, the Panel orders that the disputed domain name, <dudesgadget.com>, be transferred to the Complainant.

Christopher J. Pibus

Sole Panelist

Date: February 26, 2018