

ADMINISTRATIVE PANEL DECISION

Forsythe Cosmetic Group, Ltd. v. R.E. Schoonover
Case No. D2014-0605

1. The Parties

The Complainant is Forsythe Cosmetic Group, Ltd. of Lawrence, New York, United States of America ("US"), represented by Vedder Price P.C., US.

The Respondent is R.E. Schoonover of Naples, Florida, US.

2. The Domain Name and Registrar

The disputed domain name <colorclub.com> is registered with Fabulous.com (the "Registrar").

3. Procedural History

The Complaint was filed with the WIPO Arbitration and Mediation Center (the "Center") on April 11, 2014. On April 14, 2014, the Center transmitted by email to the Registrar a request for registrar verification in connection with the disputed domain name. On April 15, 2014, the Registrar transmitted by email to the Center its verification response confirming that the Respondent is listed as the registrant and providing the contact details.

The Center verified that the Complaint satisfied the formal requirements of the Uniform Domain Name Dispute Resolution Policy (the "Policy"), 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(a) and 4(a), the Center formally notified the Respondent of the Complaint, and the proceedings commenced on April 17, 2014. In accordance with the Rules, paragraph 5(a), the due date for Response was May 7, 2014. The Respondent did not submit any response. Accordingly, the Center notified the Respondent's default on May 8, 2014.

The Center appointed Peter L. Michaelson as the sole panelist in this matter on May 12, 2014. 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.

4. Factual Background

As reflected in the registration record for the disputed domain name in the Registrar's Whois database (a copy of that record appears in Annex 1 to the Complaint), the disputed domain name was created on January 24, 2000, renewed by the Respondent on February 7, 2014, and is set to expire on January 24, 2015.

A. Complainant's COLOR CLUB Marks

As indicated in the Complaint, the Complainant owns several US and counterpart foreign trademark registrations for marks that either solely contain the term COLOR CLUB or include that term as a formative with another word or a design symbol (the "COLOR CLUB Marks"). In Annex 4 to the Complaint, the Complainant has provided copies of some of its registration certificates. Pertinent details of a few of these registrations are as follows:

1. COLOR CLUB (with design)
US registration no. 3,152,755
registered: October 10, 2006; filed: September 9, 2003

This mark is registered for use in connection with: "nail polish, lip gloss, lipstick, lip pencils, eye pencils, eye make-up, face make-up, face blush, body gels, body make-up and body glitters" all in international class 3 and claims first use and first use in commerce dates of January 1, 2003.

2. COLOR CLUB SPIRIT
US registration no. 4,480,315
registered: February 11, 2014; filed: May 17, 2013

This mark is registered for use in connection with: "nail polish" in international class 3 and claims a first use date of March 19, 2013 and a first use in commerce date of May 16, 2013.

3. COLOR CLUB
Community (OHIM) registration no. 012080818
registered: January 15, 2014

This mark is registered for use in connection with: "nail polish, lip gloss, lip pencils, eye make-up, face make-up, face blush, body gels, body make-up, body glitter, nail enamel, nail hardener, nail glitter, nail lacquer, nail strengthener, nail care preparations, cuticle removing preparations, nail polish top coat, nail polish base coat, nail varnish, nail art, namely fingernail decals, nail art stickers, nail art adhesive gems, nail grooming products, face blush, and body paints" all in international class 3.

B. The Parties

The Complainant provides cosmetics in the US and in more than 95 foreign countries. It was formed in 1979 in New York and initially focused on the US market. Subsequently, in 1989, the Complainant expanded its operation internationally. Since at least 2003, the Complainant adopted and has continuously used its COLOR CLUB Marks to identify its cosmetics in the US and throughout the world. Information regarding the Complainant's goods sold under its COLOR CLUB Marks is available at the Complainant's website, "www.cosmeticgroup.com", and the various links included thereon, with copies of various webpages available at that site appearing in Annex 5 to the Complaint. Those goods are also sold through various third-party websites as indicated by copies of corresponding web pages appearing in Annex 6 to the Complaint.

As indicated by a copy of a print-out, appearing in Annex 7 to the Complaint from the WayBack Machine Internet archive site (at "www.archive.org/web"), that site reflects that, on February 1, 2001, the disputed domain name was simply listed for sale on a website at "www.echo-harbor.com/for-sale.htm". However, on

the registrar verification dated April 15, 2014 sent to the Center, the Registrar noted that it was unsure as to the date on which the registrant originally registered or acquired the disputed domain name.

The Complainant has provided in Annex 8 to the Complaint, an archived page, also from the WayBack Machine for a website then resolvable through the disputed domain on September 25, 2004. This page first stated that the domain name was for sale and provided an address for inquiries: "domainpanda@[redacted].com". Immediately below that, the page then contained the heading: "colorclub.com" followed immediately below by "Below are sponsored listings for goods and services related to: colorclub.com". The page then contained a vertical list along the left side of the page, captioned "Sponsored Listings", of third-party links to sites offering goods, including a skin care solution, from entities unrelated to the Complainant. The page also contained a vertical box on the right side of the page captioned "Related Searches" which contained a vertical list of key words linked, to corresponding search results, that included the terms "Color Club Nail Polish", "Color Club", "Cheap Nail Polish" and other terms related to nail colors and polishes.

Annex 9 to the Complaint provides an archived version, again through the WayBack Machine, of a website to which the disputed domain name resolved on May 14, 2011. The page first stated "ColorClub.com" and immediately below that contained a list in approximately the middle of the page, captioned "Sponsored Listings", of third-party sponsored links. None of the links appeared to be relevant to the Complainant or cosmetics. However, the page, immediately below the list, contained an image showing the use of nail polish, specifically what appears to be nail polish then being applied to a person's fingernails.

A print-out of the home page of the Respondent's website to which the name currently resolves appears in Annex 10 to the Complaint. This page contains the term "Color Club" at the top of the page followed by a caption in approximately the middle of the page: "Most Popular Sites for COLOR CLUB" which, in turn, has a list of two sponsored links directly below the caption. The page, immediately below the list, contained the same image as existed on the May 14, 2011 archived web page.

On February 10, 2014, the Complainant received an email solicitation message (a copy of which appears in Annex 11 to the Complaint) from a third party (Active Domain (Re)Sale) claiming that the disputed domain name <colorclub.com> was being "released by its previous owner" and soliciting the Complainant's interest in purchasing the name. The Complainant then attempted to directly contact the Respondent but received no response.

5. Parties' Contentions

A. Complainant

(i) Identical or Confusingly Similar

The Complainant contends that the disputed domain name is identical to its registered mark COLOR CLUB simply because the name fully incorporates that mark in its entirety.

Hence, the Complainant believes that it has satisfied the confusing similarity/identity requirement in paragraph 4(a)(i) of the Policy.

(ii) Rights or Legitimate Interests

The Complainant contends that, for various reasons, the Respondent has no rights or legitimate interests in the disputed domain name pursuant to paragraph 4(a)(ii) of the Policy.

First, the Complainant has never authorized the Respondent to use any of the Complainant's COLOR CLUB Marks.

Second, the Respondent is not using and has never used the name in connection with a *bona fide* offering of goods or services. At all times while the Respondent owned the name, he merely offered it for sale. The inclusion of the image of a person having her nails polished is a deliberate attempt to confuse Internet users into thinking that the Respondent's site is somehow associated with or related to the Complainant's cosmetics sold under the mark COLOR CLUB.

Third, the Respondent is not now and has never been known by the term COLOR CLUB.

Finally, the Respondent's use of the name is neither noncommercial nor fair use, as the Respondent uses the name to cause and exploit confusion among Internet users for the Respondent's own pecuniary gain. Based on the archived web page dated September 25, 2004, the Respondent was then aware of the Complainant's products as that page contained listings of nail polishes and related products. While the content on the resolved page subsequently changed, the page still contained reference to the disputed domain name and to nail polish. Specifically, at least as early as the archived web page dated May 11, 2011 and thereafter continuing to the present, the Respondent's website contained and still contains an image showing the use of nail polish. Through depicting the domain name coupled with the image, Internet users would likely be confused into believing that the Respondent's website, including its sponsored links, is associated with the Complainant, when in fact it is not, and thus increasing the Respondent's click-through traffic and increasing his click-through revenue.

(iii) Registered and Used in Bad Faith

The Complainant also contends that, for several reasons, the Respondent registered and is using the disputed domain name in bad faith pursuant to paragraph 4(a)(iii) of the Policy.

First, the Respondent registered the name and subsequently renewed his registration primarily in order to sell or otherwise transfer the name for consideration in excess of his out of pocket costs directly related to the name. This is reflected in the Respondent having listed the name for sale starting in 2001 and continuing to the present, the latter clearly evidenced by the February 10, 2014 email solicitation message from Active Domain (Re)Sale. Further, on February 7, 2014, the Respondent, in spite of having prior knowledge of the Complainant and its COLOR CLUB Marks, intentionally renewed his registration to the name. He did so to prevent the Complainant from reflecting its COLOR CLUB Marks in a corresponding domain name.

Second, the Respondent intentionally attempted to attract, for commercial gain, Internet users to the disputed domain name by creating a likelihood of confusion with the Complainant's COLOR CLUB Marks. In that regard, the Respondent incorporated the Complainant's mark on his website to refer to third-party providers of nail polish and related goods without prior authorization from the Complainant. Additionally, the Respondent includes an image on his website of the use of nail polish which further increases viewer confusion.

The Respondent has never made a *bona fide* use of the disputed domain name, nor has he ever offered for sale or sold any products via his website. Rather, the Respondent is attempting, through his website, to create confusion among Internet users to the effect that the disputed domain name, and there through his site and his third-party links, are somehow affiliated with or sponsored by the Complainant so that he can exploit and commercially benefit from that confusion.

B. Respondent

The Respondent did not reply to the Complainant's contentions.

6. Discussion and Findings

In view of the lack of a Response filed by the Respondent as required under paragraph 5 of the Rules, this proceeding has proceeded by way of default. Hence, under paragraphs 5(e), 14(a) and 15(a) of the Rules,

the Panel is directed to decide this administrative proceeding on the basis of the Complainant's undisputed factual representations.

A. Identical or Confusingly Similar

The Panel finds that the disputed domain name is identical or confusingly similar to the Complainant's COLOR CLUB Marks.

From a simple comparison of the disputed domain name to the Complainant's registered mark COLOR CLUB, no doubt exists that the disputed domain name is identical to that mark and highly similar to its other registered marks that contain the term COLOR CLUB with either a design element or another textual word. The only difference between the disputed domain name and the mark COLOR CLUB is the addition of the generic Top-Level Domain ".com" to that term to form the disputed domain name, with that addition being generally irrelevant in assessing confusing similarity or identity under paragraph 4(a)(i) of the Policy.

Thus, the Panel finds that the disputed domain name is identical or confusingly similar to the Complainant's COLOR CLUB Marks. Hence, the Complainant has satisfied its burden under paragraph 4(a)(i) of the Policy.

B. Rights or Legitimate Interests

Based on the evidence of record here, the Panel finds that no basis exists which would appear to legitimize a claim of rights or legitimate interests by the Respondent to the disputed domain name under paragraph 4(c) of the Policy.

First, the Complainant never authorized the Respondent to utilize any of the COLOR CLUB Marks nor does the Complainant apparently have any relationship or association whatsoever with the Respondent. Furthermore, given the exclusive trademark rights that reside in the Complainant, the Respondent could not legitimately acquire any public association between himself and the mark COLOR CLUB or even any mark similar thereto, at least for the goods provided by the Complainant under its marks.

The Respondent uses the name to address a website that contains a list of sponsored third-party links and an image of the use of nail polish which is one of the goods the Complainant offers under its COLOR CLUB Marks. Though a 2004 version of that website (shown in Annex 8 to the Complaint) also included sponsored third-party links to suppliers of nail polish, presumably competitive with the Complainant's cosmetic offerings at the time, those links were conspicuously absent from the subsequent 2011 and present versions of the site (shown in Annexes 9 and 10, respectively, to the Complaint) which included the image instead. It is eminently clear to this Panel that, from at least as early as 2004 and continuing to the present, the Respondent attempted to establish in the minds of Internet users a mental impression that either an association or relationship of some sort then existed between his site and the Complainant, or that the Complainant had endorsed his site. The Respondent first did so explicitly on his site through prominently displaying the disputed domain name followed by inclusion of those links. Subsequently, he did so implicitly by prominently displaying the term "Color Club" but substituting the image for those links. Regardless of which approach he had taken, no such association, relationship or endorsement existed and, owing to a lack of authority to use the Complainant's marks, could not exist. The Respondent's evident purpose behind creating such an impression was to exploit the ensuing source confusion of Internet users in order to increase click-through traffic to the sponsored third-party links through which, in turn, he would receive increased revenue or other commercial benefit. Such a use does not constitute a *bona fide* offering of goods or services, and thus does not fall within paragraph 4(a)(i) of the Policy.

Second, there is absolutely no evidence of record that the Respondent has ever been commonly known by the disputed domain name or more generally the mark COLOR CLUB, let alone in conjunction with the goods for which the Complainant uses its marks. Nor could the Respondent likely ever become commonly known by either the disputed domain name or the mark without infringing on the exclusive trademark rights of the Complainant. Hence, the Respondent does not fall within paragraph 4(c)(ii) of the Policy.

Lastly, as the Respondent likely receives some commercial benefit through the sponsored third-party links on his website by misleadingly diverting consumers, this use does not constitute a legitimate noncommercial or fair use within the ambit of paragraph 4(c)(iii) of the Policy.

As such, based on the evidence presently before the Panel, the Respondent does not fall within any of paragraphs 4(c)(i)-(iii) of the Policy. Also, there is simply no evidence that the Respondent has acquired, through any other means, any rights or legitimate interests in the disputed domain name.

Accordingly, the Panel concludes that the Respondent has no rights or legitimate interests in the disputed domain name within paragraph 4(a)(ii) of the Policy.

C. Registered and Used in Bad Faith

The Panel finds that the Respondent's actions, with respect to the disputed domain name, constitute bad faith registration and use.

Paragraph 4(b) of the Policy illustrates non-exhaustive circumstances, if found by the Panel, as evidence of registration and use of a domain name in bad faith.

- (iii) you have registered the domain name primarily for the purpose of disrupting the business of a competitor; or
- (iv) by using the domain name, you have intentionally attempted to attract, for commercial gain, Internet users to your web site or other on-line location, by creating a likelihood of confusion with the complainant's mark as to the source, sponsorship, affiliation, or endorsement of your web site or location or of a product or service on your web site or location.

Starting sometime after the disputed domain name was registered in 2000 and no later than September 25, 2004, the Respondent's website included explicit references to goods competitive with those offered by the Complainant, through prominent display of the disputed domain name and inclusion of sponsored links to third-party suppliers of those goods. In doing so, the Respondent sought to impermissibly trade off of the Complainant's reputation and goodwill. Thereafter and no later than May 11, 2011, the Respondent substituted, for the third-party links, an image suggestive of the Complainant's goods and implying some association, relationship or endorsement. The Respondent renewed his registration on February 7, 2014. His overall use of the name simply persisted. Though the content displayed on the Respondent's website has changed somewhat from that shown on the 2011 version of his site, his present website still prominently displays the term "Color Club" and the same suggestive image, hence exhibiting the same potential to cause confusion of Internet users and provide the Respondent with the same, but now continuing, opportunity to exploit and benefit from it.

In the absence of any Response, the Panel is left to infer that the only purpose which the Respondent had in registering and using his site as he did starting no later than September 25, 2004 and continuing to the present was and still is to opportunistically generate such confusion and, as a result, increase the click-through traffic to his third-party links and commercially benefit thereby. Consequently, sales would be diverted to those third-parties which may otherwise have been made by the Complainant. Further, it is well within reason for the Panel to infer that the Respondent, if left unchecked, would just continue using the name as he presently is until such time in the future when the sales diversion became sufficiently problematic to the Complainant at which point the Complainant, to stop incurring further loss, would ultimately accede to the Respondent's sale solicitations and purchase the disputed domain name from the Respondent at what would be a price well in excess of the Respondent's out-of-pocket costs of registration including the renewal.

Given the present facts and circumstances and on the balance of probabilities, the Panel views that the Respondent's conduct constitutes bad faith registration and use under paragraphs 4(b)(iii) and 4(b)(iv) of the Policy.

Thus, the Panel concludes that the Complainant has provided sufficient proof of its allegations, with respect to the disputed domain name, to establish a case under paragraph 4(a) of the Policy upon which the relief it now seeks can be granted.

7. Decision

Accordingly, under paragraphs 4(i) of the Policy and 15 of the Rules, the Panel grants the relief sought by the Complainant. The disputed domain name <colorclub.com> is ordered to be transferred to the Complainant.

Peter L. Michaelson

Sole Panelist

Date: May 23, 2014