

DISPUTE RESOLUTION SERVICE

D00017619

Decision of Appeal Panel

Beautyge Brands USA, Inc.

and

Koan (UK) Ltd

1. The Parties:

Complainant: Beautyge Brands USA, Inc.
9560 Towne Centre Drive
San Diego
California
92121
United States of America

Respondent: Koan (UK) Ltd
Basement Flat,
55 Oakfield Road,
Clifton
Bristol
BS8 2BA
United Kingdom

2. The Domain Name:

americancrewshop.co.uk

3. Procedural History

This is an appeal against the decision of Jon Lang (the "Expert") issued on 16 August 2016 in favour of the Respondent. Definitions used in this decision have the same meaning as set out in the Nominet UK Dispute Resolution Service Policy Version 3, July 2008 (the "Policy") and/or the Nominet UK Dispute Resolution

Service Procedure Version 3, July 2008 (the "Procedure") unless the context or use indicates otherwise.

The procedural history of relevance to this Appeal is as follows:

15 June 2016 Complaint received
07 July 2016 Response received
14 July 2016 Reply received
22 July 2016 Mediation failed
23 August 2016 Expert's decision in favour of the Respondent
22 September 2016 Appeal Notice filed
04 October 2016 Appeal Response reminder notice
18 October 2016 Appeal Panel appointment

Ian Lowe, Philip Roberts and Claire Milne (the "Panel") have each made a statement in the following terms:

"I confirm that I am independent of each of the parties. To the best of my knowledge and belief, there are no facts or circumstances, past or present, or that could arise in the foreseeable future, that need be disclosed as they might be of such a nature as to call in to question my independence in the eyes of one or both of the parties."

4. The Nature of This Appeal

Paragraph 10a of the Policy provides that *"The Appeal Panel will consider appeals on the basis of a full review of the matter and may review procedural matters."* The Panel concludes that insofar as an appeal involves matters other than purely procedural complaints, the appeal should proceed as a redetermination on the merits. It is not therefore necessary to analyse the first instance decision in any detail.

The Panel simply records that the Expert concluded that the Complainant had Rights in a name or mark that was identical or similar to the Domain Name but that the Domain Name in the hands of the Respondent was not an Abusive Registration and that no action should therefore be taken in respect of the Complaint.

5. Formal and Procedural Issues

The Appeal Notice has six appendices and purports to put forward additional evidence comprising a decision by a WIPO panellist under the Uniform Domain Name Dispute Resolution Procedure (the "UDRP") in respect of the domain name <americancrewshop.com> and a witness statement from Paul Taylor, Managing Director of ICON

As paragraph 18c of the Procedure makes clear, "an appeal notice ... shall contain no new evidence or annexes." Accordingly, the Panel declines to accept the

appendices or the new evidence referred to. In any event the Panel does not consider that the limited additional material involved would have made any difference to its determination.

6. The Facts

The following facts are not disputed. The Complainant is a company incorporated in the State of Delaware, USA and is a wholly owned, indirect subsidiary of Revlon Consumer Products Corporation ("Revlon"). Revlon acquired the AMERICAN CREW brand of men's grooming products and associated trade marks when it purchased The Colomer Group in 2013.

The Complainant is the proprietor of over a hundred trade mark applications and registrations around the world incorporating the mark AMERICAN CREW (the "Mark") including European Union trade mark number 383448 AMERICAN CREW filed on 5 November 1996.

The Respondent registered the Domain Name on 27 September 2005. It has operated a website under the name American Crew Shop since 2005 selling American Crew products. They were from that time purchased from ICON, the then main UK distributors of American Crew products. At the time of the Complaint, Internet users were re-directed from the Domain Name to the website at www.americancrewshop.com selling such products under that name. There is no suggestion in the contentions put forward by the Complainant that the Respondent has sold any products from its website other than genuine American Crew products.

7. The Parties' Contentions

The parties' contentions are set out in full in the Expert's decision and do not therefore need to be set out in full here. Furthermore, the Respondent does not dispute that the Complainant has Rights in a name or mark that is identical or similar to the Domain Name. The Panel will not therefore deal with the Complainant's contentions as to Rights in detail.

Complainant's Contentions

The principal arguments advanced by the Complainant in the original Complaint and in the Notice of Appeal (so far as admissible) are as follows:

- It is the owner of numerous trade mark registrations around the world in respect of the mark AMERICAN CREW. The Domain Name comprises the entirety of this mark together only with the word "shop", and the suffix ".co.uk". The addition of the generic, descriptive term "shop" and the country code top level domain (ccTLD) suffix ".co.uk" does not detract from the distinctiveness of the AMERICAN CREW mark which is therefore similar (if not identical) to the Domain Name.

- The Respondent registered the Domain Name as a blocking registration because it intends to intercept Internet traffic intended for the Complainant so that users will believe that the Domain Name is that of the Complainant.
- The Respondent registered the Domain Name primarily for the purpose of unfairly disrupting the business of the Complainant because the Domain Name incorporates the Complainant's Mark and the Complainant's prospective customers would assume that the website found at the Domain Name is connected to or authorized by the Complainant.
- The Respondent is using the Domain Name in a way that has confused people into believing that the Domain Name is registered to, operated by or authorized by the Complainant. The Domain Name incorporates the Complainant's Mark and there is at least the substantial risk of initial interest confusion. The website to which the Domain Name redirects includes in its Terms section references to American Crew Shop as being the point of contact and American Crew Shop Returns as being the returns address. The Respondent's website also includes a copyright notice stating that American Crew Shop owns the copyright in the contents of the website.
- Until the Complainant demanded that it cease doing so in its letter dated 4 November 2015, the Respondent was using a poor quality, unauthorised version of the Complainant's logo, which was detrimental to the Complainant because of the tarnishment of its Mark and reputation.
- None of the factors in paragraph 4 of the Policy applies to suggest that the Domain Name is not an abusive registration or to amount to evidence that the Domain Name is not taking unfair advantage of, or is not unfairly detrimental to, the Complainant's Rights in the Mark.
- The Complainant denies that it or its predecessor consented to the Respondent registering the Domain Name or operating a website under the Domain Name selling the Complainant's products.
- The indication in the Terms section of the Respondent's website that it is "built by" the Respondent is not sufficient to overcome the consequence of initial interest confusion and the suggestion that there is a formal relationship between the Respondent and the Complainant.

Respondent's contentions

The principal contentions put forward by the Respondent were as follows:

- For almost 10 years from 2004, the Respondent enjoyed a long and successful relationship with The Colomer Group, the owner of the AMERICAN CREW brand, and ICON, its main UK distributor. It initially sold AMERICAN CREW and other brands from its website at www.bathandunwind.com and then AMERICAN CREW products alone from

a website at the Domain Name (the “Website”) from 2005 with the authorisation and agreement of The Colomer Group.

- The Colomer Group was fully supportive of the Respondent’s growing its UK business and never raised any concerns about our use of the Domain Name. It was happy with the Website’s content and supported the Respondent with new launches, promotions, new imagery and new content.
- It offers genuine, trademarked AMERICAN CREW products at the recommended retail price.
- It has always been stated in the Website’s terms and conditions that the site is operated by the Respondent.
- The Respondent has not cornered the market in “american crew” domain names. The Complainant operates the site at www.americancrew.com.
- It has never had any intention of selling the Domain Name to the Complainant for an amount in excess of costs or of preventing the owner of the Mark from reflecting the Mark in a corresponding domain name.
- It has not disrupted the Complainant’s business by the use of the Domain Name because the Complainant does not sell any products from its website at www.americancrew.com. The Respondent has not attempted to attract Internet users for commercial gain by trying to confuse them.

8. Discussion and Findings

General

Pursuant to paragraph 2 of the Policy, the Complainant must prove, on the balance of probabilities, that:

- i. the Complainant has Rights in respect of a name or mark which is identical or similar to the Domain Name; and
- ii. the Domain Name, in the hands of the Respondent, is an Abusive Registration.

Rights

“Rights” are defined as “rights enforceable by the Complainant, whether under English law or otherwise, and may include rights in descriptive terms which have acquired a secondary meaning”.

There is no dispute that the Complainant has Rights in the mark AMERICAN CREW. The Domain Name comprises the entirety of the Complainant’s mark together only with the generic term “shop”, ignoring for this purpose the suffix “.co.uk”. The Panel considers that the addition of this term does not detract materially from the impact of the mark AMERICAN CREW and that, accordingly,

the Complainant has Rights in respect of a name or mark that is similar to the Domain Name.

Abusive Registration

We now consider whether the registration was abusive. In the words of the Policy, this means that the Domain Name either:

- i. was registered or otherwise acquired in a manner which, at the time when the registration or acquisition took place, took unfair advantage of or was unfairly detrimental to the Complainant's Rights, or*
- ii. has been used in a manner which has taken unfair advantage of or was unfairly detrimental to the Complainant's Rights.*

As outlined above, the Complaint says that the original registration was abusive because:

- a) it was primarily a blocking registration, made with the intention of intercepting traffic meant for the Complainant;
- b) it would unfairly disrupt the Complainant's business because customers would assume a connection that does not exist between the Respondent and the Complainant;
- c) there is a substantial likelihood of at least initial interest confusion.

In the Appeal Notice, the Complainant says that the Respondent's behaviour has not changed, but that it has always been abusive, because there was never a formal agreement between the Respondent and the Complainant's predecessor, the Colomer Group or Icon, its official UK distributor.

The Respondent however points to a history of good relations with the Colomer Group, via Icon, from 2004 until Colomer was taken over by Revlon in 2013. It is not entirely clear on the evidence before the Panel whether this had been simply an arm's length manufacturer-retailer relationship or whether it was something more akin to a (non-exclusive) distributorship. Following registration of the Domain Name in 2005, the Respondent used the Domain Name to market and sell American Crew products in the UK, claiming that this was with the full knowledge and approval of the brand owner.

The Panel would have liked to see some documentary evidence in support of the Respondent's contentions concerning alleged knowledge and approval. However, the fact that nobody objected to the use of the Domain Name until 2015 is itself strong support for the Respondent's claim. A lack of documentation is far more likely to arise in the context of a harmonious relationship than in a contested one. If any problem had arisen between Koan and Colomer or Icon, then it would most probably have led to correspondence which the Complainant would have exhibited in this proceeding.

The Panel finds that for many years the Respondent's website formed one of the commercial channels through which genuine American Crew products, placed on the market with the consent of the then brand owner, were being supplied to the market. During this time those products were openly on sale under or by reference to the Domain Name while the brand owner - directly or indirectly - supplied the products with which that business was allowed to be built up. In these

circumstances it is entirely reasonable for the Respondent to invest in and develop its business in reliance upon the assumption that the American Crew brand owner was content with the registration and use of the Domain Name.

The Panel therefore concludes that the previous relationship was relatively informal but nonetheless worked well until the takeover, accepts the Respondent's account as an accurate reflection of events, and concludes that none of the grounds a), b) or c) put forward by the Complainant applied to the original registration. Rather, the registration supported a productive business relationship with the then brand owner.

We move on to consider whether the Domain Name has been used in a manner which is unfairly detrimental to the Complainant's Rights. Here, the Complainant says that it has not authorised the Respondent to use the Domain Name, and the points made above about unfair disruption and initial interest confusion therefore apply.

The Respondent claims, and the Complainant agrees, that it has simply continued the *modus operandi* that had been established with the previous brand owner. This is supported by the fact that the Complainant offered the Respondent a License Agreement, thereby indicating its willingness in principle to work in future with the Respondent, and to a continuation of the established use of the Domain Name, albeit with some modifications. The Respondent chose not to sign the proffered License Agreement, not because it did not want to work with the Complainant, but because it was advised that to do so would risk giving the Complainant complete control over its commercial activities.

The Respondent has no intent or desire to disrupt or interfere with the Complainant's business; on the contrary, as the Respondent distributes the Complainant's products in a country where the Complainant does not operate, each party benefits from the business of the other. The Respondent has said that it is willing in principle to modify its website as requested by the Complainant, for example the appearance of the Complainant's logo, and a more prominent disclaimer.

Thus, the disagreement between the parties is not over whether the Respondent should continue to distribute the Complainant's products online in the UK, or over the use of the Domain Name, but over who owns the Domain Name.

The question that the Panel is called upon to address therefore is whether the new brand owner is entitled to take possession of the Domain Name under which the Respondent has built up its business, on the basis that it is unhappy with the previous *status quo* tolerated by the old brand owner. The Panel's view is that, in the circumstances of this dispute, it is not. In buying the brand American Crew Shop as part of a going concern, the Complainant has taken on not only a bundle of assets but also certain corresponding liabilities and responsibilities. These include responsibilities towards established distributors like the Respondent. In the absence of any changed or improper behaviour by the Respondent, it would be unfair to deprive it of this domain name which contributes to its livelihood simply because no written agreement about its use has been produced. The business built

up by established downstream distributors should not be put in jeopardy every time there is regime change at the top.

Ultimately this comes down to the question of fairness: Abusive Registration is defined in the Policy (above) in terms of *unfair* advantage or *unfair* detriment. Having regard to the long history of this dispute the Panel is not satisfied that that the Respondent's continuing use of the Domain Name is unfair.

In terms of the specific factors set out in paragraph 4 of the Policy which may be evidence that the Domain Name is not an Abusive Registration, the Panel cites 4ai, that "before being aware of the Complainant's cause for complaint..., the Respondent has used...the Domain Name in connection with a genuine offering of goods or services". The offering in this instance is the distribution in the UK of the Complainant's products, clearly identified as such and unmixed with those of any competitor. It is common ground that this has taken place, well before the Complaint. If the Complainant was unaware of this situation before acquiring the brand, fault can hardly be laid at the door of the Respondent.

Of the four principles set out in the appeal decision for DRS 07991 (<toshiba-laptop-battery.co.uk>), the one at issue here is the second, "*A registration will be abusive if the effect of the respondent's use of the domain name is falsely to imply a commercial connection with the complainant*". The Panel's view is that the fact that the Complainant has taken over a company with which the Respondent had a legitimate commercial connection should not, by itself, falsify that commercial connection.

Accordingly, the Panel finds that no abusive use of the Domain Name has taken place, and so the complaint of abusive registration fails on both counts.

9. Decision

The Panel finds that the Complainant has Rights in a name or mark that is similar to the Domain Name, but that the Domain Name in the hands of the Respondent is not an Abusive Registration. Accordingly, it dismisses the Appeal and directs that no action be taken in respect of the Domain Name.

Signed:

**Ian Lowe
Claire Milne
Philip Roberts**

Dated: 25 November 2016