

ARBITRATION AND MEDIATION CENTER

ADMINISTRATIVE PANEL DECISION

Gallery Department, LLC v. MoisesHardin Case No. D2024-1674

1. The Parties

Complainant is Gallery Department, LLC, United States of America ("United States" or "U.S."), represented by Adelman Matz P.C., United States.

Respondent is MoisesHardin, United States.

2. The Domain Name and Registrar

The disputed domain name <gallerydeptclothes.com> (the "Domain Name") is registered with PSI-USA, Inc. dba Domain Robot (the "Registrar").

3. Procedural History

The Complaint was filed with the WIPO Arbitration and Mediation Center (the "Center") on April 20, 2024. On April 22, 2024, the Center transmitted by email to the Registrar a request for registrar verification in connection with the Domain Name. On April 23, 2024, the Registrar transmitted by email to the Center its verification response disclosing registrant and contact information for the Domain Name which differed from the named Respondent (Admin Contact, PrivateName Services Inc.) and contact information in the Complaint. The Center sent an email communication to Complainant on April 26, 2024, providing the registrant and contact information disclosed by the Registrar, and inviting Complainant to submit an amendment to the Complaint. Complainant filed an amended Complaint on May 1, 2024.

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 Respondent of the Complaint, and the proceedings commenced on May 7, 2024. In accordance with the Rules, paragraph 5, the due date for Response was May 27, 2024. Respondent did not submit any response. Accordingly, the Center notified Respondent's default on May 30, 2024.

The Center appointed John C. McElwaine as the sole panelist in this matter on June 18, 2024. 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

Complainant is a California-based clothing brand and manufacturer. Relevant to this matter, Complainant owns the following trademark registrations, among others for the GALLERY DEPT. trademark:

- U.S. Registration No. 6048485 for GALLERY DEPT. registered May 5, 2020, in Class 25;
- Hong Kong Intellectual Property Department Registration No. 305253804 for GALLERY DEPT. registered April 22, 2020, in Class 25; and
- International Registration No. 1430638 for GALLERY DEPT. registered September 06, 2018, in Class 25.

Collectively, these registered trademark rights are referred to as the "GALLERY DEPT. Mark".

The disputed domain name was registered on November 17, 2023. At the time the Complaint was prepared, the Domain Name resolved to a functioning website branded as "Gallery Dept." and purportedly selling GALLERY DEPT.-branded apparel.

5. Parties' Contentions

A. Complainant

Complainant contends that it has satisfied each of the elements required under the Policy for a transfer of the Domain Name.

As background, Complainant asserts that it is a well-known unisex clothing brand founded by artist and designer Josué Thomas that makes quality products with artistic integrity. Complainant asserts that it owns and operates an online retail website and brick-and-mortar retail locations in Los Angeles and Miami. Complainant alleges that it has used the GALLERY DEPT. Mark in connection with its products since October 19, 2014, and has used the mark in commerce since at least February 4, 2017.

With respect to the first element of the Policy, Complainant alleges that the Domain Name is confusingly similar to the GALLERY DEPT. Mark and Complainant's domain name <gallerydept.com>. Complainant asserts that the addition of the descriptive word "clothes" does not differentiate the Domain Name but rather increases the confusion by suggesting an association with Complainant's authentic merchandise.

With respect to the second element of the Policy, Complainant contends that Respondent is not commonly known by the Domain Name, is not authorized to use the GALLERY DEPT. Mark and is intentionally benefiting from confusion for commercial gain. Complainant alleges that Respondent sells counterfeit merchandise using the GALLERY DEPT. Mark and that a comparison of the parties' websites shows clear copying and unauthorized use, establishing that Respondent has no legitimate business interest in the Domain Name, and satisfying the second element of the Policy.

As to the third element of the Policy, Complainant contends that Respondent registered and used the Domain Name in bad faith by intentionally using Complainant's GALLERY DEPT. Mark in the Domain Name and in connection with the operation of an unauthorized website. Complainant contends that the registration and use of the Domain Name for such counterfeiting activities constitute evidence of bad faith, as Respondent knowingly benefits from misleading consumers and diverting them from Complainant's official website and authentic products.

B. Respondent

Respondent did not reply to Complainant's contentions.

6. Discussion and Findings

Although Respondent defaulted, to succeed in this proceeding, paragraph 4(a) of the Policy requires Complainant to prove its assertions with evidence demonstrating:

- (i) the Domain Name is identical or confusingly similar to a trademark or service mark in which Complainant has rights;
- (ii) Respondent has no rights or legitimate interests in respect of the Domain Name; and
- (iii) the Domain Name has been registered and is being used in bad faith.

Because of Respondent's default, the Panel may accept as true the reasonable factual allegations stated within the Complaint and may draw appropriate inferences therefrom. See *St. Tropez Acquisition Co. Limited v. AnonymousSpeech LLC and Global House Inc.*, WIPO Case No. <u>D2009-1779</u>; *Bjorn Kassoe Andersen v. Direction International*, WIPO Case No. <u>D2007-0605</u>; and see also paragraph 5(f) of the Rules ("If a Respondent does not submit a response, in the absence of exceptional circumstances, the Panel shall decide the dispute based upon the complaint"). Having considered the Complaint, the Policy, the Rules, the Supplemental Rules, and applicable principles of law, the Panel's findings on each of the above-cited elements are as follows:

A. Identical or Confusingly Similar

It is well-accepted that the first element functions primarily as a standing requirement. The standing (or threshold) test for confusing similarity involves a reasoned but relatively straightforward comparison between Complainant's trademark and the Domain Name. WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Third Edition, ("WIPO Overview 3.0"), section 1.7. Ownership of a trademark registration prima facie satisfies that a complainant has the requisite rights in a mark for purposes of paragraph 4(a)(i) of the Policy. WIPO Overview 3.0, section 1.2. On this point, Complainant has provided evidence that it is the owner of trademark registrations for the GALLERY DEPT. Mark. The Panel also finds the mark is recognizable within the Domain Name with only the addition of the word "clothes". Accordingly, the Domain Name is confusingly similar to the mark for the purposes of the Policy. WIPO Overview 3.0, section 1.7.

Based on the available record, the Panel finds the first element of the Policy has been established.

B. Rights or Legitimate Interests

Although the overall burden of proof in UDRP proceedings is on the complainant, panels have recognized that proving a respondent lacks rights or legitimate interests in a domain name may result in the difficult task of "proving a negative", requiring information that is often primarily within the knowledge or control of the respondent. As such, where a complainant makes out a prima facie case that the respondent lacks rights or legitimate interests, the burden of production on this element shifts to the respondent to come forward with relevant evidence demonstrating rights or legitimate interests in the domain name (although the burden of proof always remains on the complainant). If the respondent fails to come forward with such relevant evidence, the complainant is deemed to have satisfied the second element. WIPO Overview 3.0, section 2.1.

In this matter, Complainant contends that Respondent is not authorized to register the Domain Name or use the GALLERY DEPT. Mark, nor does Respondent have any affiliation, association, or connection with Complainant. Rather, Complainant contends Respondent developed a website at the Domain Name using Complainant's GALLERY DEPT. Mark and selling clothing products that Complainant contends are counterfeit. Moreover, Complainant asserts that Respondent is not now nor has ever been an authorized retailer of Complainant's merchandise, nor has Respondent ever been granted any rights or licenses in Complainant's GALLERY DEPT. Mark. Section 2.13.2 of the WIPO Overview 3.0 provides the following guidance concerning such allegations, even when the respondent is in default:

"Evidence that the goods are offered disproportionately below market value, that the goods are only sold under license or through a prescription (especially with pharmaceutical products), that the images of the goods prima facie suggest (e.g., where the relevant logo is distorted) that they are not genuine, that the respondent has misappropriated copyrighted images from the complainant's website, that the goods are extremely rare, that the goods have prompted consumer complaints, or that a respondent has improperly masked its identity to avoid being contactable, have each been found relevant to proving a lack of legitimate interest based upon illegal activity."

Having reviewed the available record, the Panel finds Complainant has established a prima facie case that Respondent lacks rights or legitimate interests in the Domain Name. Respondent has not rebutted Complainant's prima facie showing and has not come forward with any relevant evidence demonstrating rights or legitimate interests in the Domain Name such as those enumerated in the Policy¹ or otherwise.

As an initial matter, there is no evidence that Respondent is commonly known by the Domain Name and is, instead, known as MoisesHardin as was disclosed by the Registrar. The Panel therefore finds, based on the record and the lack of evidence otherwise, that Respondent is not commonly known by the Domain Name, which adopts Complainant's GALLERY DEPT. Mark in furtherance of Respondent's scheme to deceive Internet users into believing that Respondent is an authorized retailer for Complainant's products. See *Moncler S.p.A. v. Bestinfo*, WIPO Case No. <u>D2004-1049</u> ("the Panel notes that the respondent's name is "Bestinfo" and that it can therefore not be "commonly known by the Domain Name.")

Respondent cannot claim that its operation of the website at the Domain Name provides legitimate interests because the Panel finds that the Domain Name was likely registered and is being used to engage in impersonation of Complainant's online retail website and the counterfeit sales of Complainant's products, which is not a bona fide offering of goods or services. WIPO Overview 3.0, section 2.13.1 ("Panels have categorically held that the use of a domain name for illegal activity e.g., the sale of counterfeit goods or illegal pharmaceuticals, phishing, distributing malware, unauthorized account access/hacking, impersonation/passing off, or other types of fraud") can never confer rights or legitimate interests on a respondent. Even if the products sold by Respondent were genuine (which is highly unlikely given the circumstances mentioned above), such use of the Domain Name does not meet the requirements set forth in "Oki Data Test", because the site does not disclose the lack of relationship between Respondent and Complainant. WIPO Overview 3.0, section 2.8. Moreover, the disputed domain name is inherently misleading. WIPO Overview 3.0, section 2.5.1.

Lastly, Respondent's use of the Domain Name is not noncommercial or fair use under paragraph 4(c)(iii) of the Policy, given that Respondent is, at best, selling competing products from an online retail website. Such activity does not amount to a fan site, criticism, or other activity that may be considered noncommercial or fair use.

The Panel finds that Respondent does not have rights or legitimate interests in the Domain Name and that Complainant has met its burden under paragraph 4(a)(ii) of the Policy.

¹ The Policy, paragraph 4(c), provides a non-exhaustive list of circumstances in which a respondent could demonstrate rights or legitimate interests in a contested domain name: "(i) before any notice to you of the dispute, your use of, or demonstrable preparations to use, the domain name or a name corresponding to the domain name in connection with a bona fide offering of goods or services; or (ii) you (as an individual, business, or other organization) have been commonly known by the domain name, even if you have acquired no trademark or service mark rights; or (iii) you are making a legitimate noncommercial or fair use of the domain name, without intent for commercial gain to misleadingly divert consumers or to tarnish the trademark or service mark at issue."

C. Registered and Used in Bad Faith

According to paragraph 4(a)(iii) of the Policy, Complainant must show that Respondent registered and is using the Domain Name in bad faith. A non-exhaustive list of factors constituting bad faith registration and use is set out in paragraph 4(b) of the Policy.

Bad faith registration can be found where a respondent "knew or should have known" of a complainant's trademark rights and nevertheless registered a domain name in which it had no right or legitimate interest. See *Accor v. Kristen Hoerl*, WIPO Case No. D2007-1722. As detailed above, Respondent registered the Domain Name which is confusingly similar to the GALLERY DEPT. Mark. There is no explanation for Respondent to have chosen to register the Domain Name other than to intentionally trade off the goodwill and reputation of Complainant's trademark or otherwise create a false association with Complainant. With no response from Respondent, this claim is undisputed.

As discussed herein, Respondent registered the Domain Name and linked it to a website using Complainant's GALLERY DEPT. Mark, including selling Complainant's products and copying the look and feel of Complainant's website. Complainant further alleges that Respondent is selling counterfeit clothing. These actions amount to bad faith use of the Domain Name by Respondent. See *Identigene, Inc. v. Genetest Labs*, WIPO Case No. D2000-1100 (finding bad faith where the respondent's use of the domain name at issue to resolve to a website where similar services are offered to Internet users is likely to confuse the user into believing that the complainant is the source of or is sponsoring the services offered at the site); *MathForum.com, LLC v. Weiguang Huang*, WIPO Case No. D2000-0743 (finding bad faith under paragraph 4(b)(iv) of the Policy where the respondent registered a domain name confusingly similar to the complainant's mark and the domain name was used to host a commercial website that offered similar services offered by the complainant under its mark).

As detailed above, the Panel finds on the record before it that Respondent's intention in registering the Domain Name was to attract, for commercial gain, Internet users to Respondent's website by creating a likelihood of confusion with the GALLERY DEPT. Mark as to the source, sponsorship, affiliation, or endorsement of its website or location or of a product or service on its website or location. Thus, the Panel holds that Complainant has met its burden of providing sufficient evidence that Respondent registered and is using the Domain Name in bad faith under paragraph 4(b)(iv) of the Policy.

For these reasons, the Panel holds that Complainant has met its burden of showing that Respondent registered and is using the Domain Name in bad faith 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 Domain Name, <gallerydeptclothes.com>, be transferred to Complainant.

/John C McElwaine/ John C McElwaine Sole Panelist Date: July 2, 2024