

CANADIAN INTERNATIONAL INTERNET DISPUTE RESOLUTION CENTRE

DOMAIN NAME DISPUTE ADMINISTRATIVE PANEL DECISION

| CIIDRC case number: | 15575-CDRP | Decision date: July 12, 2021 | |
|-------------------------------|-------------------------------------|------------------------------|--|
| Domain Name: | skechersshoescanadaoutlet.ca | | |
| Panel: | James Plotkin | | |
| Complainant: | Skechers USA, Inc. II | | |
| Complainant's representative: | Daniel Anthony (Smart & Biggar LLP) | | |
| Registrant: | Sharon Berling | | |

A. OVERVIEW

- [1] The Complainant, Skechers USA, Inc. II, seeks to have <skechersshoescanadaoutlet.ca> (the Domain Name) transferred on the basis that it violates the CDRP.
- [2] For the following reasons, the Panel concludes the Domain Name should be transferred.

B. PROCEDURAL HISTORY AND PRELIMINARY MATTERS

- [3] The procedural history is contained in a letter dated June 25, 2021 from the Canadian International Internet Dispute Resolution Centre (CIIDRC) to the Panel. It states, in relevant part:
 - 1. On May 31, 2021, Mr. Daniel Anthony of Smart & Biggar filed a Complaint on behalf of Skechers USA, Inc. II pursuant to the CDRP and the Resolution Rules. The identity of the Registrant is not published in the

Domain Name: skechersshoescanadaoutlet.ca 15575-CDRP public WHOIS database; therefore, the Registrant's name was not included in the Complaint.

- 2. CIRA was notified of this proceeding on May 31, 2021. On June 1, 2021, CIRA transmitted by email to CIIDRC its verification response informing who is the Registrant of the disputed domain name. CIRA also confirmed that the <skechersshoescanadaoutlet.ca> domain name was placed on a Registrar LOCK.
- 3. On June 1, 2021, CIIDRC, as Service Provider, confirmed compliance of the Complaint and commencement of the dispute resolution process.
- 4. The Complainant did not file any further submissions with respect to the issue of the Registrant's legitimate interest (or lack thereof) in the disputed domain name, as permitted by section 11.1 of the CIRA Domain Name Dispute Resolution Rules Version 1.5.
- 5. Pursuant to Resolution Rule 4.4, CHDRC notified the Registrant of this administrative proceeding and delivered the Complaint to the Registrant by email and by registered express post to the address provided by CIRA.
- 6. The Registrant failed to file its response by the due date of June 21, 2021.
- 7. The Complainant in this administrative proceeding has elected for a Panel consisting of a single-member.
- [4] Upon completing a conflict-of-interest check, the Panel signed a statement of acceptance and declaration of impartiality and independence, which the Panel transmitted to the CIIDRC on July 1, 2021. The Panel is satisfied it remains free of conflicts as of the decision date.
- [5]Before proceeding, it bears mentioning that the Registrant's failure to participate raises the question of whether he or she in fact received the complaint. Although CDRP proceedings are designed as summary in nature, basic natural justice demand that the Panel be satisfied the Registrant received, or was afforded an adequate opportunity to receive, notice of the complaint.
- [6] CDRP Rules paragraph 2 requires the CIIDRC to forward to the Registrant notice of a complaint in respect of the Domain Name, the complaint itself and any schedules the complainant attaches.
- Notice will be deemed if the CIIDRC uses one of the communication methods listed [7]Domain Name: skechersshoescanadaoutlet.ca

in paragraph 2, and provided it directs the communication to the address shown in the

registration information associated with the impugned domain name. The Rules define

"Registration Information" as "the information of record regarding a Registration in the

Registry's WHOIS database" [CDRP Rules paragraph 1].

[8] Based on the material provided, the Panel is satisfied the CIIDRC forwarded a copy

of the Transmittal Letter and a copy of the Complaint to the Registrant at the address set

forth in the registration information. Pursuant to the CDRP Rules, the Registrant is thus

deemed to have received sufficient notice to allay any natural justice concerns. The Panel

so finds.

C. THE COMPLAINANT'S ALLEGATIONS

[9] In summary, the Complainant alleges the following facts in support of its complaint:

a. The Complainant—traded as SKX on the New York Stock Exchange and

headquartered in Manhattan Beach, California—owns multiple trademark

registrations for the trademark SKECHERS throughout the world. The

Complainant also operates under the trade name Skechers and is globally known

as Skechers. The Complainant has 3,989 stores and more than 70 offices and

showrooms in over 170 countries.

b. In Canada, the Complainant is the owner of seven Canadian trademark

registrations for SKECHERS and 22 other Canadian trademark registrations that

include the word SKECHERS in association with various goods and services,

including retail services. In support, the Complainant annexed to the complaint

proof of its various registrations in association to footwear, clothing, and bags.

c. SKECHERS branded goods were first sold in the Canadian market through the

Complainant's third-party wholesale partners. Beginning as early as 2001, the

Complainant opened its own Canadian stores and began selling its SKECHERS

collections directly to Canadian consumers. There are now 62 SKECHERS retail

stores and factory outlets located across Canada. Serving all of Canada, the

Complainant's direct-to-consumer website SKECHERS.ca has Canadian-dollar

prices and can be viewed in English or French.

d. The Domain Name leads to a wholly unauthorized website engaged in selling

counterfeit items and/or other fraud (e.g., theft of credit card information). The

website's home-page button consists of the Complainant's trademark SKECHERS

Design. The right part of the website's header includes links to "MY ACCOUNT"

and "MY BAG," as well as a CAD currency icon that can be changed to USD, EUR,

GBP and AUD. The very bottom-left of every page demonstrates that Visa,

Mastercard, American Express, Diners Club International and Discover credit

cards are accepted and affirms: "We guarantee every transaction is 100% secure."

The "Services" section in the website's footer has links to frequently asked

questions, a privacy notice, shipping and returns information, a sitemap and a

"Contact Us" form, many of which consumers would expect in a commercial

website.

e. The website hosted at the Domain Name offers only SKECHERS branded

footwear, clothing and accessories for purchase, at 44% to 67% discounted prices.

The products for sale are all being displayed in association with the SKECHERS

mark.

f. The website hosted at the Domain Name contains numerous typos, which the

Complainant asserts is a "red flag for fraud".

g. The website hosted at the Domain Name is replete with false assertions

suggesting that the website is the Complainant's official Canadian commercial

website or an authorized outlet website. In this regard, the left part of the website's

header, which remains the same on every page, states: "Welcome to Skechers

Canada, Would [sic] you like to LOG YOURSELF IN?" The copyright credits to the

right of the website's footer, under a newsletter subscription service, state

"Copyright © 2021 Skechers Canada. All Rights Reserved. Powered by Skechers

Canada." The term "Skechers Canada" misleads as to the website's source, and in

this regard the Complainant's actual official Canadian commercial website is

SKECHERS.ca.

Domain Name: skechersshoescanadaoutlet.ca

h. The Complainant's Canadian website, SKECHERS.ca, is listed as "Skechers

Canada" by search engines, which are the exact words used in the copyright credits

on the disputed Domain Name's website and are contained with the Domain Name.

There is not, and has never been, any authorized relationship between the

Complainant and the Registrant, nor between the Complainant's Canadian

subsidiary—Skechers USA Canada, Inc.—and the Registrant. The Registrant is

not licensed or otherwise authorized to register or use the trademark SKECHERS

in any manner whatsoever, including as part of the Domain Name.

No one other than the Complainant owns a trademark registration, business name

registration or corporate name registration in Canada for the term SKECHERS.

k. The term "Skechers" is a coined trademark. "Skechers" is not descriptive in any

sense, nor is it generic in any language.

The website hosted at the Domain Name contains several of the Complainant's

registered trademarks in association with the products purportedly available for

purchase. The images used to sell products on the website hosted at the Domain

Name from the Complainant's website or those of an affiliate.¹

In support of its allegations, the Complainant annexed several schedules to the [10]

complaint, which it described as follows:

SCHEDULE A: WHOIS Searches for SKECHERSSHOESCANADAOUTLET.ca:

SCHEDULE B: Printouts of Complainant's websites SKECHERS.ca and

SKECHERS.com:

SCHEDULE C: Particulars of SKECHERS Trademarks;

SCHEDULE D: The Globe and Mail article from January 10, 2001;

SCHEDULE \mathbf{E} : **Printouts** of the Domain Name's website

¹ The Complainant attached several screenshots of its own website/affiliated websites as well as screenshots of the website hosted at the Domain Name.

SKECHERSSHOESCANADAOUTLET.ca;

SCHEDULE F: Search Engine Results for SKECHERS; and

SCHEDULE G: Particulars of a Few Others of the Complainant's Trademarks.

[11] The Registrant elected not to participate in these proceedings; the Complainant's

allegations and evidence are therefore uncontradicted.

D. DISCUSSION AND FINDINGS

[12] Although the Registrant filed no response to the complaint, the Complainant bears

the burden of proving it is an eligible complainant and that the CDRP's requirements are

met. The Panel will address the eligibility threshold before turning to the test set out in

CDRP paragraph 3.1.

1. Eligibility

[13] The Panel finds the Complainant meets the eligibility requirement under CDRP

paragraph 1.4 and the "Canadian Presence Requirement for Registrants" (CPR).

[14] CDRP paragraph 1.4 reads:

The person initiating a Proceeding (the "Complainant") must, at the time of submitting a complaint (the "Complaint"), satisfy the Canadian

Presence Requirements for Registrants (the "CPR") in respect of the domain name that is the subject of the Proceeding unless the Complaint relates to a trade-mark registered in the Canadian Intellectual Property

Office ("CIPO") and the Complainant is the owner of the trade-mark.

[15] The CPR sets out a number of means by which a complainant may demonstrate a

sufficient Canadian presence to challenge a ".ca" domain name registration.2 The

Complainant corporation is not "[a] corporation under the laws of Canada or any province

or territory of Canada" [CPR paragraph 2(d)]. It nonetheless meets the CPR since the

Domain Name includes the exact word component of trademarks the Complainant has

registered with the Canadian Intellectual Property Office (CIPO) [CPR paragraph 2(q)].

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² The CPR sets the criteria a registrant must meet to register a .ca domain name. Per CDRP paragraph 1.4, these criteria apply *mutatis mutandis* to a complainant seeking to have a domain name cancelled or transferred.

[16] Specifically, the Panel is satisfied the Complainant is the registered owner of

several active trademark registrations containing or comprising the word "skechers".

These include TMA451434, TMA772016 and TMA836363.

2. CDRP Requirements

[17] In accordance with CDRP paragraph 3.1, the Complainant must establish:

a. that, on a balance of probabilities, the Domain Name is confusingly similar to a

trademark or service mark in which the Complainant has rights;

b. some evidence that the Registrant has no legitimate interests in the Domain

Name; and

c. that, on a balance of probabilities, the Domain Name has been registered in bad

faith.

[18] The Panel will consider each limb of the analysis in turn.

3. Analysis

a. The Domain Name is Confusingly Similar to a Mark in which the

Complainant has Rights

[19] On the first limb of the analysis, the Complainant to establish two things: 1) that it

has rights to a "mark"; and 2) that the Domain Name is confusingly similar to that Mark.

CDRP paragraph 3.2 defines "mark", inter alia as follows:

(a) a trade-mark, including the word elements of a design mark, or a trade

name that has been used in Canada by a person, or the person's predecessor in title, for the purpose of distinguishing the wares, services

or business of that person or predecessor or a licensor of that person or

predecessor from the wares, services or business of another person.

•••

(c) a trade-mark, including the word elements of a design mark, that is

registered in CIPO.

[20] The Complainant has furnished ample evidence that it owns various trademark

registrations for the word SKECHERS, both alone and in combination with other words.

The Panel is therefore satisfied the Complainant enjoys trademark rights in the word

SKECHERS.

[21] The Domain Name consists of four words: "Skechers", "shoes", "Canada" and

"outlet." The Complainant does not own a single trademark registration comprising all

four of these words. However, the Complainant need not establish that its mark and the

Domain Name are identical, only confusingly similar. The Panel is satisfied this is the

case.

[22] First, the CDRP states that the ".ca" suffix is excluded from the confusion analysis

[CDRP paragraph 1.2]. That the Complainant does not possess trademark registrations

including ".ca" is therefore irrelevant.

[23] Second, several panels have found that a domain name including a mark together

with other generic or descriptive terms may still be confusingly similar for the CDRP's

purposes [See for example: DCA-1782-CIRA (www.downtownford.ca); 1687-CDRP

(nationalcarhire.ca)].

[24] The decision regarding www.downtownford.ca is particularly instructive. In that

case, the complainant established rights in the word FORD, but not DOWNTOWN FORD.

The Panel agreed with the complainant that the word "downtown" was not enough to

distinguish the domain name from the mark. The panel found that one who visited the

website at the impugned domain name would "very likely associate it with the

Complainant".

[25] This case is similar. The generic words "shoes", "Canada" and "outlet" do little to

diffuse a person's confusion that the Domain Name is associated with the Complainant

and its various trademarks. Indeed, given the Complainant's uncontradicted evidence that

its primary market offerings consist of shoes sold through retail stores in Canada, these

additional generic or descriptive terms arguably augment rather than diminish an

ordinary person's conclusion that the Domain Name belongs to the Complainant.

[26] The Panel further notes that several panels have described the confusion test as a

matter of resemblance based on an internet user's first impression and imperfect recollection of complainant's mark for see example: 14778-CDRP (brookscanadashoes.ca), para. 35; <u>15224-CDRP</u> (enterpriserent.ca), p. 4; <u>14541-</u> <u>CDRP</u> (calvinkleincanadaoutlet.ca), para. 26]. This tracks the test for confusion in trademark infringement and passing off under Canadian law [Masterpiece Inc. v. Alavida Lifestyles Inc., 2011 SCC 27 (CanLII), [2011] 2 SCR 387, para. 40, citing Veuve Clicquot Ponsardin v. Boutiques Cliquot Ltée, 2006 SCC 23, [2006] 1 S.C.R. 824, para. 20]. The Panel finds that, on first impression, the Domain Name imparts an association between itself and the Complainant's business.

[27] In light of the foregoing, the Panel finds the Complainant has demonstrated the Domain Name is confusingly similar to a mark in which the Complainant has rights.

b. The Registrant has no Legitimate Interest in the Domain Name

[28] The CDRP places the initial onus on the Complainant to establish that the Registrant lacks a legitimate interest in the Domain Name. Given the difficulty inherent in proving a negative, the CDRP only requires the Complainant to lead "some evidence" sufficient to establish a lack of legitimate interest. The Registrant may then attempt to rebut that evidence by establishing a legitimate interest on a balance of probabilities [CDRP paragraph 4.1; 14541-CDRP (calvinkleincanadaoutlet.ca), para. 53].

- [29] CDRP paragraph 3.4 sets out a non-exhaustive list of six "legitimate interests":
 - (a) the domain name was a Mark, the Registrant used the Mark in good faith and the Registrant had Rights in the Mark;
 - (b) the Registrant registered the domain name in Canada in good faith in association with any wares, services or business and the domain name was clearly descriptive in Canada in the English or French language of: (i) the character or quality of the wares, services or business; (ii) the conditions of, or the persons employed in, production of the wares, performance of the services or operation of the business; or (iii) the place of origin of the wares, services or business;
 - (c) the Registrant registered the domain name in Canada in good faith in association with any wares, services or business and the domain name was understood in Canada to be the generic name thereof in any language;

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(d) the Registrant used the domain name in Canada in good faith in association with a non-commercial activity including, without limitation,

criticism, review or news reporting;

(e) the domain name comprised the legal name of the Registrant or was a name, surname or other reference by which the Registrant was commonly

identified; or

(f) the domain name was the geographical name of the location of the

Registrant's non-commercial activity or place of business.

[30] The Complainant submits none of these apply. On the evidence provided, and absent

any rebuttal evidence from the Registrant, the Panel agrees.

[31] With respect to 3.4(a), the Complainant states it has never licensed or otherwise

permitted the Registrant to use its SKECHERS mark alone or in conjunction with other

words. The Registrant's use of the Complainant's mark is therefore unauthorized. The

Complainant also says nobody other than the Complainant owns a trademark registration,

business name registration or corporate name registration in Canada for the term

SKECHERS.

[32] The Panel accepts that, absent any evidence from the Registrant to the contrary,

the Complainant has not authorized the Registrant to use its mark in the Domain Name

or otherwise. The Panel has also independently verified the Complainant's claim that all

active registered trademarks in the CIPO trademark database comprising or including the

word SKECHERS are owned by the Complainant. In any event, there appear to be no

active registrations in the Registrant's name on the CIPO trademark database. Without

any rebuttal evidence from the Respondent, the Panel agrees with the Complainant's

position.

[33] With respect to 3.4(b), the Complainant asserts that SKECHERS is a coined term

and therefore cannot be clearly descriptive of: (i) the character or quality of the wares,

services or business; (ii) the conditions of, or the persons employed in, production of the

wares, performance of the services or operation of the business; or (iii) the place of origin

of the wares, services or business.

[34] The Complainant is correct that the word SKECHERS is not found in dictionaries.

It could be argued, however, that it is a misspelling of the word "sketchers", which could

be read as the plural form of sketcher—a person who creates sketches. Even if this were

so, the word "sketchers" is not clearly descriptive of the goods advertised on the

Registrant's website.

[35] With respect to 3.4(c), the Domain Name is not, as a whole, a generic term associated

with any wares, services or business. As noted above, SKECHERS is not a generic term,

and certainly not a generic term for the goods the Registrant appears to be marketing on

the website hosted at the Domain Name.

[36] With respect to 3.4(d), the Registrant appears, based on the evidence the

Complainant tendered, to use the website hosted at the Domain Name as a digital

storefront. Several indicia point to this conclusion: 1) the website displays various products

and sale prices; 2) the website contains what appears to be a return policy for purchasers;

and 3) the bar at the bottom of the pages on the website includes a "SHOP" tab, which goes

on to list subcategories of goods. It is therefore plain that the Registrant did not register

the Domain Name for any good faith non-commercial activity.

[37] With respect to 3.4(e), the Domain Name clearly does not comprise a person's legal

name or a name, surname or other reference by which the Registrant was commonly

identified. It consists of the Complainant's mark and other generic/descriptive terms

associated with the sale of products purporting to originate with the Complainant.

[38] With respect to 3.4(f), the Complainant argues, and the Panel agrees, that including

the term "Canada" in a ".ca" domain name does not necessarily create a geographical

domain name. Considering the Domain Name as a whole, 3.4(f) is not met.

[39] In light of the foregoing, the Panel finds the Complainant provided some evidence

that the Registrant has no legitimate interest in the Domain Name. As the Registrant

failed to participate in these proceedings despite proper notice, no legitimate interest is

established on a balance of probabilities.

Domain Name: skechersshoescanadaoutlet.ca

- c. The Registrant has Registered the Domain Name in Bad Faith
- [40] CDRP paragraph 3.5 lists four non-exhaustive circumstances indicating a domain name was registered in bad faith:
 - (a) the Registrant registered the domain name, or acquired the Registration, primarily for the purpose of selling, renting, licensing or otherwise transferring the Registration to the Complainant, or the Complainant's licensor or licensee of the Mark, or to a competitor of the Complainant or the licensee or licensor for valuable consideration in excess of the Registrant's actual costs in registering the domain name, or acquiring the Registration;
 - (b) the Registrant registered the domain name or acquired the Registration in order to prevent the Complainant, or the Complainant's licensor or licensee of the Mark, from registering the Mark as a domain name, provided that the Registrant, alone or in concert with one or more additional persons has engaged in a pattern of registering domain names in order to prevent persons who have Rights in Marks from registering the Marks as domain names;
 - (c) the Registrant registered the domain name or acquired the Registration primarily for the purpose of disrupting the business of the Complainant, or the Complainant's licensor or licensee of the Mark, who is a competitor of the Registrant; or
 - (d) the Registrant has intentionally attempted to attract, for commercial gain, Internet users to the Registrant's website 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 the Registrant's website or location or of a product or service on the Registrant's website or location.
- [41] Establishing any of these is sufficient to prove bad faith registration. A complainant may also show bad faith registration on other grounds not enumerated in paragraph 3.5.
- [42] The Complainant relies on paragraph 3.5(d). It also relies on a further unenumerated bad faith ground, namely that the Registrant registered the Domain Name to perpetrate fraud.
- [43] Regarding CDRP paragraph 3.5(d), the evidence demonstrates that the Registrant's goal in registering the Domain Name was to link it to a website designed to parasitically leach off the Complainant's goodwill and branding, all for commercial gain.

[44] Applying a balance of probabilities standard, it is not clear on the evidence whether

the goods the Registrant purports to sell are genuine or counterfeit. The Complainant

alleges the latter based on what it says are unrealistically low prices for its genuine goods

advertised on the impugned website.

[45] The Panel need not decide whether the goods are genuine to conclude the Domain

Name was registered in bad faith. The website hosted at the Domain Name indicates it is

"powered by Skechers Canada" and that the copyright in the content belongs to "Skechers

Canada". This, coupled with the rest of the website's content and the Complainant's

assertion that the Registrant's activities are unauthorized, is more than sufficient to

demonstrate the intent to create a false association or affiliation with the Complainant's

business. Other panels have reached similar results on similar facts [See for example:

14779-CDRP (resochin.ca); 14778-CDRP (brookscanadashoes.ca); 15225-CDRP

(canadabirkenstock.ca; birkenstockshoescanada.ca; birkenstockscanada.ca;

birkenstocksandals.ca; birkenstocksalecanada.ca; birkenstock-sandals.ca;

birkenstockcanada.ca)].

[46] Given the finding that the Domain Name was registered in bad faith in accordance

with CDRP paragraph 3.5(d), the Panel need not address the Complainant's submission

that it was also registered as a vehicle to perpetrate a fraud.

E. DECISION AND ORDER

[47] For the above reasons, in accordance with CDRP paragraph 4 and CDRP Rules

paragraph 12, the Panel orders that the Domain Name be transferred to the Complainant.

Made at Ottawa on July 12, 2021.

James Plotkin

