

DISPUTE RESOLUTION SERVICE**D00021401****Decision of Independent Expert**

Juul Labs UK Limited

and

Jason Majid

1. The Parties:

First Complainant: JUUL Labs, Inc
560 20th Street
Building 104
San Francisco
California 94107
United States

Second Complainant: Juul Labs UK Limited
Suite 1
3rd Floor 11-12 St. James's Square
London SW1Y 4LB
United Kingdom

Respondent: Jason Majid
Mobile Phone Zone
39 Pasture Road
Goole
Yorkshire DN14 6BP
United Kingdom

2. The Domain Name(s):

juulzdirect.co.uk

3. Procedural History:

I can 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.

15 May 2019 12:14 Dispute received
15 May 2019 12:17 Complaint validated
15 May 2019 12:32 Notification of complaint sent to parties
21 May 2019 11:12 Response received
21 May 2019 11:15 Notification of response sent to parties
27 May 2019 02:30 Reply reminder sent
28 May 2019 11:42 Reply received
28 May 2019 11:42 Notification of reply sent to parties
28 May 2019 11:42 Mediator appointed
04 June 2019 13:17 Mediation started
08 July 2019 15:48 Mediation failed
08 July 2019 15:48 Close of mediation documents sent
15 July 2019 11:37 Expert decision payment received

4. Factual Background

The First Complainant is a company incorporated under the laws of the state of Delaware, USA. It designs, manufactures, markets and supplies electronic nicotine delivery systems ("ENDS") colloquially known as vaporisers or electronic cigarettes. The First Complainant created a product which it has marketed and sold under the brand name "JUUL" since 2015.

The Second Complainant is a company incorporated under the laws of England and Wales and is a wholly owned subsidiary and UK operating entity of the First Complainant. The Second Complainant markets and distributes JUUL-branded products in the UK.

For convenience I will refer in this decision to "the Complainant", encompassing both of the above Parties.

The Respondent registered of the Domain Name on 18 March 2019. He is the proprietor of the website to which the Domain Name directed at the time the Parties' submissions were received. The website has subsequently been disabled.

5. Parties' Contentions

The Parties' submissions are summarised below. Comments are based upon the website content as at the date of their respective submissions to Nominet, (see paragraph 4 above).

The Complainant

Rights

The Complainant submits evidence in support of its claims of registered and unregistered rights in the name JUUL and in the stylised mark reproducing this name in a distinctive font. Its claim is based upon a large portfolio of registered trademarks across many territories and upon its significant market presence and brand recognition which, says the Complainant, give rise to unregistered rights at common law.

The Complainant argues that its protected mark is identical or similar to the Domain Name, only differentiated from it by the letter “z” and the descriptive suffix “direct”. These elements, says the Complainant, do nothing to distinguish the Domain Name from the JUUL Word Mark since this mark is associated in the minds of the public with the Complainant's goods and services.

Abusive Registration

The Complainant maintains that the Domain Name is an Abusive Registration in the Respondent's hands on the following grounds:

The fact that the Respondent's site offers the Complainant's products for sale clearly shows that the Respondent is aware of the Complainant, its commercial goodwill and its brand prominence.

The Respondent has no authorisation from and no connection with the Complainant. No disclaimer language is used on the site to advise users that this is the case.

The site at the Domain Name attempts to mimic the Complainant's marketing, with use of the JUUL name and of the distinctive font of its stylised mark. Images of the Complainant's products are prominently displayed, although the Complainant has no way of verifying whether products sold on the Respondent's site are authentic or counterfeit.

Customer confusion is thus a very likely outcome for visitors to the Domain Name site. Initial interest confusion is likely to attract customers to the Respondent's site thus displacing customer contact from the Complainant's own online locations.

Respondent

As the Response is very brief, I have elected to reproduce it in full.

I feel the name Juulzdirect is not an abusive registration but a catchy web name for my website which I thought of myself. If the company Juul labs are not happy with the name then they should have contacted myself to discuss the issues rather than implying that I am out to distort the public and supply counterfeit products which I categorically deny. If they actually looked on the website they will see it is rather rudimentary without a checkout page and I am sure a billion dollar company website compared to my modest website will not fool any consumer. I feel Juul labs are trying to restrict commerce and not allow a free market economy. I am able to source genuine products via third parties and do not need to be registered re-seller to do so. If they are wanting to transfer

ownership of the domain I am more than willing to do so however I feel I should be financially compensated for the cost as the domain and website did not come for free.

6. Discussions and Findings

Paragraph 2.1 of the DRS Policy requires the Complainant to demonstrate 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."

Paragraph 1 of the DRS Policy defines "Rights" 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."

Paragraph 1 of the DRS Policy further provides that "Abusive Registration means a Domain Name which 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) is being or has been used in a manner which has taken unfair advantage of or has been unfairly detrimental to the Complainant's Rights".

Complainant's Rights

The Complainant has submitted evidence of its registered trademarks and of its business activities and associated goodwill, which clearly establish that it has rights in the name JUUL and in the stylised mark based upon that brand name. The Complainant argues that the Domain Name is not materially differentiated from its protected mark and I accept that this is the case. The two additional elements, the letter "z" and the word "direct" do nothing to distance the Domain Name from the Complainant or to suggest that the site is (or was at the relevant time) operated by an independent third party.

Abusive Registration

The Complainant exhaustively sets out the ways in which it believes the Respondent contravenes the DRS Policy, pointing to the non-exhaustive list of circumstances which may lead to a finding of Abusive Registration set out in paragraph 5 of the Policy. In summary, the Complainant relies upon paragraph 5.1.1.3 of the Policy to argue that the Respondent registered the Domain Name:

for the purpose of unfairly disrupting the business of the Complainant;

and upon paragraph 5.1.2 of the Policy to show that

the Respondent is using or threatening to use the Domain Name in a way which has confused or is likely to confuse people or businesses into believing that the Domain Name is registered to, operated or authorised by, or otherwise connected with the Complainant;

I find that, on the balance of probabilities, the Domain Name in the Respondent's hands has the potential to disrupt the Complainant's business as envisaged by paragraph 5.1.1.3 of the Policy. By its nature, the Respondent's site evidences an awareness of the existence and drawing power of the Complainant's brand name. Diverting sales opportunities to the Respondent's site that might otherwise have gone to the Complainant will, in all likelihood, result in unfair disruption to the Complainant's business.

It follows from this finding that the Respondent falls foul of paragraph 5.1.2 also. The Respondent has selected a Domain Name which clearly references the Complainant's brand name, and which does little or nothing expressly to confirm the Respondent's status as independent of the Complainant. The risk of initial interest confusion on the part of users seeking to buy or find out about the Complainant's products is thus very high. Moreover, the nature of the site content submitted in evidence by the Complainant suggests that, having arrived at the site, a visitor might remain under the impression that it is owned or operated by the Complainant. From his brief Response, it is clear that the Respondent disagrees with this assertion. The site, argues the Respondent, is "modest" and "rudimentary". As such, he claims, nobody could be fooled by it. The Respondent argues further that he is entitled to source the Complainant's products from third parties and offer them for sale. That is correct, but it does not permit the unauthorised use of the Complainant's marks in ways which are likely to mislead users and disrupt the Complainant's business.

Similarly, the Respondent's choice of the Domain Name, saying that it was "a catchy web name for my website which I thought of myself" might just be seen as an error of judgement by someone unfamiliar with the rules limiting the use that a domain name owner can make of someone else's protected mark. Whatever the Respondent's motives, the prejudice to the Complainant arising from initial interest confusion remains. Paragraph 5.1.2 of the DRS Policy, quoted above, concerns confusing use of a domain name. The DRS Expert Overview, a document giving guidance to parties to DRS Disputes which can be consulted on the Nominet website, offers the following clarification:

“3.3 Paragraph 5.1.2 concerns confusing use of the domain name. What is meant by confusing use?”

The 'confusion' referred to in this paragraph of the Policy is confusion as to the identity of the person/entity behind the domain name. Will an Internet user seeing the domain name or the site to which it is connected believe or be likely to believe that "the domain name is registered to, operated or authorised by, or otherwise connected with the Complainant"?"

Applying the test set out in this paragraph, I think there is little doubt that confusion as to the identity of the person/entity behind the domain name is almost inevitable.

Accordingly, I find that the Domain Name is an Abusive Registration in the Respondent's hands.

7. Decision

I find that the Complainant has rights in a name identical or similar to the Domain Name and that the Domain Name is an abusive registration in the Respondent's hands. I direct that the Domain Name be transferred to the Complainant.

Signed

Dated 23 July, 2019

Signed

Dated