



# **WIPO Arbitration and Mediation Center**

## **ADMINISTRATIVE PANEL DECISION**

**American Funds Distributors, Inc. v. Silmaril Ltd.**

**Case No. D2007-0726**

### **1. The Parties**

The Complainant is American Funds Distributors, Inc., Los Angeles, California, United States of America, represented by Robins, Kaplan, Miller & Ciresi LLP, United States of America.

The Respondent is Silmaril Ltd., Eskisehir 26020, Turkey.

### **2. The Domain Name and Registrar**

The disputed domain name <amricanfunds.com> is registered with Go Daddy Software.

### **3. Procedural History**

The Complaint was filed with the WIPO Arbitration and Mediation Center (the “Center”) on May 17, 2007. On May 18, 2007, the Center transmitted by email to Go Daddy Software a request for registrar verification in connection with the domain name at issue. On May 18, 2007, Go Daddy Software 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 June 1, 2007. In accordance with the Rules, paragraph 5(a), the due date for Response was June 21, 2007. The Respondent did not submit any response. Accordingly, the Center notified the Respondent’s default on June 22, 2007.

The Center appointed The Honourable Neil Anthony Brown QC, Peter L. Michaelson and Dilek Ustun as panelists in this matter on July 23, 2007. The Panel finds that it was properly constituted. Each member of 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**

The Complainant is a company incorporated in the United States of America that has operated in many aspects of the financial services industry since 1970.

The Complainant is the registered owner of the following trademark: Trademark Registered Number 2,627,929 for AMERICAN FUNDS, registered with the United States Patent and Trademark Office (“USPTO”) on October 1, 2002.

The Complainant is also the registered owner of several other trademarks registered with the USPTO that incorporate the AMERICAN FUNDS mark.

Since 1995, the Complainant through affiliated companies has promoted the sale of its products and services through the Internet by means of the registered domain name <americanfunds.com> and many other domain names incorporating the name American Funds.

The Respondent is a Turkish company that registered the disputed domain name on March 3, 2004.

#### **5. Parties’ Contentions**

##### **A. Complainant**

The Complainant alleges that the contentious domain name <amricanfunds.com> is confusingly similar to the AMERICAN FUNDS mark, for it merely omits the letter “e” from the trademark but otherwise reproduces it *verbatim*.

The Complainant then contends, to establish the second element, that the Respondent has no rights or interests in the domain name because the facts show an obvious intention by the Respondent to benefit from the reputation of the renowned AMERICAN FUNDS mark by misspelling its name and mark; the Respondent is not named “American Funds” or “Amrican Funds” and its use of the misspelled trademark is clearly intended to divert Internet users to the Respondent’s website and then to competitors of the Complainant, all of which prevent the Respondent from establishing a right or legitimate interest in the domain name.

Finally, the Complainant contends that the domain name was registered and is being used in bad faith. It contends that this is so because (a) the Respondent has clearly engaged in “typosquatting”, which is evidence of bad faith; (b) it must have been aware of the existence of the AMERICAN FUNDS mark when it registered the domain name; and (c) it has in other proceedings been held to have engaged in “typosquatting” and hence in breach of the Policy.

##### **B. Respondent**

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

## 6. Discussion and Findings

Paragraph 15 of the Rules provides that the Panel is to decide the complaint on the basis of the statements and documents submitted and in accordance with the Policy, the Rules and any rules and principles of law that it deems applicable.

In that regard, the Panel also notes that the fact that the Respondent has not made a submission does not avoid the necessity of examining the issues and of doing so in the light of the evidence. The onus remains on the Complainant to make out its case and past UDRP panels have said many times that despite the absence of a submission from the Respondent, a Complainant must nevertheless show that all three elements of the Policy have been made out before any order can be made to transfer a domain name.

However, as the Panel will illustrate later, it is possible to draw inferences from the evidence that has been submitted and in some cases from silence. Indeed, Paragraph 14 of the Rules incorporates both of those notions into the procedures of the Panel.

The Panel therefore turns to discuss the various issues that arise for decision on the facts as they are known.

For the Complainant to succeed it must prove, within the meaning of Paragraph 4(a) of the Policy, that:

- A. The domain name is identical or confusingly similar to a trademark or service mark in which the Complainant has rights; and
- B. The Respondent has no rights or legitimate interests in respect of the domain name; and
- C. The domain name has been registered and is being used in bad faith.

It is to be noted that paragraph 4 of the Policy provides that the Complainant must prove that each of the three elements is present. The Panel will therefore deal with each of these requirements in turn.

### A. Identical or Confusingly Similar

The Panel finds that the contentious domain name is confusingly similar to the AMERICAN FUNDS mark. That is so because the spelling of the domain name is virtually the same as that of the mark and all that has been done to create the domain name is to omit the letter "e" from the trademark, so as to create the word "Amrican" instead of "American". In other words, the Respondent has engaged in what is referred to as "typosquatting". It has been held in several other UDRP proceedings such as *National Association of Professional Baseball Leagues, Inc. d/b/a Minor League Baseball v. John Zuccarini*, WIPO Case No. D2002-1011 that such misspelling gives rise to confusing similarity.

In any event, the Panel draws the inference that the misspelling in the present case was done deliberately to ensnare Internet users who make a mistake in spelling "American funds".

The Complainant has therefore made out the first of the three elements that it must establish.

## **B. Rights or Legitimate Interests**

Under paragraph 4(a)(ii), the Complainant has the burden of establishing that the Respondent has no rights or legitimate interests in respect of the domain name.

But by virtue of paragraph 4(c) of the Policy, it is open to a respondent to establish its rights or legitimate interests in the domain name, among other circumstances, by showing any of the following elements:

- (i) before any notice to you [Respondent] 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 [Respondent] (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 [Respondent] 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.

Thus, if the Respondent proves any of these elements or indeed anything else that shows it has a right or interest in the domain name, the Complainant will have failed to discharge its onus and the complaint will fail.

The Panel's task in deciding if a registrant has any rights or legitimate interests in a domain name is made more difficult when the registrant, as in the present case, is in default and does not make a Response or any other form of submission. The Respondent in the present case was given notice that it had until June 21, 2007, to send in its Response, that it would be in default if it did not do so and that, by virtue of Paragraph 14 of the Rules, the Panel might draw appropriate inferences from that default.

It is also well established that, as it is put in paragraph 2.1 of the Overview of WIPO Panel Views on Selected UDRP Questions, "...a complainant is required to make out an initial *prima facie* case that the respondent lacks rights or legitimate interests. Once such *prima facie* case is made, respondent carries the burden of demonstrating rights or legitimate interests in the domain name. If the respondent fails to do so, a complainant is deemed to have satisfied paragraph 4(a)(ii) of the UDRP".

The Panel, after considering all of the evidence in the Complaint and the exhibits attached to it, finds that the Complainant has made out a *prima facie* case that the Respondent has no rights or legitimate interests in the domain name.

It is appropriate to make that finding because, first, the Respondent has clearly appropriated the Complainant's prominent name and trademark without permission, giving rise to the *prima facie* assumption that it did so for an illegitimate purpose. If there were a more innocent or legitimate explanation, the Respondent could have given it, but this it has failed to do.

In the absence of such an explanation the Panel is entitled to draw inferences adverse to the Respondent's interests on that issue and to assume that 'any evidence of the Respondent would not have been in [its] favour': *Pharmacia & Upjohn AB v. Dario H. Romero*, WIPO Case No. D2000-1273.

Secondly, after making the slightest of changes to the spelling of the Complainant's name, the Respondent used the resulting domain name to sell rival products in the same field as that in which the Complainant conducts its business.

Thirdly, the Respondent is not named "American Funds" or "Amrican Funds", but "Silmaril Ltd." and hence, *prima facie*, it is not commonly known by the disputed domain name.

Fourthly, the Respondent has clearly been using the domain name for commercial gain to divert consumers away from legitimate American Funds websites to rival sites that also sell financial products other than those of the Complainant by misleading them and thereby diminishing the standing of the AMERICAN FUNDS trademark.

All of these facts go to make a strong *prima facie* case that the Respondent has no rights or legitimate interests in the domain name.

The Respondent has not made any attempt to rebut this *prima facie* case, and the Panel therefore concludes that the Respondent has no such rights or legitimate interests in the domain name.

The Complainant has therefore made out the second of the three elements that it must establish.

### **C. Registered and Used in Bad Faith**

The Complainant must prove on the balance of probabilities both that the domain name was registered in bad faith and that it is being used in bad faith: *Telstra Corporation Limited v. Nuclear Marshmallows*, WIPO Case No. D2000-0003.

Further guidance on how to implement this requirement is to be found in paragraph 4(b) of the Policy, which sets out four circumstances, any one of which shall be evidence of the registration and use of a domain name in bad faith, although other circumstances may also be relied on, as the four circumstances are not exclusive.

The four specified circumstances are:

- (i) circumstances indicating that the respondent has registered or acquired the domain name primarily for the purpose of selling, renting, or otherwise transferring the domain name registration to the complainant who is the owner of the trademark or service mark or to a competitor of that complainant, for valuable consideration in excess of the respondent's documented out-of-pocket costs directly related to the domain name; or
- (ii) the respondent has registered the domain name in order to prevent the owner of the trademark or service mark from reflecting the mark in a corresponding domain name, provided that Respondent has engaged in a pattern of such conduct; or
- (iii) the respondent has registered the domain name primarily for the purpose of disrupting the business of a competitor; or

- (iv) by using the domain name, respondent has intentionally attempted to attract, for commercial gain, Internet users to respondent'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 respondent's website or location or of a product or service on the site or location.

The conduct of the Respondent in the present case may well bring it within several provisions of paragraphs 4(b) of the Policy. However, as the Panel finds that the case clearly comes within paragraph 4(b)(iv) of the Policy, it is not necessary to consider those other provisions.

The domain name is being used to host a website that contains sponsored links to businesses providing services in direct competition with the financial services provided by the Complainant. That website also promotes other goods and services such as ringtones, dating services and airline tickets that are completely outside the Complainant's area of activity. It also promotes financial services to which the Complainants' own name has been falsely linked, such as American Funds Service Company.

All of this is made apparent by Exhibit H to the Complaint, which consists of copies of web site pages to which the domain name <amricanfunds.com> resolves. The Panel has also made its own examination of the website and has found that it promotes a range of financial and other services both in competition with the Complainant and in fields in which the Complainant does not operate, but where the misspelling of its name has clearly been used to entice Internet users to buy those products.

The Panel agrees with the Complainant that the Respondent's conduct "is intended to divert Internet users searching for information regarding Complainant's goods and services to Respondent's unrelated web pages".

It also agrees with the Complainant that the factual situation just described establishes both bad faith registration and use of the domain name pursuant to paragraph 4(b)(iv) of the Policy. That is so because the Respondent was undoubtedly attempting to attract Internet users to its website by using the slight misspelling of the AMERICAN FUNDS trademark and was doing so for commercial gain. Moreover, the Respondent created a likelihood of confusion, because Internet users would naturally think the domain name would lead to an official American Funds website, which it does not. As the Complainant contends, the confusion was exacerbated by the Respondent using the correct spelling of American Funds once access to the site was achieved by the user, to induce users into believing they had arrived at an official American Funds site. The confusion that was and is likely to be created is confusion about the affiliation of the various goods and services on the Respondent's website and as to whether or not they are genuine American Funds goods and services or in some way associated with them. When consumers see on a purported American Funds site the same products they would expect to find on an official American Funds site, they will naturally assume that those products are being offered with the American Funds *imprimatur*, when in fact they are not. When they see other goods and services, they will naturally assume that they are being advertised with the approval of the Complainant, which they likewise are not.

Moreover, the views just expressed are supported by many UDRP decisions, of which those cited by the Complainant are examples: *Lexar Media, Inc. v. Michael Huang*,

WIPO Case No. D2004-1039 and *Identigene, Inc., v. Genetest Labs.*, WIPO Case No. D2000-1100.

The Panel finds that these circumstances create confusion with the Complainant's trademark as to the sponsorship, affiliation and endorsement of the Respondent's site and the services on it and on the sites to which it is linked and that the Respondent must be taken to have intended this confusion and to have been doing it for commercial gain in one form or another.

Finally, the above interpretation of this conduct is re-enforced by the fact that the Respondent is well on the way to becoming a serial offender, as can be seen from the two cases cited by the Complainant where it was found that the Respondent's typosquatting on well-known trademarks was in breach of the Policy: *UnitedHealth Group Inc. v. Silmaril Ltd.*, NAF Case No. FA 919451 and *LTD Commodities, LLC v. Silmaril Ltd.*, NAF Case No. FA 919450.

The facts therefore come within paragraph 4(b)(iv) of the Policy and clearly constitute bad faith in the manner in which the Respondent both registered and is using the domain name.

Accordingly, the Complainant has made out the third of the three elements that it must establish.

## 7. Decision

For all the foregoing reasons, in accordance with Paragraphs 4(i) of the Policy and 15 of the Rules, the Panel orders that the domain name <amricanfunds.com> be transferred to the Complainant.

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The Honourable Neil Anthony Brown QC  
Presiding Panelist

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Peter L. Michaelson  
Panelist

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Dilek Ustun  
Panelist

Dated: August 2, 2007