



ADMINISTRATIVE PANEL DECISION

Domain Names: **sephora.com.au**
Name of Complainant: **Sephora & Sephora USA Inc.**
Name of Respondent: **Atomic Group (Australia) Pty Ltd**
Provider: **LEADR**
Panel: **Anthony P. Alder**

1. THE PARTIES

- 1.1 The Complainants are **Sephora** (“Complainant A”) and **Sephora USA Inc.** (“Complainant B”).
- 1.2 The Respondent is **Atomic Group (Australia) Pty Ltd** (“Atomic”).

2. THE DOMAIN NAMES AND PROVIDER

- 2.1 The current dispute is regarding the domain name “sephora.com.au” (“Domain Name”).
- 2.2 The provider in relation to this proceeding is LEADR (“Provider”).

3. PRELIMINARY MATTERS

- 3.1 Schedule A of the *.au Dispute Resolution Policy* (“auDRP”) applies to disputes which meet the requirements set out in Paragraph 4(a) of Schedule A of the auDRP. This subparagraph 4(a) requires that any party holding a domain name licence “...*submit to a mandatory administrative proceeding in the event that a third party (a “Complainants”) asserts to the applicable Provider, in compliance with the Rules of Procedure that:*

- (i) [their] *domain name is identical or confusingly similar to a name, trademark or service mark in which the complainant has rights; and*
 - (ii) [they] *have no rights or legitimate interests in respect of the domain name; and*
 - (iii) [their] *domain name has been registered or subsequently used in bad faith.*
- In an administrative proceeding, the complainant bears the onus of proof.”*

4. PROCEDURAL HISTORY

- 4.1 The Procedural History in this matter is set out in Annexure A of Panel Decision.
- 4.2 LEADR has appointed this Panellist as the sole panellist in the matter. The Panellist has had no prior knowledge of or association with either party and has no conflict of interest.
- 4.3 All procedural requirements appear to have been satisfied. The Panel has been properly constituted.
- 4.4 Paragraph 15(a) of the auDRP Rules states:
“A Panel shall decide a complaint on the basis of the statements and documents submitted and in accordance with the Policy [the auDRP Policy], these Rules and any rules and principles of law that it deems applicable”.

5. FACTUAL BACKGROUND

- 5.1 The Complainants are focused on the manufacture and distribution of branded perfumes for customers in many countries around the world including Australia.
- 5.2 The Complainant A owns two registered Australian Trade Marks No. 1461488 SEPHORA priority claimed from 24 November 2011 in classes 3, 21, 35, 44; and Australian Trade Mark No. 429298 priority claimed from 2 July 1985 in class 3. Complainant B is a sublicensed US company which appears to administer web site and internet based issues for the Sephora group of companies and appears to be authorised to do so by Complainant A.
- 5.3 The Complainants have an established presence on the internet mainly through the website at www.sephora.com and many other local jurisdiction sites.
- 5.4 The Respondent acquired the Domain Name on about 22 April 2014 from an Australian Registered Company, Tarazz Pty Ltd (“Tarazz”).
- 5.5 Tarazz was an Australian distributor of perfumes manufactured by the Complainants until 22 April 2014 wherein the distribution arrangement was terminated. Tarazz operated a perfume distribution website connected to the Domain Name between 2012 and April 2014. Tarazz was not formally permitted to register and use the Domain Name by the Complainants and there was no assignment of underlying trade marks rights from the Complainant to Tarazz.
- 5.6 The Complainants terminated the distribution arrangement with Tarazz on about 22 April 2014 and requested return of the Domain Name after the termination date.

- 5.7 The Sole Director and Company Secretary of both Atomic and Tarazz is Mr Thomas Sie Po Kiing (“Mr. Kiing”). Mr Kiing had detailed information of the activities of all parties involved and had exclusive control of the actions of both Tarazz and Atomic.
- 5.8 Mr Kiing was the recorded contact person for the Domain Name records for both Tarazz and Atomic.
- 5.9 Atomic has never published a website connected to the Domain Name. Atomic also applied for: Australian Trade Mark Application No.1618494 SEPHORA MALL AND LOGO in regard to class 1 (Pending Examination) priority claimed from 22 April 2014; Trade Mark Application No. 1641783 SEPHORA in regard to classes 28 and 35 priority claimed from 19 August 2014 (Accepted but open to possible third party opposition); and Australian Trade Mark Application No. 1641782 SEPHORA MALL AND LOGO in regard to class 1 priority claimed from 22 April 2014 (Pending Examination).

6. DISCUSSION AND FINDINGS

Elements of a successful complaint

- 6.1 According to Paragraph 4(a) of the auDRP Policy, a person is entitled to complain about the registration or use of a domain name where:
- (i) *The domain name is identical or confusingly similar to a name, trademark or service mark in which the complainant has rights; and*
 - (ii) *The respondent to the complaint has no rights or legitimate interests in respect of the domain name; and*
 - (iii) *The respondent’s domain name has been registered or subsequently used in bad faith.*
- 6.2 It is to be noted that the three elements of a complaint under Paragraph 4(a) of the auDRP Policy are cumulative; all of them must be proved if the complaint is to be upheld.
- 6.3 In these administrative proceedings, the Complainant bears the onus of proof regarding each of the separate components required by Paragraph 4(a) of the auDRP Policy.

Formalities issues raised by the Complainants and Respondent

- 6.4 The Panel has permitted joinder of the Complainants in respect of this Complaint. The Complainants have a “common grievance” against the Respondent subject to the general requirement that it is equitable and procedurally efficient to accept the consolidation. The

Panel adopts the approach in respect of multiple complainants as taken in *WIPO Case No. DAU2013-0003 (2013) HCOA Pty Ltd, Molescan Australia Pty Ltd v The Trustee for Terantica Trust/Terry Lockitch*.

Is the Domain Name identical or confusingly similar to a name, trademark or service mark in which the Complainant has rights?

- 6.5 The Panel must determine whether, on the basis of the facts set out in Paragraph 4 above, the Complainant has rights in a relevant name, trade mark or service mark.
- 6.6 The auDRP Policy states:
“For the purposes of this policy, auDA has determined that a “name...in which the complainant has rights” refers to
(a) The complainant’s company, business or other legal or trading name, as registered with the relevant Australian government authority; or
(b) The complainant’s personal name.”
- 6.7 The Complainant A owns two Australian Trade Marks for SEPHORA. The Complainants submit that their trade mark was to be regarded as a “well known” trade mark pursuant to the Trade Marks Act 1995 (Cth). Limited evidence showing the use of the SEPHORA in Australia was submitted in the Complaint.
- 6.8 The Panel believes that there is insufficient evidence in the Complaint to justify claims relating to the “well-known” nature of the trade mark in Australia and the Panel has adopted the tests applied in *Hills Industries Ltd v Bitek Pty Ltd* [2011] FCA 94.
- 6.9 The Complainant B is recorded owner of the domain name “sephora.com”.
- 6.10 Both of the Complainants include the term SEPHORA in their own respective names.
- 6.11 The Complainants have demonstrated that they are entitled to use and register the Domain Name. However, the Complainants do not have the right to exclude other persons or traders from legitimately using the term SEPHORA for goods and services not to same as or closely related to the goods and services that are the subject of their trade mark registrations.
- 6.12 In summary, the Panel determines that the Complainants have satisfied the requirement of Paragraph 4(a) of the auDRP Policy.

Do the Respondents have any rights or legitimate interests in respect of the Domain Name?

- 6.13 Paragraph 4(c) of the auDRP Policy sets out particular circumstances (without limitation), which can demonstrate a Respondent’s “*rights or legitimate interests to the domain name for purposes of Paragraph 4(a) (ii).*”
- 6.14 The Respondent claimed an intention to use the Domain Name in relation to a proposed website for selling goods relating to their trade mark applications. The Respondent’s trade mark applications were filed about or after the termination date of the distribution arrangement between Tarazz and the Complainants. The Respondent’s proposed website has not been published at the date of these proceedings.
- 6.15 The Panel notes that the Respondent’s trade mark applications were only filed after discussions between Mr Kiing and the Complainant and, on the balance of probabilities, it seems likely that said trade mark applications were filed in an attempt to provide legitimacy to the Respondent’s claim in relation to this matter.
- 6.16 Further, the Domain Name was only assigned to the Respondent from Tarazz after the aforementioned discussions.
- 6.17 The Respondent has not acquired a bona fide legitimate interest in respect of the Domain Name.
- 6.18 The Respondent has not demonstrated that their activities fall within the scope of the specified activities enumerated in Paragraph 4(c) of the auDA Policy for providing a basis for bona fide intention to use of the domain name.
- 6.19 Accordingly, the Panel finds that the Respondents have no legitimate interest in regard to the Domain Name, and so Paragraph 4(a)(ii) of the auDRP Policy has been satisfied by the Complainant.

Has the Domain Name been registered or subsequently used in bad faith?

- 6.20 Paragraph 4(b) of the auDRP Policy sets out circumstances of “*evidence of the registration and use of a domain name in bad faith*”. This Paragraph contains four sets of example circumstances, any one of which, if established, can constitute evidence of registration in bad faith. It is important to note also that it is a non-exhaustive list of circumstances such that, for example, the Panel is not necessarily constrained from a finding of bad faith should it arise (also by example) from not only any one or other of them, but from a combination

of them, or indeed, upon the basis of other reliable material before the Panel inclusive of the illustrated list.

- 6.21 The Respondent has made no attempts to use the Domain Name in relation to any website. The Respondent use is currently limited to a passive holding of the Domain Name at the date of this decision.
- 6.22 Tarazz never owned the trade mark rights underlying the Domain Name and the distribution arrangement between Tarazz and Complainants was terminated on 22 April 2014. The Domain Name was registered by Tarazz and assigned in bad faith to Atomic.
- 6.23 Mr Kiing knew about the distribution arrangement of Tarazz and the Complainants. Mr Kiing has absolute control over both Tarazz and Atomic, and, on the balance of probabilities, assigned the Domain Name to Atomic for purposes of preventing the Complainants from acquiring the Domain Name.
- 6.24 The Panel finds that combined actions of Mr Kiing, Tarazz and Atomic were to significantly disrupt the business and activities of the Complainants in Australia. Further, Mr Kiing was aware of the Complainants plans to expand into retail stores in Australia and the aforementioned actions were directed to prevent the Complainants from acquiring the Domain Name.
- 6.25 The Panel finds that the Respondent was assigned the Domain Name in bad faith and that the Respondent was fully aware of the disputed ownership when acquiring the Domain Name.
- 6.26 In the Panel's view, the onus of proof of this requirement rests with the Complainant and the Complainant has established this requirement under the auDRP Policy.

7 DECISION

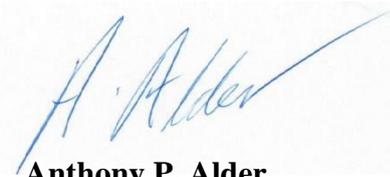
7.1 The Panel concludes for the reasons stated that:

- (a) the Domain Name is identical with and confusingly similar to a name, or trade mark in which the Complainants have rights;
- (b) the Respondent does not have a legitimate interest in the Domain Name; and,
- (c) the Complainants have successfully demonstrated that the Respondent acted in bad faith by registering the Domain Name.

7.2 For the reasons outlined, the Complainant have been satisfied the elements of Paragraph 4(a) of the auDRP Policy.

7.3 Therefore, the Panel orders that the Domain Name be transferred to the Complainant A as requested in the Complaint.

Dated this 27th December 2014



Anthony P. Alder

Sole Panellist

Annexure A

Procedural History

[sephora.com.au]
[auDRP_14_13]

1. Complaint rec'd on 24/11/2014
2. Send acknowledgement 24/11/2014
3. Complete complaint with rectifications recd by complainant on 24/11/2014
4. The complete application was received from the Complainant by LEADR on **24/11/2014**
5. An acknowledgement of receipt of complaint was emailed to the Complainant on **24/11/2014**
6. A copy of the complaint was submitted and a request to clarify Respondent details and lock the domain name during proceedings was emailed to the registrar **Melbourne IT Pty Ltd** on **25/11/2014**
7. On **25/11/2014** the Registrar confirmed via email that the domain name in dispute has been locked.
8. LEADR advised auDA of the complaint on **25/11/2014** via e-mail.
9. On the **26/11/2014** LEADR sent the Respondent (**Atomic Group (Australia) Pty Ltd**) an email and written notification of the complaint lodged against them. The Complainant was copied in on these notifications.
10. The due date for the response to the complaint was confirmed to be **17/12/2014**.
11. No acknowledgement received from the Respondent, therefore LEADR sent further email reminder to *postmaster email on **8/12/2014**.
12. On **15/12/2014**, **Ben Lehman** on behalf of the Respondent (**Atomic Group (Australia) Pty Ltd**) submitted a response to the domain name complaint.

13. On **16/12/2014** the provider approached the Panellist. The Panellist confirmed their availability, informed LEADR that they had no conflict issues with the parties and accepted the matter on **16/12/2014**.
14. The Case file and relevant correspondence was forwarded onto the Panellist on **16/12/2014**.
15. The Parties to the dispute were notified of the Panellist's allocation on the **16/12/2014**.
16. The date on which the decision is due is **31/12/2014**.