



DECISION

Zyliss AG v. The Gourmet Kitchen, Inc.
Claim Number: FA0306000162069

PARTIES

Complainant is **Zyliss AG**, Lyss, SWITZERLAND (“Complainant”) represented by **Richard J. Block**, of **Mirsky & Block, PLLC**. Respondent is **The Gourmet Kitchen**, Tuscaloosa, AL, USA (“Respondent”).

REGISTRAR AND DISPUTED DOMAIN NAME

The domain name at issue is <**zylissonline.com**>, registered with **Bulkregister.Com, Inc.**

PANEL

The undersigned certifies that he or she has acted independently and impartially and to the best of his or her knowledge has no known conflict in serving as Panelist in this proceeding.

Dawn Osborne as Panelist.

PROCEDURAL HISTORY

Complainant submitted a Complaint to the National Arbitration Forum (the “Forum”) electronically on June 9, 2003; the Forum received a hard copy of the Complaint on June 12, 2003.

On June 11, 2003, Bulkregister.Com, Inc. confirmed by e-mail to the Forum that the domain name <**zylissonline.com**> is registered with Bulkregister.Com, Inc. and that the Respondent is the current registrant of the name. Bulkregister.Com, Inc. has verified that Respondent is bound by the Bulkregister.Com, Inc. registration agreement and has thereby agreed to resolve domain-name disputes brought by third parties in accordance with ICANN’s Uniform Domain Name Dispute Resolution Policy (the “Policy”).

On June 12, 2003, a Notification of Complaint and Commencement of Administrative Proceeding (the “Commencement Notification”), setting a deadline of July 2, 2003 by which Respondent could file a Response to the Complaint, was transmitted to Respondent via e-mail, post and fax, to all entities and persons listed on Respondent’s registration as technical, administrative and billing contacts, and to postmaster@zylissonline.com by e-mail.

A timely Response was received and determined to be complete on June 23, 2003.

Complainant’s Additional Submission was received and determined to be timely on June 30, 2003.

Respondent’s Additional Submission was received and determined to be timely on July 2, 2003.

Complainant’s Additional Submission was received and determined not to be timely on July 7, 2003.

On July 3, pursuant to Complainant's request to have the dispute decided by a single-member Panel, the Forum appointed Dawn Osborne as Panelist.

RELIEF SOUGHT

Complainant requests that the domain name be transferred from Respondent to Complainant.

PARTIES' CONTENTIONS

A. Complaint

The assertions in the Complaint can be summarized as follows:

The Complainant is the owner of the trade mark Zyliss registered in the US in January 1975 for, inter alia, kitchen and small household appliances.

The Respondent registered the domain name Zylissonline.com on January 31, 2001. This domain name is confusingly similar to the Complainant's trade mark Zyliss in that it merely adds to the trade mark the words "online.com" and the addition is not a distinguishing difference.

The Respondent does not have any rights or legitimate interests in the disputed domain name because the Respondent's use of the confusingly similar domain name diverts Internet users to a web site unconnected with the Complainant's business. The Respondent is known as "The Gourmet Kitchen" and is not commonly known by the disputed domain name. The Respondent's use for commercial gain of the confusingly similar domain name misleads customers into believing that they are dealing with the Complainant.

The Respondent registered and is using the domain name in bad faith in that the Respondent has intentionally attempted to attract, for commercial gain, Internet users to its web site by creating a likelihood of confusion with the Complainant's mark as to the source, sponsorship, affiliation or endorsement of the Respondent's web site or of a product or service on the Respondent's web site.

B. Response

The assertions in the Response can be summarized as follows:

The Respondent started business in October, 1994 as a retail kitchen store selling the products of a number of companies including the Complainant's products. In 1996 it opened its first on-line store at the <gourmet.org> domain name. After finding that customers got lost on its site which sold 1500 products of 27 companies, the Respondent created specific sites starting with thermosonline.com which was a great success and resulted in good customer comment. This was the start of a network of similar sites.

The Respondent's aim was to make customer searches and purchases simpler. The network was never to take away business or misrepresent any company it sold for. The aim was to sell products of wholesale companies to the end user. Almost all of the companies concerned were flattered and supportive and the Respondent now has about 30 such sites. For companies that are concerned the Respondent offers to include disclaimers such as "We are not the Zyliss AG company." The Respondent has not had any major complaints about its site until this one.

<zylissonline.com> was invented, reserved, purchased and created solely by the Respondent. It is a

retail site for end users which advertises the Zyliss name for free across the world and does not sell wholesale to retailers. The Complainant is a wholesaler which does not sell to the end user.

The <**zylissonline.com**> name contains “Zyliss” but the term “online” tells the customer that the items are available to the public through the Respondent’s web site. The Respondent does not advertise any other product lines on the site keeping customers loyal to Zyliss products. All pages of <**zylissonline.com**> contain statements stating “we are not the Zyliss AG company” and states “If you need to get in touch with them, call us and we will gladly give you their number.” The Respondent does this so that it can save consumer’s time by answering their small questions and preventing the Complainant from receiving unnecessary calls. Such an extensive support practice demonstrates its knowledge of the Complainant’s products. The Respondent has carried the Complainant’s products for over 6 years and have learned everything about them possible. The Respondent offers this service to the customer and gives the Complainant’s company telephone number or web addresses at the <zylissagusa.com> and <zylissag.com> domain names to all customers who have in depth questions it does not feel comfortable answering. The Respondent also gives customers the Complainant’s telephone number as a source of parts as the Respondent does not carry parts for the Complainant’s products. The Respondent has also referred potential retailers of the Complainant’s products to the Complainant potentially reducing the Respondent’s business.

The Respondent’s web site only increases the Complainant’s sales and reputation and is in good faith not bad faith. The Complainant is in bad faith by trying to take zylissonline.com from the Respondent. This will give the Complainant a retail customer base built up by the Respondent over past years. The Complainant has no right to take away what they did not create. If they do not wish to use the site for retail sales the Complainant has no legitimate interest in the site. They will not profit in any way if they do not use the site for retail.

The Gourmet Kitchen or <gourmet.org> is known worldwide. The Respondent has distributed to 35 countries and all 50 states. It has over 1500 individuals accessing its sites daily, with approximately 1,500 internet sessions per month for the <**zylissonline.com**> site. December 2002 there were 2252 sessions for <**zylissonline.com**>. Accordingly, the Respondent has created a credible clientele. The Respondent is commonly known on the Internet.

The Respondent does not wish to mislead customer into thinking they are dealing with the Complainant which is why it uses a disclaimer on its site. The only benefit the Respondent gains from the domain name is that some search engines tend to favour domain names with the search term in them. This also tells the retail customer that they have found what they are looking for.

The Respondent has not used the name for commercial gain by confusing or misleading the customer into thinking they are dealing directly with the Complainant.

The Respondent has worked hard to sell Zyliss products in an honest manner and spent thousands on advertising for the companies it represents. It regards the attempt by the Complainants to recover the domain name and its non negotiable demands for its return as a slap in the face. The Complainant advertises amazon.com on its site as a distributor of its products even though Amazon does not sell the full range. The Respondent carries the complete line which is what customers want. The Complainant’s approach to the Respondent’s web site is short sighted for the Complainant’s own business.

The Respondent makes it clear to customers that it is not the Complainant. In the past the Respondent has linked to the Complainant’s site but does not do so presently as the Complainant’s site refers customers to <amazon.com>.

C. Complainant's Additional Submission

The Panelist summarizes the additional submissions to the extent that they do not repeat submissions already substantially covered by the Complaint.

The Respondent did not answer the allegations in the Complaint and the Response did not contain any basis for retention of the domain name. The Respondent did not provide a certified response or execute its response in accordance with the Rules.

The Respondent is using the Complainant's Zyliss mark without the Complainant's permission and in the face of its objection. There is no franchise, service, agency, dealership, distribution or representative agreement between the parties that would permit such use.

The Respondent is not commonly known by the disputed domain name. Rather it is known as The Gourmet Kitchen Inc.

The Respondent's use of the disputed domain name is likely to attract customers who wish to deal directly with the Complainant.

D. Respondent's additional submission

The Panelist summarizes the additional submissions to the extent that they do not repeat submissions already substantially covered by the Response.

"Online.com" is the e commerce equivalent of "shop" or "store". It is considered nothing more by the consumer than a site selling retail products.

The Complainant has only complained about <**zylissonline.com**> after 3 years after increasing growth of sales.

Retailers can use the Zyliss mark in their stores on point of sale material and catalogues. Zylissonline.com is an online store connected to a bricks and mortar store. Zylissonline.com is simply using the best methods to advertise and promote Zyliss products to the Zyliss retail customer.

The Respondent does not compete with the Complainant as the Complainant does not sell its product retail.

The Respondent did not register any domain name including only the company name Zyliss.

E. Complainant's additional submission

The Panelist summarizes the additional submissions to the extent that they do not repeat submissions already substantially covered by the Complainant.

To take the Respondent's argument regarding the "online" element of the disputed domain name to its logical conclusion would be to mean they could not take action in the real world if a third party set up a bricks and mortar business called "Zyliss shop" or "Zyliss store".

The Respondent has not provided any proof of money spent on advertising and even if it did the Respondent cannot gain rights in something illegally appropriated in this way.

The Zyliss mark is not given to all retailers. Certain permitted uses of the Zyliss mark are expressly

granted as the Complainant chooses. However, all permitted uses are carefully controlled and consistent with the Complainant's marketing plan. It is for the Complainant not the Respondent to decide how best to use the Complainant's mark.

DISCUSSION

The Complainant has submitted that the Response was formally deficient and therefore the Panel should decline to accept the Respondent's submission. Clearly it is desirable that any Response should observe the formalities of the rules, however, the Complainant has put in two additional responses (the second additional response which was not timely and yet considered in the panelist's discretion) and apart from the assertion that the Respondent has not proved any advertising spend the Complainant does not dispute the facts in the Respondent's Response and additional submission and does not suggest the Response was not signed because it contained information which was not accurate. The panelist agrees with the decision in *Strum v Nordic Net Exchange AB*, FA 102843 (Nat. Arb. Forum Feb. 21, 2002) "ruling a response inadmissible because of formal deficiencies would be an extreme remedy not consistent with the basic principles of due process." Accordingly, all submissions by the Parties in this matter have been considered by the Panelist.

Paragraph 15(a) of the Rules for Uniform Domain Name Dispute Resolution Policy (the "Rules") instructs this Panel to "decide a complaint on the basis of the statements and documents submitted in accordance with the Policy, these Rules and any rules and principles of law that it deems applicable."

Paragraph 4(a) of the Policy requires that the Complainant must prove each of the following three elements to obtain an order that a domain name should be cancelled or transferred:

- (1) the domain name registered by the Respondent is identical or confusingly similar to a trademark or service mark in which the Complainant has rights;
- (2) the Respondent has no rights or legitimate interests in respect of the domain name; and
- (3) the domain name has been registered and is being used in bad faith.

Identical and/or Confusingly Similar

The Respondent does not dispute the Complainant's rights in the mark Zyliss. The Respondent suggests that the "online" element of the domain name simply suggests to a customer a retail products site. The Panelist finds that the domain name consists of the Complainant's trademark plus the generic term "online" for the Internet which does not serve to distinguish the domain name from the Complainant's mark. Accordingly, the domain name registered by the Respondent is confusingly similar to a trade mark in which the Complainant has rights.

Rights or Legitimate Interests

Criteria set out in the Policy whereby a Respondent can demonstrate its rights or legitimate interests to the domain name for purposes of Paragraph 4(a)(ii) of the Policy include:

"(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 non-commercial or fair use of the domain name, without intent for commercial gain to mistakenly divert consumers or tarnish the trademark of service mark at issue.”

There is no evidence that the Respondent is commonly known as <**zylissonline.com**>. However, the Respondent has demonstrated that since January, 2001 when it registered the domain name and before the Complaint was issued it used the domain name in connection with a bona fide offering of genuine Zyliss goods and importantly has not used the domain name in relation to any goods which were not genuine Zyliss goods. Accordingly the Panelist holds that the Respondent has demonstrated a right or legitimate interest to the domain name under the Policy. This, of course, is likely to be irrelevant for the purposes of the application of trademark or unfair competition law to this factual situation in any Court.

Registration and Use in Bad Faith

Since the Complainant must satisfy all three limbs of Paragraph 4(a) of the Policy but has failed to show that the Respondent had no legitimate interest in the domain name under the Policy, there is no need for the Panelist to make any finding under the third limb of Paragraph 4(a) of the Policy re registration and use in bad faith.

DECISION

The Complainant’s request to have the domain name <**zylissonline.com**> transferred to the Complainant under the Policy is hereby **DENIED**.

Dawn Osborne, Panelist
Dated: July 24, 2003.

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