

DISPUTE RESOLUTION SERVICE

D00011535

Decision of Independent Expert

Blue Nile Inc.

and

Blue Nile Jewellery

1. The Parties

Complainant: Blue Nile Inc.
411 1st Avenue South, Suite 700
Seattle
Washington
98104
United States

Respondent: Blue Nile Jewellery
4 Needle Street, Kettlebridge
Cupar
Fife
KY15 7QG
United Kingdom

2. The Domain Name

bluenilejewellery.co.uk

3. Procedural History

- 3.1 On 27 June 2012 the complaint was received. On 28 June 2012 the complaint was validated and notification of it sent to the Respondent. On 17 July 2012 a response reminder was sent to the Respondent. On 20 July 2012 a notification of no response was sent to the parties. On 1 August 2012 a summary/full fee reminder was sent to the Complainant and on 3 August 2012 the Expert decision payment was received.
- 3.2 On 9 August 2012 Patricia Jones (“the Expert”) confirmed to Nominet that she knew of no reason why she could not properly accept the invitation to act as expert in DRS 11535 and further confirmed that she knew of no matters which ought to be drawn to the attention of the parties which might call into question her independence and/or impartiality.

4. Factual Background

- 4.1 The Complainant is an online specialty retailer of certified diamonds and fine jewellery, including of hand crafted items. It was founded in 1999 when the BLUE NILE mark was first used and has grown to be one of the largest on-line retailers of certified diamonds and fine jewellery. It is reported to be bigger than the next three largest online jewellers combined.

- 4.2 The Complainant is a publicly traded company listed on the NASDAQ and has three wholly owned subsidiaries: Blue Nile LLC, serving customers in the United States, Canada and Asia-Pacific; Blue Nile Worldwide Inc, serving customers in the European Union; and Blue Nile Jewellery Ltd, an Irish company, which operates a customer service and fulfillment centre in Ireland.
- 4.3 The Complainant's products can be purchased from its websites bluenile.com; bluenile.co.uk which serves customers in the European Union; and bluenile.ca which serves Canadian customers. The domain names bluenile.com and bluenile.co.uk were registered respectively on 26 March 1997 and on 3 September 1999. The Complainant's sites are ranked first in Google (google.com and google.co.uk) and Yahoo! (yahoo.com and yahoo.co.uk) searches for 'bluenile'.
- 4.4 In each year since 2002, the Complainant has been awarded the Bizrate.com Circle of Excellence Platinum Award, which recognizes the best in online customer service ranked by consumers. It is the only jeweller to have received this award.
- 4.5 The Complainant is the owner of various trade marks including:
- (a) US trade mark BLUE NILE for computerised on-line ordering services in the field of diamonds, jewellery and watches (US. Reg. No. 2,450,117 registered on 8 May 2001);
 - (b) US trade mark B N BLUE NILE for diamonds, jewellery and watches (U.S. Reg. No. 2,518,387 registered on 11 December 2001);
 - (c) US trade mark BLUE NILE for diamonds, jewellery and watches (U.S. Reg. No. 2,559,555 registered on 9 April 2002);
 - (d) US trade mark B N BLUE NILE for diamonds, jewellery and watches (U.S. Reg. No. 2,565,804 registered on 30 April 2002);
 - (e) US trade mark BN BLUE NILE for computerised online ordering services in the field of diamonds, jewellery and watches (U.S. Reg. No. 2,613,119 registered on 27 August 2002);
 - (f) US trade mark BLUE NILE B N for computerised online ordering services in the field of diamonds, jewellery and watches (U.S. Reg. No. 2,621,806 registered on 17 September 2002); and
 - (g) Community trade mark BLUE NILE registered in Classes 14 (including jewellery), 35 and 38 (CTM Registration No. 1520956 registered on 17 December 2002).
- 4.6 The Respondent registered the Domain Name on 1 February 2010. The Respondent is described in a local business directory as a designer and maker of handcrafted jewellery. The website at the Domain Name offers for sale handmade beaded jewellery, gifts and accessories.
- 4.7 On 16 April 2012, the Complainant's representatives, CitizenHawk Domain Recovery, sent a trade mark infringement notice to the Respondent. This notified the Respondent of the Complainant's trade marks for BLUE NILE and demanded that the use of the Domain Name be discontinued and the Domain Name be assigned to the Complainant. The Respondent replied that it believed it did not infringe the Complainant's rights, would not give up using BLUE NILE and would continue to sell jewellery.

5 The Parties' Contentions

- 5.1 The contentions of the Complainant are set out below. The Respondent has not responded to the complaint.

- 5.2 The Complainant contends that it is the owner of rights in the BLUE NILE mark by reason of its trade mark registrations that consist of or include BLUE NILE. The Complainant asserts that it has also generated goodwill in the BLUE NILE mark.
- 5.3 The Complainant argues that the Domain Name is confusingly similar to the BLUE NILE mark. The Complainant contends that the addition of the generic work 'jewellery' does not distinguish the Domain Name from the Complainant's mark. The Complainant cites a previous WIPO decision that where the word added to the complainant's mark in a domain name relates to the complainant's business, it is even more likely that there is confusing similarity between the disputed domain name and the complainant's mark.
- 5.4 The Complainant contends that the Respondent is not commonly known by the name BLUE NILE. The Complainant relies on the Domain Name registrant information and that there is no UK company called Blue Nile Jewellery Limited. The Complainant states that it has not authorised the Respondent to use BLUE NILE in the Domain Name and that the Respondent is not sponsored by or legitimately affiliated with the Complainant in any way.
- 5.5 The Complainant contends that the Domain Name is an Abusive Registration as it was registered in bad faith for the illegitimate purpose of trading on the name and reputation of the Complainant for commercial purposes. The Complainant says that the addition of 'jewellery' to the Complainant's BLUE NILE mark in the Domain Name suggests that the Domain Name relates to the availability of the Complainant's products and supporting sites and implies an association with the Complainant. The Complainant also says that the Respondent had the Complainant in mind when it registered the Domain Name. The Complainant relies on the registration of the Domain Name on 1 February 2010 being significantly after the Complainant's first use of the BLUE NILE mark in 1999 and significantly after the registration dates of the Complainant's trade marks and the bluenile.co.uk and bluenile.com domain names. The Complainant asserts that it is unlikely the Respondent was unaware of the Complainant's trademarks at the time of registration of the Domain Name given the size of the Complainant's business and that the BLUE NILE mark was well recognised publicly.
- 5.6 The Complainant also contends that the Domain Name is an Abusive Registration as there are circumstances indicating that the Respondent is using 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. The Complainant says that as the Domain Name refers to the Complainant's goods and services, its use by the Respondent is likely to lead to confusion as to the association between the Complainant and the Respondent. The Complainant says that it is obvious there is general market confusion between the Complainant and the Respondent and relies on the Respondent's name on its website being 'Blue Nile Jewellery'. The Complainant asserts that the Respondent's use of the website has confused or is likely to confuse those accessing the website into believing that the Domain Name and the goods/services offered for sale on the Respondent's website are the Complainant's or, at least, are authorised by the Complainant, which is not the case. The Complainant states that the Respondent does not attempt to differentiate its business and goods from those of the Complainant by use of a disclaimer. The Complainant also states that the Respondent has not taken any steps to register or otherwise legitimately protect the Respondent's use of the BLUE NILE mark, the Respondent's website does not use any trademark identifiers evidencing that the Respondent is making a legal claim to the Domain Name and the Respondent's website does not identify any organisation or individual responsible for it.

6 Discussions and Findings

- 6.1 Paragraph 2 of the Nominet Dispute Resolution Service Policy (“the Policy”) sets out that for a Complainant’s complaint to succeed it must prove to the Expert 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.
- 6.2 In this case, the Respondent has not submitted a response. Nevertheless, the Complainant is still required to prove to the Expert that both the above elements are present on the balance of probabilities.
- 6.3 I also consider it appropriate to comment on the background to the Respondent’s failure to submit a response. The complaint notification was sent to the Respondent by Nominet on 27 June 2012 by Royal Mail special delivery and on 28 June 2012 by e-mail to the Respondent’s address in Nominet’s database¹ and to postmaster@the Domain Name. In this notification, the Respondent was given clear instructions on how to view and respond to the complaint by logging into online services and guidance on what to do next. The Respondent was also given a telephone number and e-mail address to use in the event that assistance was needed with accessing online services. It was made clear to the Respondent that it did not have to respond to the complaint, but any decision made about the Domain Name would apply even if the Respondent did not respond. The Respondent was made aware of the response deadline on 19 July 2012.
- 6.4 On 17 July 2012 Nominet sent a response reminder notice to the Respondent by e-mail again notifying the Respondent that the deadline for responding to the complaint was 19 July 2012 and that to view and respond to the complaint the Respondent needed to log into online services.
- 6.5 On the same day the Respondent contacted Nominet by e-mail using ‘contact us’ in online services stating that many e-mails had been sent in response and requesting Nominet to read them as they answered all the questions. Also on 17 July 2012 Nominet provided the Respondent with help on logging into on-line services. Nominet changed the e-mail address for the Respondent to assist with logging on and sent an e-mail to the Respondent giving detailed instructions on logging into the online account. Nominet also tried to contact the Respondent by phone and left a message for the Respondent to call back.
- 6.6 On 20 July 2012 Nominet sent the Respondent a no response received notice which informed the Respondent that the Complainant now had the option of paying a fee to appoint an independent expert to decide the dispute. The Respondent was also informed that it was too late for a formal response but that it could submit a non-standard submission under paragraph 13b of the Nominet Dispute Resolution Service Procedure (“the Procedure”). It was explained that this is a document where the expert only sees the first paragraph (which has to explain the exceptional reasons why it should be accepted) and the expert can then chose whether to read the whole submission. The Respondent was informed that it could put everything that it would have said in its response into the non-standard submission.
- 6.7 On 20 July 2012 the Respondent responded by e-mail to the notice of no response as follows “*I have contacted you, so why are you saying i have not?*” On the same day Nominet replied by e-mail outlining the help Nominet had given the Respondent as set

¹ Delivery failed at this address

out above with logging into its account. Nominet informed the Respondent that the response deadline was past but that the Respondent could provide a Further Statement under paragraph 13b of the Procedure and set out what the Respondent should do next to make such a statement.

- 6.8 On 20 July 2012 the Respondent replied by e-mail as follows *“absolute rubbish, i sent email stating that i tried to contact you and gave you my mobile phone number and also asked you to refer to my previous emails. so dont you say i missed the deadline because i did not”*. On 23 July 2012 Nominet responded by e-mail to the Respondent as follows: *“Every effort was made to contact you. The fact is that you did not respond to the complaint. To say that you contact us before the deadline, we accept that you did contact us to say that you were unable to access your account. We subsequently made every effort to provide you with written instructions to help you access your account, sent you an email so that you could create a new password and updated your email address, so that you could submit your response to the complaint. A response to the complaint was not received that therefore the case progressed to the next stage”*.
- 6.9 On 10 August 2012 in response to Nominet’s notice of my appointment the Respondent e-mailed Nominet stating *“meaning what, what is it you want me to do?”* On the same day Nominet replied that there was nothing the Respondent needed to do and that the expert decision would be sent to the Respondent when it was received.
- 6.10 I am satisfied that the complaint was properly notified and communicated to the Respondent by Nominet in accordance with paragraphs 2 and 4 of the Procedure. In relation to the Respondent’s failure thereafter to submit a response, I consider the following provisions of the Procedure to be relevant:
- (a) Paragraph 5a: *“Within fifteen (15) Days of the date of commencement of proceedings under the DRS, the Respondent shall submit a response to us”*.
 - (b) Paragraph 5c: *“The Respondent **must** (my emphasis) send the response to us using the online electronic forms on our web site (except to the extent not available for attachments or if other exceptional circumstances apply, in which case hard copies may be sent as an alternative). The procedure set out in this paragraph 5 for filing a response shall be subject to our e-filing procedure as set out in paragraph 24”*.
 - (c) Paragraph 5d: *“If the Respondent does not submit a response, we will notify the Parties that we will appoint the Expert on our receipt from the Complainant of the applicable fees according to paragraph 21 and in the absence of exceptional circumstances. The Complainant has the option of paying for a full decision....or of applying for a summary decision....”*
 - (d) Paragraph 12a: *“We, or the Expert if appointed, may in exceptional cases extend any period of time in proceedings under the DRS”*.
 - (e) Paragraph 12e: *“The determination of whether exceptional circumstances exist under any provision of this Procedure or the Policy shall be in our sole discretion”*.
 - (f) Paragraph 15b: *“If, in the absence of exceptional circumstances, a Party does not comply with any time period laid down in the Policy or this Procedure, the Expert will proceed to a Decision on the complaint. If the Expert has not been appointed Nominet shall take any action which it deems appropriate in its sole discretion, unless prescribed by this Procedure”*.
 - (g) Paragraph 15c: *“If, in the absence of exceptional circumstances, a Party does not comply with any provision in the Policy or this Procedure or any request by us or the*

Expert, the Expert will draw such inferences from the Party's non-compliance as he or she considers appropriate".

(h) Paragraph 24: *"Notwithstanding the provisions of the Policy and this Procedure which require hard copies of documents and any annexes to be filed together with the original signatures of the Parties, we shall in our sole discretion permit electronic filing of all forms, documents and annexes, and may not require hard copies to be served. Details of the e-filing procedure as exists from time to time will be given on our web site and it is strongly recommended that such e-filing procedure is followed unless exceptional circumstances exist"*

6.11 In my view, paragraphs 5c and 24 of the Procedure mean that the response is to be filed electronically using the Nominet e-filing procedure unless exceptional circumstances apply in which case a hard copy may be sent. In this case, Nominet gave the Respondent full details of what to do next and of the electronic filing procedure for the response when the Respondent was notified of the complaint. Thereafter, I consider that Nominet made every effort to assist the Respondent to file the response electronically. In fact, in its e-mail of 20 July 2012 the Respondent does not suggest that it missed the deadline for submitting a response because of difficulties with the electronic filing procedure. Rather it appears the Respondent did not submit a response because it had sent an *"email stating that i tried to contact you and gave you my mobile phone number and also asked you to refer to my previous emails"*. Accordingly it appears the Respondent ignored the requirement to answer the complaint by submitting a response electronically, despite Nominet clearly informing the Respondent of the procedure to follow. Further, even if the Respondent did experience difficulties in filing the response electronically, it is noteworthy that the Respondent did not make any effort to send a hard copy response.

6.12 Accordingly, I consider that Nominet was entitled to inform the parties in accordance with paragraph 5d of the Procedure that an Expert would be appointed on receipt from the Complainant of the applicable fees as the Respondent had failed to submit a response within the time limit. In my view, no exceptional circumstances apply in relation to that failure.

6.13 I also consider that paragraphs 15b and 15c of the Procedure apply as the Respondent has, in the absence of exceptional circumstances, not complied with the time period laid down in the Procedure for the response. Accordingly, I will make a decision on the complaint, drawing such inferences from the Respondent's non-compliance as I consider appropriate.

6.14 In this respect I note that the Respondent has not tried to make a Further Statement under paragraph 13b of the Procedure in order to try to answer the complaint, even though the Respondent was made aware of this option after expiry of the response deadline. Accordingly, in my view, the Respondent has chosen not to give any explanation for its registration and use of the Domain Name, which I will take into account when making my decision.

The Complainant's Rights

6.15 Under Paragraph 1 of the Policy, Rights is defined 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"*. It is well accepted that the question of Rights falls to be considered at the time the Complainant makes its complaint and is a test with a low threshold to overcome.

6.16 In this case, the Complainant has established that it owns US and European trade marks for BLUE NILE in relation to the Complainant's jewellery products and services. Accordingly, I am satisfied that the Complainant owns Rights in the BLUE NILE mark.

6.17 The Complainant has also submitted evidence that it has conducted significant on-line trade in jewellery products and services under the BLUE NILE mark. On that basis I consider that the Complainant has also established unregistered Rights through use in the BLUE NILE mark.

6.18 I also consider that the BLUE NILE mark is identical or similar to the Domain Name (disregarding the .co.uk suffix). In my view, the addition of 'jewellery' to 'bluenile' in the Domain Name does not distinguish the Domain Name from the BLUE NILE mark. In DRS 06973 veluxblind.co.uk the Expert commented "*The Domain Name consists of the Complainant's distinctive trademark and the descriptive word "blind", which does nothing to distinguish the Domain Name from the mark, since the mark is associated in the public mind with the Complainant's blinds*". Likewise in this case the Domain Name consists of the Complainant's BLUE NILE mark together with 'jewellery' which is descriptive of the Complainant's business and does not distinguish the Domain Name from the Complainant's mark.

6.19 I therefore find that the Complainant has Rights in a name or mark, BLUE NILE, which is identical or similar to the Domain Name.

Abusive Registration

6.20 It now has to be considered whether the Domain Name, in the hands of the Respondent, is an Abusive Registration. Paragraph 1 of the Policy defines Abusive Registration as 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. has been used in a manner which has taken unfair advantage of or has been unfairly detrimental to the Complainant's Rights.

6.21 It is sufficient to satisfy either of these limbs for there to be a finding of an Abusive Registration.

Abusive Registration under Paragraph 1(i) of the Policy

6.22 Paragraph 3(a) of the Policy sets out a non-exhaustive list of factors which may be evidence that the Domain Name is an Abusive Registration under Paragraph 1(i) of the Policy as follows:

- i. Circumstances indicating that the Respondent has registered or otherwise acquired the Domain Name primarily:
 - A. for the purposes of selling, renting or otherwise transferring the Domain Name to the Complainant or to a competitor of the Complainant, for valuable consideration in excess of the Respondent's documented out-of-pocket costs directly associated with acquiring or using the Domain Name;
 - B. as a blocking registration against a name or mark in which the Complainant has Rights; or
 - C. for the purpose of unfairly disrupting the business of the Complainant.

6.23 The Complainant relies on paragraph 3(a)(i)(C) of the Policy in support of the Domain Name being an Abusive Registration. If the Respondent registered the Domain Name

for the purpose of unfairly disrupting the business of the Complainant, by attracting users to the Respondent's site who were looking for the Complainant and once there potentially diverting users into placing business with the Respondent, then this may be an Abusive Registration under paragraph 1(i) of the Policy.

- 6.24 When considering paragraph 3(a)(i) of the Policy it must be borne in mind that it relates to the Respondent's motives at the time of registration of the Domain Name. For there to be an Abusive Registration under paragraph 1(i) of the Policy, it must be established that the Respondent had knowledge of the Complainant and/or its rights at the time of registration of the Domain Name.
- 6.25 In this case, the Complainant has adduced evidence of significant on-line jewellery trade under the BLUE NILE mark. For example, FastCompany reported in August 2010, a few months after registration of the Domain Name: *"This leading online retailer of diamonds and fine jewelry has taken over the industry and recently reported financial results for its second quarter with net sales increased by 9.7% to \$76.6 million"*. The Complainant has also adduced evidence that the Complainant's sites rank first in on-line searches for 'bluenile'. Whilst these searches took place in 2012, they are strongly indicative that the Complainant's sites would have been highly ranked in on-line searches for 'bluenile' at the time of registration of the Domain Name. The Respondent is also in the jewellery business, albeit not in the diamond and fine jewellery market in which the Complainant specialises. Taking all of this into account, I consider the Respondent was aware of the Complainant at the time of registration of the Domain Name. In reaching this conclusion I have also taken into account my finding at paragraph 6.14 that the Respondent has chosen not to submit a response dealing with its awareness of the Complainant at the time of registration of the Domain Name.
- 6.26 It therefore has to be considered whether the Domain Name was registered by the Respondent for the purpose of unfairly disrupting the Complainant's business in order for there to be an Abusive Registration under paragraph 1(i) of the Policy. In my view, given that the Domain Name incorporates the Complainant's BLUE NILE mark followed by 'jewellery' which describes the Complainant's products, I consider there is a real risk that Internet users guessing the Complainant's URL will use the Domain Name and thereby visit the Respondent's site. I also expect 'blue nile jewellery' to be a common search term for the Complainant and consider there is a risk of Internet users visiting the Respondent's site in response to a search engine request looking for the Complainant. In this respect, I consider there is a particular risk of customers of the Complainant's subsidiary company, Blue Nile Jewellery Ltd (which operates a customer service and fulfillment centre in Ireland), using the Domain Name to guess the Complainant's URL or as a search term.
- 6.27 Once at the Respondent's site, users will find 'Blue Nile Jewellery' offering for sale handmade beaded jewellery, gifts and accessories. Although these products are not the diamonds or fine jewellery in which the Complainant specialises, the Respondent does offer for sale jewellery. Accordingly, in my view, there is a risk that users who find the Respondent's site when looking for the Complainant will be diverted into buying goods from the Respondent.
- 6.28 Notwithstanding this, I must bear in mind paragraphs 4(a)(i)(A) and (B) of the Policy being non-exhaustive factors which may be evidence that the Domain Name is not an Abusive Registration as follows:
- i. Before being aware of the Complainant's cause for complaint (not necessarily the 'complaint' under the DRS), the Respondent has:

- A. used or made demonstrable preparations to use the Domain Name or a domain name which is similar to the Domain Name in connection with a genuine offering of goods or services;
- B. been commonly known by the name or legitimately connected with a mark which is identical or similar to the Domain Name.

6.29 However, the Respondent has chosen not to give any explanation for its registration and use of the Domain Name. Accordingly, I have no evidence, for example, in relation to the Respondent's trading history as 'Blue Nile Jewellery' or, as set out at paragraph 6.25, its knowledge of the Complainant at the time of registration of the Domain Name. In such circumstances, I consider that the Respondent had no legitimate reason for registering the Domain Name. In my view, the Respondent registered the Domain Name, with knowledge of the Complainant, for the purpose of unfairly disrupting the business of the Complainant by unfairly taking advantage of the likely confusion of Internet users to divert traffic to its website where users may potentially buy the Respondent's goods.

6.30 I therefore find that Domain Name, in the hands of the Respondent, is an Abusive Registration under paragraph 1(i) of the Policy.

Abusive Registration under Paragraph 1(ii) of the Policy

6.31 I also find that the Domain Name, in the hands of the Respondent, is an Abusive Registration under paragraph 1(ii) of the Policy. Under Paragraph 3(a)(ii) of the Policy a non-exhaustive factor which may be evidence that the Domain Name is an Abusive Registration is circumstances indicating 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.

6.32 As I have found at paragraphs 6.26 and 6.27, I consider that there is a likelihood of Internet users being initially confused into visiting the Respondent's website in the expectation of finding the Complainant and once there potentially purchasing the Respondent's goods. Even if Internet users become aware that they have not found the Complainant when they reach the Respondent's site, the Respondent has still used the Domain Name in a way to cause initial interest confusion that the Domain Name is registered to, operated or authorised by or otherwise connected with the Complainant.

6.33 I therefore find that the Domain Name, in the hands of the Respondent, is an Abusive Registration under paragraph 1(ii) of the Policy.

7 Decision

7.1 I find that the Complainant has Rights in a name or mark which is identical or similar to the Domain Name.

7.2 For the reasons set out above I find that the Domain Name, in the hands of the Respondent, is an Abusive Registration.

7.3 I direct that the Domain Name be transferred to the Complainant.