

Nominet UK Dispute Resolution Service

DRS 04331

Verbatim Ltd v. Michael Toth

Decision of Independent Expert

1. Parties

Complainant: *Verbatim Ltd*
Address: *Prestige House*
Egham
Surrey
Postcode: *TW20 9DU*
Country: *GB*

Respondent: *Michael Toth*
Address: *The Respondent is listed as a non-trading individual who has opted to have his address omitted from the WHOIS service.*

Postcode:
Country: *GB*

2. Domain Name

2.1. *verbatim.co.uk* (the “Domain Name”).

3. Procedural Background

3.1. Capitalized terms used in this decision have the meaning given to them in the Nominet Dispute Resolution Service (“DRS”) Policy and Procedure, Version 2 of September 2004 (“the Policy” and “the Procedure” respectively).

3.2. This matter has a complex procedural history and I will not traverse all of the various steps here. In summary, Nominet received the hardcopy Complaint in full, with evidence, on 27 December 2006, validated it and sent it to the Respondent advising the Respondent he had 15 working days to submit a Response.

- 3.3. The Respondent was granted a number of extensions to file the Response. The Respondent's compliance with the deadlines is in issue and explored further below. For these purposes, I rely on a letter to the Complainant from Nominet's Director of Legal and Policy of 28 February 2007 explaining that the final date for the filing of the Response was 12 February 2007 and that due to a failure of the online system to accept the filing, it was sent by email to Nominet's lawyers on 23.57 on 12 February 2007. Nominet accepted it as filed in time. The annexes in hardcopy were not received until 22 February 2007 due to the illness of the Respondent's solicitor.
- 3.4. The Complainant was granted an extension of time to reply and the Reply was received on 2 March 2007.
- 3.5. Both parties were advised mediation would commence on 7 March and finish on 21 March 2007. On 2 April, the parties were advised in accordance with paragraph 5(d) of the Procedure that the dispute would be referred to an independent expert on payment of the requisite fee, within the specified time period, and Nominet duly received the fee on 3 April 2007.
- 3.6. Confirming there was no reason why the appointment could not be accepted, and on providing a declaration of impartiality and independence, I was appointed as the independent expert in this dispute on 25 April 2007.
- 3.7. The Respondent lodged a non-standard submission on 27 April 2007 under 13b of the Procedure. The Complainant also lodged a non-standard submission on 3 May 2007. I received the Respondent's 13b annexes on 8 May 2007. On the same date, I also received from Nominet, an email from the Respondent to Nominet dealing with unresolved procedural issues and a further nonstandard communication from the Respondent of a non substantive nature.

4. *Outstanding Procedural Formal Issues*

- 4.1. There are a number of these. Firstly, the Complainant contends the Response was out of time. Second are the non standard submissions. Third confidentiality is asserted in relation to the settlement of an earlier DRS case involving the Respondent.
- 4.2. The Complainant says the Respondent was granted 3 extensions to submit the Response, moving the due date from 22 January to 12 February. See Nominet letter of 28 February 2007. Despite these extensions, the Complainant says the Respondent did not submit a signed Response with annexes until 23 February and there is no request for a further extension. The Complainant says case should proceed on the basis that: a) the Response consists only of the unsigned document therefore lacks a declaration of its truth; and b) the annexes should not be admitted into the case. It submits that multiple extensions and forgiveness of non-compliance of represented parties are at odds with that purpose and notes that in *DRS 1740 University of London v Michael Toth*, the Respondent also failed to send a duly signed hard

copy of the Response. In that case, the Respondent was given the benefit of the doubt as he had not received legal advice. Now the Respondent has been advised by Bell Denning solicitors since at least early September 2006, and cannot claim ignorance due to that earlier experience.

- 4.3. The Respondent in his first non-standard submission refers to the Nominet letter for its full meaning and effect. The Response itself was sent to Nominet's external lawyers by email prior to the deadline. This was due to a failure of the online software. The Respondent says due to illness and the need to check hard copies in triplicate, the hard copy Response was received by Nominet on 22 February, but this was before a 23 February date which Nominet had agreed to. The Procedure does not in any event provide a time for this step. The Respondent refers to an email from Nominet's General Counsel of 8 March 2007 in which it is confirmed that Nominet regarded the Response and Annexes as having been received within the extended periods permitted.
- 4.4. I will follow Nominet's lead on this issue and treat the Response and Annexes as received within the extended time limits. Given the protracted nature of this dispute, a partial decision on partial evidence is not in anyone's interests.
- 4.5. Both parties made non standard submissions. In relation to the Respondent's first non-standard submission of 27 April 2007, I am allowing into evidence those matters genuinely in answer to new material in the Reply. I have allowed the Complainant's submission. I have also taken note of the Respondent's final non-standard submission received on 8 May 2007 and the forwarded email of that date. All of this material adds to the complexity of this case and this litigious approach is inconsistent with the function of the DRS but, as already stated, given the history of the case to date, I regard it as better to now allow the material in.
- 4.6. The Respondent objects to the admission of his settlement of another, unrelated, DRS complaint in mid 2006. The Respondent contends that settlement was reached during the mediation stage of the DRS and is therefore confidential. The Complainant says the Respondent requested Nominet transfer the domain in its Response in that matter, well before the mediation commenced, and the Response is not covered by confidentiality. Nominet was unable to confirm from the records that the settlement occurred during the mediation. This issue has been the subject of a great deal of correspondence between the Respondent and Nominet and the Complainant.
- 4.7. By virtue of §12(b) of the Procedure, the expert shall determine the admissibility, relevance, materiality and weight of the evidence. The Policy and Procedure are silent on the issue of confidentiality except in relation to settlements in mediation which are dealt with in §7(c): the "*existence, nature and terms of the settlement shall be confidential, unless the Parties specifically agree otherwise or a court of competent jurisdiction orders otherwise.*" The Terms and Conditions for Registration of a Domain Name in the current version provide similarly at §15 "*We... will not...15.2 be asked or forced to reveal information or materials which we gained as a result of*

the informal mediation stage of the dispute resolution service, unless ordered by a court with relevant jurisdiction.” It could be read from the failure to make express provision for general confidentiality that none exists. I think that would be the wrong conclusion.

- 4.8. The DRS is an administrative proceeding with similarities to arbitration. Other administrative proceedings services, such as that administered by WIPO in relation to the UDRP, have determined that while case related information such as the domain name, the date of commencement, the service provider and the case number and eventual decision should be made generally available, no other information is disclosed about the proceedings unless both parties consent. See <http://www.wipo.int/amc/en/domains/guide/index.html>. The Respondent also relies on the CEDR model. This mirrors the general position in international arbitration in the absence of a public interest issue, certainly in English law, see *Hassneh Insurance v Mews* [1993] 2 Lloyd’s Rep. 243 at 247 (a distinction should be made between the award and reasons for it and the other elements of the proceeding, pleadings, witness statements, submissions etc. which are covered by the privacy stemming from the private hearings). I also note that until very recently, under the Civil Procedural Rules, not even all Court pleadings were available as of right and other documents were susceptible to disclosure on application only when read or referred to in open court, see old CPR Rule 5.4.
- 4.9. It also appears the Complainant is only aware of that earlier case because the Complainant’s solicitors also represented the earlier complainant and not as a result of a disclosure by Nominet or the availability of the DRS pleadings for public inspection. The information is therefore as a factual matter confidential in the sense that the public do not have access to it. I also think as a matter of policy, settlements are to be encouraged and depriving them of confidentiality might undermine this objective. I find the earlier settlement is confidential and do not admit it.

5. The Facts

- 5.1. The Complainant is the UK arm of the Mitsubishi Kagaku Media Group. The Group supplies data storage media and accessories and printer consumables worldwide. The Complainant was incorporated in 1983 in the UK.
- 5.2. The Respondent is an individual with a considerable portfolio of domain names.
- 5.3. From the Register and the WHOIS database information provided to me by Nominet, the Respondent registered the Domain Name on 12 March 2002.

6. The Parties' Contentions

Complainant

6.1. The Complainant says it has rights in a name or mark identical or similar to the Domain Name and that in the hands of the Respondent, the Domain Name is an Abusive Registration. I set out below the gist of the parties' submissions in summary form.

6.2. As to Rights, the Complainant says the following:

6.2.1. The Complainant is licensed by its parent company, Mitsubishi Chemical Media Company Limited (MKM), to use and enforce MKM's registered UK and Community marks. A list of the relevant registered marks was provided and include the UK national marks 2128233,1553595,1074095 and CTMs 170324 and 168815.

6.2.2. Its use of the name is sufficient to give it rights in passing off.

6.2.2.1. The Complainant has a substantial reputation and goodwill in the UK through sales of data storage media (including CD-R, CD-RW, DVD-R, USB devices, data storage media accessories and printer consumables) under the name during over 30 years of business. Annexed accounts filed with Companies House by the Complainant for the year ending 31 December 2001 show turnover of over EURO €120 million.

6.2.2.2. MKM's subsidiaries sell these products around the globe under the name and that international goodwill and reputation is also relied upon.

6.3. As to Abusive Registration, the Complainant says the Domain Name in the hands of the Respondent is abusive for the following reasons:

6.3.1. The Respondent is engaged in a pattern of registrations identical or similar to well known names or marks and in which he has no apparent rights, (as per paragraph 3(a)(iii) of the Policy).

6.3.1.1. The Respondent is the registrant of over of 2,500 UK ccTLD domain names. Examples of his domain names which incorporate third party registered marks (pluralized or containing mis-spellings) in which the Respondent has no apparent rights are: playstations.co.uk, starlightexpress.co.uk, wimpy.co.uk, garfield.co.uk, astonmartins.co.uk, rangerovers.co.uk, lotussportscars.co.uk, alfaromeos.co.uk, lamborghini.co.uk and hondas.co.uk. WHOIS searches and particulars of the relevant

registered marks and copies of the associated websites, all at sky.com pages were provided.

6.3.1.2. A substantial proportion of the remainder of the Respondent's names are pornographic, a list of domain names generated by a Marquesa search was provided.

6.3.1.3. The Respondent has been involved in a number of previous disputes in relation to domain names registered by him. Successful proceedings brought against the Respondent in circumstances materially identical to that of this case are *DRS 1740 University of London v Michael Toth* and *DRS 03316 The Proctor & Gamble Company v Michael Toth* and Appeal Panel Decision.

6.3.1.4. The Appeal Panel in DRS 03316 said the Respondent "*has a track record of hijacking other people's names.*" That decision includes a Nominet note stating that the Experts did not consider the Respondent's evidence.

6.3.2. The Complainant's name and marks are well known and in light of this, it is clear the Respondent registered the Domain Name to take advantage of them. This fits with the pattern of abusive behaviour found in the *Proctor & Gamble* decision. The Complainant has a long established reputation and goodwill and the Group products are stocked globally and sold in all major electronics retailers in the UK, including Currys, PC World and Dixons. The Complainant refers to its sales and marketing figures provided and referred to above and also an email with 2001 figures of UK sales at USD\$31.141million and UK region marketing spending of USD\$1.138 million.

6.3.3. Before the Complainant's letter of 3 August 2006, the Respondent had not used, nor made demonstrable preparations to use, the Domain Name in connection with a genuine offer of goods or services (Policy 4(a)(i)(A)).

6.3.3.1. The Respondent asserts his purpose in registering the Domain Name was in relation to setting up a language translation website. It was not until after the letter of 3 August 2006, that the website was changed to a very basic website for "Verbatim Translation" a print out of which was provided, as confirmed by the Respondent's solicitors on 4 September 2006 in the letter provided.

6.3.3.2. "Verbatim Translation" is not a genuine offer of services as the domain name is not registered on popular search engines such as Google or Microsoft and does not appear to be registered as a translation business in local business directories for Ilkley, West Yorkshire, extract provided. It is a disingenuous attempt to sidestep the Policy.

6.3.3.3. From 2002 until about 3 August 2006, the Domain Name automatically redirected to a number of websites offering various services including car insurance and satellite television.

6.3.4. The Respondent cannot rely on non-commercial fair use where he profits from traffic generated by confusion and takes unfair advantage of the Complainant's rights detrimental to the Complainant. This is an Abusive Registration under paragraphs 3(a)(i)C and 3(a)(ii) of the Policy.

6.3.4.1. The Respondent was probably receiving affiliate or some other form of revenue for such "click through" referrals.

6.3.4.2. As found in the University of London decision against the Respondent, "*.. generating or is attempting to generate revenue from the affiliate scheme-based links on the site to which the Domain Name points and this strengthens the argument as to unfair advantage*".

Respondent

6.4. As a preliminary matter, the Respondent objected to the Complainant's implication that he was in some way seeking to conceal his identity or whereabouts. He says the Complainant's solicitors were engaged in correspondence with his solicitors long before Complaint was filed and as Nominet pointed out by email on 12 January 2007, the Complaint or covering letter should have included details of his solicitors. The Respondent rejects any suggestion that he is improperly listed in WHOIS. He says he is not a trading individual and is not treated as such for tax purposes. Lively Limited owns the rights to use his domains for commercial gain.

6.5. The Respondent says his reasons for registering the Domain Name were as follows:

6.5.1. It was a generic English word, the common meaning for which is "word for word." At that time he was registering large numbers of generic .uk domains and so did not have time to do more than form a personal opinion about a domain. A list of all the domains registered on 12 March 2002, including the Domain Name was provided.

6.5.2. The Respondent sought to acquire clusters of similar domains and registered the Domain Name on the same day as acquiring translations.co.uk. He had previously registered translation.co.uk (31 October 2001) and later registered interpreter.co.uk (16 April 2002) and WHOIS information was provided on these.

6.5.3. The Respondent's intention was to use the translation related domains for language/interpreter/translation related resources but as he has a large number and other business interests, development takes time. In the mean time his generic domains point to "pay per click" sites – a business practice acknowledged as legitimate for generic domains under the DRS – e.g. *DRS mercer.co.uk* Appeal.

6.5.4. The Respondent was not aware of the Complainant when he registered the Domain Name. He had no knowledge of them until a Mr Martin Schemel of the Complainant made an unsolicited approach to him in 2002. The Respondent then advised the Complainant of his plans and recorded them in emails (and his email reply of 10 April 2002 is provided) and discussions with others (a number of 2002 emails are provided dealing with offers from others and explaining the intent to develop a translation business).

6.5.5. The Respondent says there is no evidence he was aware of the Complainant when he registered the Domain Name. The Complainant has the burden of proof, see DRS Appeals *parmaham.co.uk*; *vikingdirect.co.uk*; *thfc.co.uk* and *mercer.co.uk*.

6.6. As to Rights, the Respondent says:

6.6.1. The Complainant's common law trademark rights are admitted.

6.6.2. The Complainant's registered trademark claim is contested.

6.6.2.1. It is not the registered proprietor and no licenses or assignments have been produced.

6.6.2.2. The Complainant cannot adduce new evidence on this and the DRS Procedure §3(c)(v) requires "Rights the Complainant asserts" be contained in the Complaint.

6.6.2.3. The Complainant's German equivalent failed to register *verbatim.eu* during the "sunrise period" and a EURid report was provided, presumably because they also failed to exhibit proof of registered trademark rights.

6.6.3. It is denied the Complainant's mark is "well-known" as defined under §56 TMA.

6.6.4. It is also denied that the Complainant has established a "reputation" in the mark at least beyond the limited field of recordable magnetic media.

6.6.4.1. The Complainant's accounts for 2001, relied on above show in "Review of the Business" section that UK turnover was only €14 million in 2001.

6.6.4.2. This was the finding of the trademark examiner in the Complainant's failed objection to the application for the "verbatim" trademark in favour of Chemence Limited, provided. Following a full hearing on the evidence and represented by James Mellor (now QC), the Complainant failed to convince the Examiner it had any reputation in the trademark – and even if it did, such reputation was limited only to the very specific class of goods in which the Complainant traded. The findings relating to §5(3) and §5(4) TMA are of particular relevance. The Complainant commenced an Appeal against that decision, but discontinued it (bearing the costs) in 2002. The opposition was refused on 16 August 2002 – after the Respondent had registered the Domain Name.

6.6.5. The mark is generic/descriptive.

6.6.5.1. The Complainant also lodged – but later discontinued – an invalidity claim in relation to "Verbatim Call Centres" and a UK Patent Office print out was provided.

6.6.5.2. The registered marks do not equate to a monopoly right in a common word/phrase for all uses – e.g. *DRS cases mercer.co.uk; cyclone.co.uk; lists.co.uk; loan.co.uk; webservers.co.uk*. Verbatim is a common English word; a registered trademark of more than one company (a Patent Office Search provided shows 10 registered marks); used in company names (8 companies other than the Complainant include it in their names, although in combination with other words); produces varied unrelated search results (Google searches were provided); used in other domain names.

6.7. As to Abusive Registration.

6.7.1. The Complainant fails three of the four points in the *civasbrothers.co.uk* test.

6.7.2. §3(a)(i) A B C of the Policy do not apply, as the Respondent was not aware of the Complainant at the time he registered the Domain Name. It follows it was not "registered ... primarily" to sell to the Complainant or a competitor; to block them; or unfairly disrupt their business. The Respondent did not know the Complainant existed. There is no contrary evidence.

6.7.3. §3(a)(ii) of the Policy does not apply. The Respondent registered the Domain Name almost 5 years ago yet there is no evidence of confusion. This factor is limited to actual confusion. The Domain Name is not (and has never) been used in relation to a Class of Goods or Services in which the Complainant trades. No one would be deceived into doing business with Respondent by the Domain Name or believe he was in any way connected to the Complainant. The Respondent did not intend any confusion in his use of the domain.

6.7.4. §3(a)(iii) of the Policy does not apply:

6.7.4.1. The Respondent denies he has registered “*in excess of 2,500 UK ccTLD domain names which are identical or very similar to well known names or trade marks*”. The vast majority of the domains registered by the Respondent have no bearing on any trademarks – much less well-known ones. The Respondent’s domain portfolio constitutes almost exclusively of generic words or phrases; or three letter acronyms.

6.7.4.2. The Respondent admits he has a small portfolio of generic “adult” domains but fails to see how these support the allegation he has engaged in a pattern of abusive registrations. Further, these domains redirect to a dating agency, not porn sites.

6.7.4.3. The Complaint highlights 10 out of over 2,500 domains as being part of an overall “pattern” – less than ½ a percent of the portfolio. These domains are not the subject of this DRS nor have any trademark holders complained about them.

6.7.4.4. The Respondent questions why he cannot register *garfield.co.uk* – this is the name of his house in Yorkshire and a common name.

6.7.4.5. For the pluralised names, e.g. use by a registered dealer in that brand – or as a site listing dealers – would be legitimate use.

6.7.4.6. The Respondent denies that any of the listed domains are abusive. See *DRS Appeal ghd.co.uk*.

6.7.5. §3(a)(iv) of the Policy does not apply. The Complainant was criticised by Nominet for failing to identify Respondent’s contact details. The Respondent has never given false contact details and is building a number of properties in Turks & Caicos, hence the address there.

6.7.6. As to §3(b) of the Policy, the Respondent’s delay in developing the planned sites at the cluster of language domains and interim use of them as generic PPC sites – is not of itself evidence of an Abusive Registration.

6.7.7. As to factors against Abusive Registration under §4 of the Policy:

6.7.7.1. As to §4(a)(i)(A), the Domain Name has been used in connection with a genuine offering of goods and services, in both versions of the website since 2002. There have been demonstrable plans to use it (and related domains) for the purpose of language/translation/interpreting businesses since at least before

2002. See registration of translation.co.uk and the witness statement of Judith Dunn of Dragon Language Consultancy. She confirms she and the Respondent have held discussions over a number of years with her about using these language domains to develop an online presence – demonstrable preparations to make “fair use” of them.

6.7.7.2. As to Policy §4(a)(i)(C), the Respondent is making “fair use” of a generic domain. See also Policy §4(a)(ii). See Policy §4(a)(iv) as well as being generic, it is not a well-known trademark. Respondent denies that any of his domains fall within the characterisation in the Complaint. The claim that it forms part of a pattern of well-known trademarks is denied. It “is of a significantly different type ... to the other domain names” that the Complaint seeks to characterise in this way.

6.7.8. As to the previous DRS decisions relied on, the Respondent says:

6.7.8.1. The Respondent was unaware of a “University of London” – as opposed to different colleges such as LSE – when he registered that domain.

6.7.8.2. The “value” of a reference to the *bounce.co.uk* DRS decisions is expressly “limited” as set out in the public statement attached to those decisions. The Panel laboured under misconceptions because he could not submit any evidence. The Respondent submits a further statement, agreed with Nominet for the purposes of this Complaint.

6.7.8.3. The Expert may request “further statements” if they need them to put the validity of the *bounce.co.uk* findings into context – DRS Procedure 13(a).

Reply

6.8. In Reply the Complainant says:

6.8.1. As to Rights:

6.8.1.1. Although no licence was submitted, the Complainant relies on its statement of truth to this effect, signed by its solicitor.

6.8.1.2. The Respondent’s speculation that the application for verbatim.eu was declined due to failure to exhibit proof of registration is baseless, wrong and irrelevant.

6.8.1.3. The Respondent admits the Complainant has common law rights (“the Admission”).

6.8.1.4. The contention that the Complainant's name is exclusively a generic term is inconsistent with the Admission. Common law rights cannot exist without distinctiveness (inherent or acquired). The UKIPO and OHIM would not have registered the marks without distinctiveness. The Chemence opposition to the application for trade mark 2024951, was specific only to class 1.

6.8.1.5. Rights under the DRS must be distinguished from the standard under the Trade Marks Act 1994 for a well known trade mark. See *Seiko-shop.co.uk*, DRS 00248 Appeal Decision).

6.8.2. As to Abusive Registration:

6.8.2.1. Other examples in the Respondent's portfolio include eastenders.co.uk; manchesterunited.co.uk; thebigissue.co.uk; ericsson.org.uk; suzukis.co.uk; and yamahas.co.uk, joanneguest.co.uk, mothertheresa.co.uk, alberthall.co.uk and georgebest.co.uk.

6.8.2.2. The Respondent represents the remainder of his domain names as being "generic" and having no connection with other third party trade marks. This is a deliberate attempt to mislead.

6.8.2.3. Nominet's note in DRS 03316 does not detract from the finding on the Respondent's record. The notice says that these decisions "may therefore be limited" and not are "expressly limited," as Respondent contends.

6.8.2.4. The Respondent's statement that none of the examples listed in the Complaint are disputed is carefully chosen.

6.8.2.5. The Respondent's contention that "for the pluralised names, e.g. use by a registered dealer in that brand – or as a site listing dealers – would be legitimate use" is disputed.

6.8.2.6. The Respondent's claim to have no knowledge of the Complainant's brand is disputed based on the sales and promotional spend evidence and the Admission. Even if it were true, it does not exonerate the Respondent as knowledge is not a pre-requisite.

6.8.2.7. As to Ms Dunn's statement, no contemporaneous records of email or correspondence were submitted in support of the timing of any supposed discussions.

6.8.2.8. The Respondent admits that for four years following registration, the Domain Name resolved to a pay per click site or "to a generic PPC site" (the PPC Admission).

- 6.8.2.9. The "Fair Use" defence is unavailable to the Respondent under §4(a)(i)(C) of the Policy as this is expressly limited to "non-commercial" use and is inconsistent with the PPC Admission. As the Respondent has pointed out in the Response, redirecting to a PPC site is a "...business practice".
- 6.8.2.10. DRS chivasbrothers.co.uk is distinguished as a first instance decision and does not modify in any way what is required under the Policy to succeed in DRS proceedings.
- 6.8.2.11. Actual confusion is not a requirement under the Policy as the Respondent asserts. The list of evidence of Abusive Registration is non-exhaustive and therefore cannot impose any requirement of confusion.

Additional Submissions

- 6.9. The Respondent says as follows in the first non-standard submission of 27 April 2007.
- 6.9.1. The Admission was made only for the purposes of this DRS proceeding and in light of the low threshold for Rights established in *Seiko* (above). No admission was made for the law of passing off. Further the Admission has no reflection whatsoever on the Respondent's knowledge at registration, in relation which Respondent refers to the Response.
- 6.9.2. The Respondent points out in answer to the attack on his credibility and veracity that he is a respected member of the UK internet community and notes that Nominet invited him to sit on their DRS Consultation, he has been elected to its Policy Advisory Board (the result was provided) and is a candidate for a non-executive director.
- 6.9.3. The Complainant's marketing spend as submitted in the Chemence opposition was typically around £50,000 PA predominantly in the trade press. This is not evidence probative of the Respondent's knowledge at registration.
- 6.9.4. Respondent has never profited from confused users seeking the Complainant as the Domain Name pointed at sites with dissimilar products e.g. the generic PPC site for Sky TV.
- 6.9.5. The Respondent objects to the reliance in the Reply on additional domains from his portfolio than those relied upon in the Complaint as evidence of a pattern. The Respondent cannot be expected to deal with any or all of his portfolio—particularly given the word limits.
- 6.9.6. Manchesterunited.co.uk was registered by Kevin Reakie in 1997, not the Respondent. Eastenders.co.uk was registered by Network Logical, Inc. and has no connection to the Respondent. See WHOIS.

- 6.9.7. The Respondent denies that pointing to a generic PPC site was making money on the back of Verbatim's admitted goodwill and reputation.
- 6.9.8. Fair use and non-commercial use are alternatives in §4(a)(i)(C) of the Policy.
- 6.9.9. The Respondent refers to the full text of Nominet's note in relation to *bounce.co.uk* for its full meaning and effect.
- 6.10. The Complainant in its non-standard submission notes accepts its error in relation to the manchesterunited and eastenders .co.uk domains but notes that the Respondent did register those words in the .org.uk domain.
- 6.11. As mentioned above, I have taken note of the Respondent's further submission and the email both received by me on 8 May 2007. Neither raise issues that are substantive or need to be set out here.

7. Discussion and Findings

General

7.1. The DRS is designed as a fast, simple alternative to litigation. Domain names are registered on a first come, first served, basis and a registration will only be disturbed if it is an Abusive Registration, as defined in the Policy.

7.2. Paragraph 2(a) of the Policy requires the Complainant to prove 2 elements:

“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.”

The Complainant bears the onus of proof and must prove both elements on the balance of probabilities.

7.3. The DRS's jurisdiction is limited to these issues and the remedies of cancellation, suspension, transfer or amendment of the Domain Name. The Policy does not provide for the determination of allegations of trade mark infringement or passing-off proper.

Complainant's Rights

7.4. Rights under the Policy include rights to registered and unregistered trade marks and names and contractual rights to the same. Unregistered marks are

rights enforceable under the law of passing-off. The DRS Rights standard is not a high threshold, see *Seiko* (above).

- 7.5. By the Admission, the Respondent accepts the Complainant has unregistered, or common law, rights sufficient to meet the *Seiko* standard for the DRS. In addition, the Complainant relies on the registered marks as a licensee of MKM. The Respondent points to the Complainant's failure to produce a licence agreement and a rejected .EU Sunrise application. While ideally a licence might have been provided, in trade mark law, the consent of the registered proprietor is what is required and I accept the Complainant's evidence it has MKM's consent. The .EU application has no relevance. I find the Complainant has Rights.
- 7.6. The Respondent raises issues as to the descriptive and generic nature of the name and mark and while not dealt with here, this issue is relevant to Abusive Registration and is considered below.
- 7.7. Paragraph 2(a)(i) of the Policy requires that the name or mark in which the Complainant has Rights "*is identical or similar to the Domain Name.*" In determining this suffixes are to be ignored. We are therefore comparing the relevant aspects of the Domain Name, namely verbatim with verbatim. I am satisfied the Complainant has Rights in a name and mark identical to the Domain Name.

Abusive Registration

8. The second element the Complainant must prove under §2(a) of the Policy, is the Domain Name is an Abusive Registration, defined in §1 thereof. §3 of the Policy provides a non-exhaustive, illustrative, list of factors, which may evidence an Abusive Registration. Conversely, §4a of the Policy provides a non-exhaustive list of factors which may evidence that a registration is not an Abusive Registration.

Manner & Purpose of Registration

9. The Complainant contends its name and marks are well known and the Respondent registered the Domain Name to take advantage of them, see §6.3.2 above. This implicates §1 of the Policy which provides "*Abusive Registration means a Domain Name which .. 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*" and also Policy factors §3aiA-C, if registered primarily for the purpose of selling, or transferring to the Complainant, or for blocking or unfair disruption. I have chosen to deal with this issue first as I believe it will prove determinative of a number of the other issues.

10. The crucial fact here is whether the Respondent was aware of the Complainant at the point of registration. The Complainant says its reputation is such that the Respondent must have known of it. The Respondent says he had no knowledge of the Complainant whatsoever at that point and chose a generic common word to go with a cluster of domains connected to translations.
11. The Complainant rests its case on the fame and repute of its mark. It relies on its long trading history and its presence in high street retailers. Its primary evidence is its sales and marketing evidence, see §§6.2.2.1 and 6.3.2 above. This consists of the 2001 accounts and a redacted email with a 2001 UK region marketing spend of USD \$1.138 million and more, and more contemporaneous, evidence would have been helpful. The Complainant did not submit any evidence as to the allocation of marketing spending. Bare assertions are not sufficient and no reason for the failure to produce better evidence was given.
12. The Respondent counters that the UK turnover figure from the 2001 accounts is only €4 million, see §6.6.4.1 above. However the Complainant relies on its worldwide reputation and goodwill in addition to its UK reputation, and is entitled to do so under the Policy.
13. The Respondent disputes the Complainant's fame and repute is any wider than the field of data storage and relies on the decision of the trade mark examiner in the Complainant's opposition to Chemence Ltd's application to register verbatim in Class 1. The Complainant objected based on §§5(3)-(4) of the 1994 Act. §5(3) was originally concerned with identical/similar marks being used in relation to *dissimilar* goods (now extended) in order to protect well-known marks from free riders –where the public are confused into believing there is a connection between the two, usually as to origin. Mere association may not be unfair unless it erodes the distinctiveness of the earlier mark by blurring or tarnishing, see *Premier Brands* [2000] FSR 767. §5(4) concerns marks that can be prevented in passing-off.
14. The examiner said a bare minimum of evidence to support reputation was provided by the Complainant but accepted turnover was not insubstantial and advertising expenditure, though declining was reasonable (1995 and 1996 figures of £50,000 per annum were given at p.3). He said although detail was bare reference was made to ads in PC News and Stationary Trade News. He found goodwill could be claimed in the core goods but the Complainant's objection under both sections failed. As to §5(3), he was influenced by the separate trade channels and could find no basis for any detriment to the distinctive character of the mark. In relation to §5(4), the Complainant was unable to show how confusion would arise with chemical products in Class 1.
15. The examiner found that he was only just satisfied with the evidence on reputation, saying at p.10, line 35 "*the opponents have offered the bare minimum in support of their case.*" In relation to passing off he found they could claim goodwill in data storage devices and toner cartridges, p.10, line 42 or "*data storage and to a lesser extent photocopier supplies*" p.11, line 26. In relation to §5(3), it was limited to data storage as the earlier registered marks did not include

the other goods, p.13, line 32. There are also suggestions that any goodwill or reputation may be limited to the data storage and photocopier supplies trade, see p.10, lines 18 and 27. That does not support the Complainant's case here as to its fame.

16. Turning to the Respondent's case, he expressly denies he had any knowledge of the Complainant when he registered the Domain Name, §6.5.4 & 5 above. He gives his reasons for selecting and registering the Domain Name, see §6.5.1-6.5.3 above. I regard his explanation as credible. It is also supported by the tangible evidence of his registration of translations.co.uk on the same day and his unaltered explanation of his motive –the same reasons are given in the 2002 emails, see §6.5.4 above.
17. The Admission has no relevance here and I am unable to prefer the Complainant's case in the face of the Respondent's express denial and in the absence of evidence to the contrary.
18. The Complainant's fame and repute is not evidence to the contrary. I adopt the examiner's finding on the extent of that reputation as limited to the data storage and photocopier supplies field. It is possibly also limited to that trade. It does not reach the level of a well known mark and this is not an instrument of fraud type of situation by any means. I was not familiar with the mark. I am not able to find the Respondent must have been aware of the Complainant.
19. The *Chivas* test is not met here, particularly the requirement that the mark be exclusively referable to the Complainant; however that is somewhat of an abbreviation of the values in trade mark law as incorporated in the Policy and is certainly not determinative.
20. I find the Domain Name was not registered in a manner which took unfair advantage of or was unfairly detrimental to the Complainant's Rights nor primarily for the purpose of selling, or transferring to the Complainant, or for blocking or unfair disruption. None of the Policy factors §3aiA-C are made out.

Pattern

21. The Complainant's primary argument is that the Respondent is engaged in a pattern of registrations which correspond with well known names or marks in which he has no apparent rights, and the Domain Name is part of that pattern, per §3aiii of the Policy, see §§6.3.1 et. seq. and 6.8.2.1-6.8.2.5 above.
22. It is not disputed that the Respondent is a domainer in the sense he has a substantial portfolio. This is not of itself objectionable. The Complainant relies on specific examples from the portfolio in which the Respondent has no apparent rights, see §§ 6.3.1.1 and 6.8.2.1 above. It says the Domain Name is another example. It also relies on some pornographic domain names, §6.3.1.2 above and the two DRS decisions against the Respondent in the past§6.3.1.3&4 above.

23. The Respondent counters, see §6.7.4, most of the portfolio is comprised of generic words and the Complainant relies on a small percentage –which does not make a pattern. Moreover, even those examples are not abusive for a variety of reasons; such as own name defences and dealers rights, see §6.7.4.4 &5, and are not the subject of DRS proceedings or complaints, see §6.7.4.3. It says the porn names are irrelevant and intended to be prejudicial.
24. The Complainant counters the denial of third party trade marks is deliberately misleading, see §6.8.2.2 and the statement that no names are currently disputed is carefully chosen, §6.8.2.4, in relation to which it had relied on the settlement that was not admitted into evidence, see §§4.6-4.9 above.
25. The porn domains are entirely irrelevant. Turing to the examples of apparent third party rights, dealers rights can be a factor against abuse and many traders other than proprietors of registered marks may validly use a trade mark, see *BMW v Deenik*, ECJ Case C-63/97 (unauthorised dealer entitled to use the mark in advertising subject to fairness which may require avoiding the suggestion of affiliation or commercial connection). See also the Appeal Panel in *Seiko* (above) and *Skoby v Valentine* DRS 2316 (each coming to different conclusions as to fairness). The Respondent put this argument in terms of pluralised forms but I do not believe it is so limited. This is relevant to the examples such as playstations.co.uk, astonmartins.co.uk, rangerovers.co.uk etc. etc.
26. Own name defences operate in trade mark law and justifiable reasons for name selection can be house names, as the Respondent says, and may militate against findings of abusiveness, dependant on all of the circumstances. In relation to georgebest.co.uk and similar examples, such as manchesterunited and eastenders (both .org in the portfolio, see §6.10), I note that tribute and criticism sites are permitted, per §4c of the Policy.
27. The DRS requires both Rights *and* factors evidencing abusive registration or use. Mere rights alone are not sufficient. I am unable to determine abuse in relation to any of the examples. While I accept the Policy says ‘apparent’ rights, I am unable to draw from the examples evidence of a pattern of abusive registrations.
28. Next are the two DRS decisions against the Respondent, *University of London DRS 1740* in 2004 and *Proctor & Gamble DRS 03316* and appeal of June 2006 and in particular the Appeal Panel’s statement that the Respondent “*has amongst his portfolio of domain names a number of names featuring the well-known trade marks of others—he therefore ...has a track record of hijacking other people’s names.*”
29. In relation to the first, the Respondent says it was inadvertent, see §6.7.8.1. Without taking any view, it is one decision and not of itself capable of demonstrating a pattern. In relation to the second, while the Panel is authoritative; as I have said above, I would not be prepared to conclude such a track record from the portfolio alone. I also note the domain name was bounce.co.uk and the Panel said “*this is far from a clear cut case and one with which the Panel has had some difficulty, but on balance the Panel believes the registration should be treated as abusive. The difficulty stems from the fact that*

the word 'bounce' is an ordinary dictionary word...the mere fact that a generic word happens to be a trade mark cannot lead to the trade mark owner monopolising all uses of the word. Certainly for... the DRS Policy there has to be something more." I note also Nominet's statements and the fact the Panel did not consider the Respondent's evidence.

30. I take note of the sheer volume of domains registered by the Respondent. To have had two findings against him, ever, does not, particularly in light of those numbers, yield a pattern to my mind. It is also relevant to bear in mind the 3 strikes presumption in §3c of the Policy. That requires 3 findings of abuse over a 2 year period. That standard is not met. Further, I have found above that this particular registration did not take unfair advantage of or cause unfair detriment to the Complainant's Rights. I do not find a pattern made out.

Confusion

31. I find neither actual confusion nor likelihood of confusion. There is no evidence whatsoever as to the former. I agree with the Respondent, see §6.7.3, that given he has had the registration for 5 years, it would be reasonable to expect any actual confusion to have manifested itself by now.
32. In relation to likelihood of confusion, given the limits to the Complainant's reputation and the different fields of activity, I do not find this.
33. Insofar as the Complainant raises a more general contention (as the factors are non-exhaustive) of use in a manner which took unfair advantage of or was unfairly detrimental to the Complainant's Rights under §1 of the Policy, based on the PPC Admission, I do not find that made out.
34. I am not convinced the Complainant's reputation is leveraged by the PPC use. Further, PPC and affiliate revenue earning are not of themselves abusive practices; rather the determining factors are motive at registration and in use. *See DRS 03733 Mercer*. The findings on motive at registration are dealt with above and there is no evidence to suggest the Respondent is leveraging the Complainant's goodwill or reputation and I am not prepared to assume it.

Generic & Descriptive

35. The Respondent relies primarily on factor §4a(ii) as evidence that the registration and use is not abusive.
36. Both trade mark law and the law of passing-off discriminate against generic and descriptive marks. In *Phones4U* [2006] EWCA Civ 244, Jacob LJ cited "*In the case of common or apt descriptive or laudatory words compelling evidence is needed to establish this...mere evidence of extensive use is unlikely to be enough but it must be shown in a case of this sort that the mark has really become accepted by a substantial majority of persons as a trade mark -- is or is almost a household word.*" In *O2 Holdings v Hutchison 3G Ltd* [2006] EWHC 534,

Lewison J. said at §71 “*what may be distinctive in one context may not be distinctive in another... Goldfish*” is an ordinary English word; and if registration of that word were sought in relation to a pet, it might not pass the test. But in the context of a credit card, it has distinctiveness.”

37. If a mark has been registered in a particular class, then on any opposition (or an infringement under §10(3)), as Kerly on Trade Marks, 14th Ed. puts it at §9-114 in relation to §5(3) “*Simply being reminded of a similar trade mark with a reputation for dissimilar goods does not amount to taking unfair advantage of the repute of the mark. So the use of dictionary words which allude to the nature of the goods and causes non-origin association is unlikely to be regarded as sufficient.*”
38. The law of passing off similarly does not countenance the unfair monopolization of descriptive words, see *Office Cleaning Services v Westminster Window* [1946] 63 RPC 39, unless that descriptive word has acquired a secondary meaning indicating a unique provenance from the Claimant, *Reddaway v Banham* [1896] AC 199, both as applied recently in *A&E Television Networks v Channel 4*, 7.04.2006 [no neutral citation available].
39. The trade mark examiner in the Chemence Opposition thought the Complainant’s mark allusive in relation to data storage rather than just descriptive but he did not find its reputation and goodwill indicated a unique provenance beyond the core products and therefore the classes. The word is without any doubt common and generic in ordinary parlance. I find Respondent’s use is fair use of a generic word.

Genuine Use

40. The Respondent relies on his contemporaneous registrations of other translation domains, his early declarations of his intentions in the 2002 emails see §6.5.4 above, and the evidence of Ms. Judith Dunn as to early discussions regarding the translation site, see §6.7.7.1 in relation to Policy §4(a)(i)(A). He also says delay is not evidence of abuse, §6.7.6.
41. The Complainant’s contention is that the Respondent was engaged in parasitic PPC usage until the letter of 3 August 2006 –at which point the sham translation site appeared. It notes the lack of search engine listings as evidence of that sham. See §6.3.3 et.seq. It also notes the lack of any documentary evidence to date the discussions with Ms. Dunn, §6.8.2.7.
42. The 2002 emails are contemporaneous evidence of intention and while the discussions with Ms. Dunn are not documented, she has come forward with a statement and I accept her evidence. This is sufficient for some showing of preparation. I accept mere delay is not necessarily abusive without more.
43. I have already found there is no evidence it is the Complainant’s reputation that is leveraged by the PPC use, see §34 above. Over and above this, PPC and affiliate

usage are not per se objectionable without evidence that the motivation at registration and/or thereafter is abusive or parasitic. See *DRS 03733 Mercer*. I do not see why the PPC usage itself cannot be a genuine use. If this is correct, there was no need for the Respondent to rush to implement his long held intention to create the translation site.

44. The Complainant's argument that the business is not registered with search engines and the evidence in support goes to a lack of *completed* preparations but the standard required is merely *demonstrable* preparations.

Legitimate or Fair Use

45. I find it unnecessary to determine this in light of the findings above.

Summary

46. The Complainant bears the burden of proof and has failed to establish Abusive Registration. I have also found factor §4aⁱⁱ made out, namely fair use of a generic or descriptive domain and also genuine use under §4aⁱ.

Decision

47. I find that while the Complainant has Rights in a mark which is identical to the Domain Name, it is not an Abusive Registration in the hands of the Respondent. Accordingly, no action should be taken in relation to the Domain Name.

Victoria McEvedy

10 May 2007