

Nominet UK Dispute Resolution Service
DRS No. 04962
MySpace, Inc v Total Web Solutions Ltd
Decision of Independent Expert

1. Parties

Complainant: MySpace, Inc
Address: 407N Maple Drive
Beverly Hills
California
Postcode: 90210
Country: US

Respondent: Total Web Solutions Ltd
Address: 12 Riverview
The Embankment Business Park
Heaton Mersey
Stockport
Cheshire
Postcode: SK4 3GN
Country: GB

2. Domain Name

myspace.co.uk (the "Domain Name").

3. Procedural Background

The complaint was submitted to Nominet on 15 August 2007. Hard copies of the complaint were received on the same date and the complaint was also validated on 15 August and the complaint documents generated. On 10 September 2007 the Respondent submitted its Response online and by e-mail. It took some additional time before the hard copy documents referred to in the Response were received, namely until 20 September. On 2 October 2007 the Complainant filed a Reply. The hard copy documents referred to in the Reply were received the following day.

Mediation was unsuccessful. On 10 December, Antony Gold (the undersigned) (the Expert) was asked if he could accept Nominet's invitation for him to act as Expert. On 11th December the Expert confirmed that he knew of no reason why he could not properly accept Nominet's invitation and was appointed as the Expert.

Non-standard submissions were made on behalf of the Respondent on 23 November 2007 and 2 January 2008. A Non-standard submission was made by on behalf of the Complainant on 3 January 2008. The Expert has also been sent further e-mail representations made by the Respondent's advisers to Nominet dated 4 January 2008. The Expert has exercised his discretion under paragraph 13b of the Dispute Resolution Service Procedure ("the Procedure") to consider all the non-standard submissions and the e-mails between the Respondent's advisers and Nominet.

4. Outstanding Formal/Procedural Issues

Background to procedural issue

Paragraph 8(a) of the Procedure provides as follows: "If [Nominet] do not receive the Complainant's request to refer the matter to an expert together with the applicable fees within 10 days of the Complainant's receipt of the notice referred to in paragraph 7(e)

above, [Nominet] will deem the Complaint to be withdrawn. This will not prevent the Complainant submitting a different complaint to [Nominet]."

Paragraph 21(c) is written in broadly similar terms.

Paragraph 12(a) (headed "General Powers of Nominet and the Expert") provides: "We, or the Expert if appointed, may in exceptional cases extend any period of time in proceedings under the Dispute Resolution Service."

The payment for the Complaint was due on Friday 7th December. On 5th December the Complainant's advisers drew a cheque for the payment which was sent by guaranteed next day delivery on 6th December. Thereafter, a good deal of confusion ensued. At first it seemed as though the payment had not arrived on 7th December. On 10th December Nominet (who at that point thought the last date for payment was 10th December) prompted the Complainant by e-mail to make the payment. Nominet did not copy this e-mail to the Respondent's advisers. When, at a later point, it became apparent that the payment should, in fact, have been received by 7th December and therefore (it seemed) had not been made by the due date the Respondent sought to have the Complaint dismissed and subsequently filed a non-standard submission to this respect. Continuing enquiries by the Complainant's advisers with Royal Mail, however, unearthed additional information specifically a response from Royal Mail dated 2nd January which stated that the letter enclosing the payment had, after all, been delivered to Nominet on 7th December 2007. Evidence of receipt by Nominet on 7th December was produced together with an express statement from Royal Mail to this effect.

It might be thought that, after a good deal of confusion all round (none of which, of course, had been caused by the Respondent) the matter had now been resolved and that the only point in issue was the substantive one of the Complaint. That is not, however, the case. The Respondent's advisers are still unhappy. Amongst other matters, they say that the information from Royal Mail is conflicting in that the first indications were that the item had not been delivered until 10th December. They seek (from Nominet) information as to whether Nominet has a date stamping system which might put the issue of date of receipt beyond doubt. They accuse Nominet of, in effect, unfairly handling the processing of the DRS on this occasion by (amongst other matters) prompting the Complainant to make payment on 10th December which, they say, is a courtesy not normally extended to parties to the Dispute Resolution System. They said the position is exacerbated because Nominet did not copy the Respondent's advisers into the e-mail which nudged the Complainant's advisers for the payment nor did Nominet (apparently) initially confirm that further e-mails about this issue were in existence.

Although the Respondent's advisers considered at one point withdrawing their non-standard submission directed to the late payment in the light of the information which has now been provided by Royal Mail, they have not done so because Nominet have not answered the various enquiries put to them by e-mail. For that reason, the Respondent's advisers have asked the Expert to consider their non-standard submission on this issue notwithstanding the evidence from Royal Mail which is now available. In response to that the Complainant's advisers have also filed a non-standard submission dated 3rd January. Both submissions and the subsequent emails from the Respondent's advisers have been considered.

Determination on procedural issue

The substantive procedural issues for determination are;

- (1) when was the payment received;

- (2) in the event that it is concluded that the payment was not made until 10 December, whether Nominet was able to regard the position as an exceptional circumstance that justified late acceptance of the payment.

No part of the expert's role either requires or empowers him to conduct a roving enquiry into other aspects of Nominet's conduct and it is inappropriate for the Expert to pass comment on points which fall outside his remit. Accordingly the Expert does not intend to do so save to comment that the function of the DRS is to ensure that the parties' submissions are put before an independent expert for determination and that he has the information necessary to deal with any procedural points. That has been achieved. Submissions by the parties which stray from that objective are unlikely to be of relevance or assistance in ensuring that there is fair and prompt determination of the parties' submissions on the substantive issue.

So far as the date of payment is concerned, the evidence received from Royal Mail comprises a signed for bulk delivery card (headed in manuscript at the top "7th December 2007") which forms part of an express written confirmation from Royal Mail that the relevant letter was delivered to Nominet on 7th December. Although the Respondent is correct to point out that this is inconsistent with the initial information provided and that Royal Mail's Track and Trace computerised system appears to be producing out of date information, in the Expert's view there is now conclusive evidence that the item was delivered to and signed for by Nominet on 7th December and that the payment for the Complaint was accordingly submitted within time. It is easy to understand how a good deal of confusion was caused for a period, but there cannot now be any realistic scope for doubt on the point.

This is effectively the end of the procedural issue which has been raised. However, even if the payment had not been made by 7th December but on 10th December (that is, the next working day), the Expert's view is that this would have constituted an exceptional circumstance such as to justify Nominet accepting the payment out of time. In this respect, the following matters are material.

First, paragraph 8(a) of the Procedure provides that even if a Complaint is deemed withdrawn, it would not prevent the Complainant submitting a fresh complaint. The substantive issue would still require determination - it would just be within a fresh set of proceedings. Nowhere in the Respondent's objections is there any suggestion that it will suffer prejudice if the current Complaint proceeds or, conversely, that it will be advantaged in any way by requiring the Complainant to start again. The point is therefore presented as one purely of procedure rather than substance.

At one point in its submission the Respondent cites with approval the reference by an appeal panel to Section 1 (A) of the Arbitration Act 1996 which says that "the object of arbitration is to obtain the fair resolution of disputes by an impartial tribunal without unnecessary delay or expense". The Expert agrees that saving unnecessary expense and delay is indeed a sensible objective. But the course urged by the Respondent would have exactly the opposite effect. It is material to have regard to this fact in considering the Respondent's arguments and the course which Nominet had taken.

Second, the payment would have been properly made if paid very last thing on Friday 7 December. It is possible, as the Respondents' representatives say, to conceive of circumstances where more could have been done by the Complainant's representative to ensure that payment was made well before the due date, But it would have been setting the bar at an unrealistic height to require the process to start afresh in the event that the payment had been made on the next working day. In this respect it is material to have regard to the fact that the Complainant's representative had every expectation that by sending the payment by Royal Mail special delivery on 6 December it would arrive within the prescribed time.

Third, paragraph 12(a) of the Procedure, contrary to the Respondent's submission, does not indicate that the exercise of discretion by Nominet or the Expert can only be in relation to prospective matters. There is nothing in the Procedure to suggest that the discretion could not be exercised retrospectively.

In all circumstances, it would have been inappropriate to have sent the parties back to the beginning of the process simply because of (if so it was) a failing on the part of the Royal Mail in delivering the payment (at most) one working day late when the Complainant had every expectation that the payment would have been received on time. Those are exceptional circumstances. Nominet was right in permitting the Expert to decide the case rather than in deeming the Complaint withdrawn. The purpose of the DRS is to ensure a prompt and fair determination of the substantive issues and making the Complainant begin again in these circumstances for no apparent purpose would have been inappropriate.

The Expert has not set out and dealt with all the many points raised by the Respondent in its second non-standard submission because, as indicated above, the Expert is satisfied that the payment was in fact made in time. However, all the points made by the Respondent have been taken into account and none of them (individually or cumulatively) would have led the Expert to conclude that the action taken by Nominet in allowing the Complaint to proceed on the grounds of exceptional circumstances was inappropriate.

In the light of all of the above, the Expert has proceeded to consider the substantive Complaint.

5. The Facts

The following facts are accepted as accurate by the Expert:

The Respondent has been providing internet services since it was established in 1995. It currently manages over 80,000 domain names for its customers and registers around 2,000 new domains per month. It has not previously received any claim of trademark infringement or any complaint under the UDRP or DRS.

The Respondent registered the Domain Name on 23 August 1997. It chose the Domain Name because the Domain Name described its desire to give clients their own web space and email addresses. It also registered and used bigspace.co.uk for this purpose. It provided web space and email facilities to clients using the Domain Name from 1998 onwards. By December 2000 the Domain Name hosted over 290 "microsites". The Respondent also provided clients with their own email addresses in the form [name]@myspace.co.uk. It is still today providing email services to 18 customers using this domain name.

From November 1998 until October 2000 the Domain Name resolved to the Respondent's business webpage at totalweb.co.uk.

MySpace was founded in 2003. It is a series of social networking websites offering an interactive, user-submitted network of friends, personal profiles and other information. The Complainant is the owner of the MySpace business.

In July 2004, or possibly earlier, the Respondent placed a holding page at the Domain Name containing links to other websites in order to obtain revenue from the resulting traffic. These links were generated automatically by a standard software package on the basis of search engine results.

The acquisition of MySpace Inc by News Corporation, Inc in July 2005 received considerable attention.

From about August 2005 onwards, the Domain Name has resolved to a parking site which contains a number of links which generate revenue for the Respondent. From about October 2005, the parking site to which the Domain Name resolves contained links to MySpace and/or other social networking related links. The links on the site include or have included "social networking", "photo sharing", "chat forum", "xxxmovies" and "sex", "MySpace – Official Site", "Make Friends Now Dammit", "Myspace Friend Adder", "SOCIAL NETWORK SOFTWARE" and "SOCIAL NETWORKING SITES".

Two approaches were made on behalf of the Complainant to the Respondent in January 2006 in order to attempt to purchase the Domain Name. The sale price requested by the Respondent varied from \$100,00USD to \$430,000 USD.

MySpace UK was officially launched in May 2006. Four months after the Complainant's formal launch in January 2004, it already had 22 million registered members and further members were joining at the rate of 2 million a month.

The Complainant's US trade mark, registration number 3183151, for the word mark MYSPACE was registered on 12 December 2006.

The Complainant's representative wrote a cease and desist letter to the Respondent on 31 May 2007 which demanded, among other things, that the Domain Name be transferred to the Complainant. The Respondent, replied stating that "we are still open to accepting the original agreed offer of £220,000+VAT".

MySpace now has over 195 million profiles and attracts up to 300,000 new registrations every day. It now has over 10 million registered UK users.

6. The Parties' Contentions

Complainant

Rights

It has been established by previous expert determinations that the question to be asked when considering the timing of the existence of the rights is not whether the Complainant had rights when the Domain Name was registered but rather whether the Complainant had those rights when making its complaint.

The Domain Name is identical to the Complainant's MYSPACE mark and identical to the Complainant's domain names. Decisions by previous panels establish that a comparison of a domain name and mark in which the Complainant has rights disregards the first (.uk) and second (.co) levels of the domain name. Consequently, the Domain Name is identical to the Complainant's MYSPACE mark in which the Complainant has rights.

Abusive Registration

The Respondent has no legitimate rights to the Domain Name which, in the hands of the Respondent, is an abusive registration.

Section 1 of the Policy defines an abusive registration as a Domain Name which was either 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 a Domain Name that has been used in a manner which took unfair advantage of or was unfairly detrimental to the Complainant's

rights. The MYSPACE mark is extremely well known and is identical to the Domain Name. Although the Domain Name was not an abusive registration at the time it was registered, it has since become an abusive registration.

The Respondent is making substantial revenue from click through sponsored links on the current webpage to which the Domain Name resolves. The Respondent's website remained inactive for almost 5 years before the Respondent decided to use the parking site from about August 2005. The Respondent's change in use of the Domain Name is a direct consequence of the acquisition of MySpace Inc from News Corporation, Inc in July 2005 because the Respondent would then have realised that public confusion would lead to greater click-through revenue. The Domain Name is therefore being used in a manner which takes unfair advantage of the Complainant's rights and these circumstances indicate that the Domain Name is an abusive registration.

In addition and by reference to the non-exhaustive list in Policy, section 3:

(A) The Domain Name is being used in a way which has either confused people into believing, or it is extremely likely to confuse people into believing, that the Domain Name was registered to the Complainant, was operated or authorised by the Complainant, or otherwise was connected with the Complainant. The Domain Name is identical to the Complainant's mark and therefore it is very likely that confusion of the type indicated will arise. It is natural for UK-based users of MySpace to search for the Complainant's services at myspace.co.uk. The Respondent's Domain Name currently resolves to a parking site, which has great potential for confusion and, thus, serious disruption to the Complainant's business.

(B) The Respondent is engaged in a pattern of registrations where the Respondent is the registrant of domain names (under .uk or otherwise) which correspond to well known names or trade marks in which the respondent has no apparent rights, and the Domain Name is part of that pattern. In this respect, the Complainant cites the following domain names: (i) majordomo.co.uk – Concept Footwear LTDA owns trade mark rights in MAJOR DOMO. (ii) backlash.co.uk – World Wrestling Entertainment, Inc owns trade mark rights in BACKLASH. (iii) It also says that the Respondent was previously the owner of warner-villages-cinemas.co.uk, rights in that name being owned by WARNER BROS CINEMAS.

(C) The Domain Name is being used for the purpose of unfairly disrupting the business of the Complainant. The Respondent's past and present use of the Domain Name unfairly disrupts the Complainant's business by improperly preventing the Complainant's current and prospective customers from reaching Complainant's legitimate website, thus causing the Complainant to suffer loss of customers and revenue. Accordingly, the Respondent's misuse of the Complainant's mark threatens to damage the Complainant's reputation and to erode the goodwill it has built up in its mark.

(D) The Domain Name has become a blocking registration against a name or mark in which the Complainant has Rights. It is submitted that given the notoriety and reputation that the Complainant's mark has acquired since 2003 the Respondent must be aware of the Complainant's rights in the mark MYSPACE. The Complainant has no rights in the MYSPACE mark and is using the Domain Name to block the Complainant from registering or otherwise acquiring the Domain Name on its own behalf. The Respondent has no justification for doing so and these circumstances indicate that the Domain Name is an abusive registration.

(E) The Respondent's registration and use of the Domain Name takes unfair advantage of the Complainant's rights because, given the strength of Complainant's MYSPACE mark and the fact that the Domain Name is identical to the MYSPACE name and mark, the registration is being used "for no purpose other than an intention that the Domain Name be confused with the Complainant's mark, thereby intending primarily to divert business

away from the Complainant." (see *The Royal Bank of Scotland Group Plc v. Kwan Jin* – DRS 03931 9 October 2006). The Domain Name is therefore being used in a manner which takes unfair advantage of the Complainant's rights.

Respondent

Complainant's Rights

"MySpace" is wholly descriptive of the Complainant's business of providing internet space to its individual users which they can treat as their own. This point is supported by the fact that myspace.com, myspace.co.uk and myspace.de were all registered long before the Complainant adopted the name.

In these circumstances, in accordance with the second sentence of the definition of "Rights" in the definitions section of the Policy, the Complainant cannot rely on the alleged rights in "MySpace". It is clear from the definition and the structure of the Policy that this exclusion applies even where the Complainant has made a descriptive mark well-known. Indeed this sentence would be redundant if it only applied where the term was not distinctive, since the Complainant would not then have rights in it.

If, contrary to the above, the Complainant is entitled to rely on rights in "My Space", it is accepted that "My Space" is identical or similar to the disputed domain name. However, it should be noted that such rights are not exclusive and that "My Space" has been registered as a trademark by four other parties.

Abusive registration

The Complainant accepts that the Respondent's original registration of the Domain Name was not abusive, since it took place six years before the Complainant was formed and almost eight years before the due date (July 2005) at which the Complainant has produced any evidence of rights or reputation. The Respondent retains substantial goodwill with customers and others who associate myspace.co.uk with it.

The Respondent was unaware of the Complainant when it directed myspace.co.uk to the holding page. The Complainant's assertion that it put up this holding page in July 2005 as a consequence of the acquisition of the Complainant by News Corporation is untrue.

Although the Complaint alleges that the Complainant has built up substantial worldwide and UK specific goodwill in the MYSPACE mark since at least 2003, this is not substantiated by any evidence and the annex cited in support only refers to material in 2006-7. It follows that a number of allegations in relation to Abusive Registration made by the Complainant under the Policy are irrelevant. The Respondent does not address these points at length in view of the word limitations on filing a Reply but ask for an opportunity to put in a supplementary submission if the Expert considers these points to be material in any way.

It also follows that the Respondent was entitled to respond to the Complainant's invitations to sell the Domain Name by quoting prices which the Complainant might be willing to pay. Domain names are registered on a first come, first served basis. If a company subsequently adopts a name which is identical to a domain name already legitimately registered and used by another party, that party has every right to respond to an invitation to offer it for sale to the former at a commercial price: see the decision of the Appeal Panel in DRS 2078 (ghd.co.uk).

This leaves the Complainant's contention that the registration is abusive because the Respondent is allegedly using it in a way which has confused people or businesses into

believing that the Domain Name is registered to, operated or authorised by, or otherwise connected with the Complainant.

There is no evidence that anyone has been confused or even that confusion is likely. No one accessing the Respondent's website would assume any connection with the Complainant. No confusion has come to light even though the Complainant has been using myspace.com for about four years and has been operating its UK site for some 16 months, recently on a very large scale. Moreover, if any confusion has occurred, it has occurred because the Complainant has acquired and publicised a domain name similar to the Respondent's existing domain name. This does not make its use of the Domain Name unfair.

In any case, it is clear from the decision of the Appeal Panel in DRS 4331 (verbatim.co.uk) (Annex 15) that even if confusion is established, this is not enough by itself to make a registration abusive: "the Complainant must satisfy the Panel, as an opener, that the Respondent was aware of the existence of the Complainant or its brand at the date of registration of the Domain Name or at commencement of an objectionable use of the Domain Name".

The Respondent has not done anything other than to continue the uses of its domain name myspace.co.uk which it commenced in July 2004 or earlier, before it knew of the Complainant and before it acquired any rights in the descriptive name "MySpace" in the UK.

Furthermore, whilst knowledge of the Complainant when the use commenced is a necessary condition for it to make a registration abusive, confusion together with knowledge are not conclusive. All the circumstances have to be considered. In this case, there is an overwhelming preponderance of factors in favour of the view that the registration is not abusive:

(1) Before being aware of the Complainant's alleged cause for complaint, the Respondent was using the domain name in connection with a genuine offering of goods or services (Policy paragraph 4(a)(i)(A)).

(2) Before being aware of the Complainant's alleged cause for complaint, the Respondent was legitimately connected with the name "MySpace" (Policy paragraph 4(a)(i)(B)).

(3) The domain name is generic or descriptive and the Respondent is making fair use of it (Policy paragraph 4(a)(ii)).

(4) Transferring the domain name would prevent the Respondent from continuing to provide its existing email service and from renewing web space service at this address, and would take away the Respondent's existing goodwill under the myspace.co.uk name without any compensation.

"Majordomo" has been widely used in connection with the management of email circulation lists, the list manager being likened to a head steward (the traditional meaning of "major-domo"). The Respondent registered the domain name majordomo.co.uk in good faith. The Respondent was not aware of any rights of Concept Footware in this name when it registered it or indeed until it read the Complaint. "Backlash" is an ordinary word in the English language. The Respondent was not aware of any rights of World Wrestling Entertainment in this name when it registered it or until it read the Complaint. The registrant of Warner-Village-cinemas.co.uk is a different registrant to that of the Respondent.

The Complainant's Reply

In its Reply the Complainant deals with the following;

MYSPLACE as a descriptive mark - The Complainant rejects the argument that it does not have "Rights" for the purpose of the Complaint because the mark relied upon is wholly descriptive. It says that the mark "MYSPLACE" cannot be said to be "wholly descriptive" of its social networking websites which offer interactive, user-submitted networks for friends, personal profiles, blogs, photos, music and videos. The Complainant relies upon the logic applied by the Expert in DRS Complaint No 4662 (Fireplace Traders Limited v Fireplace Consultants Limited), where he held that the definition of "Rights" was not intended to prevent the Complainant from relying upon rights in a name or term which is both descriptive of the Complainant's business and which has also acquired a secondary meaning as a trade mark of the Complainant.

The activities of the Respondent - The Complainant challenges the Respondent's assertion that it provided web-space and email facilities to clients using the Domain Name from 1998 onwards. The Complainant adduces data from the "WayBackMachine" which it says supports this assertion.

The Complainant's primary argument - The Respondent has failed to answer its case adequately.

Under English Law, and specifically the common law right of passing off, a subsequent entrant to the market who has substantial goodwill, can prevent an earlier entrant to the market from expanding his goods or services into areas that would lead to a misrepresentation (or confusion) that he is associated with the subsequent entrant. It cites The Law of Passing Off by Christopher Wadlow and remarks by Pumfrey J, in Reed Executive plc v Reed Business Information Ltd [2002] EWHC 1015 which, it says, support its position and provides an analogy involving two parties who use the same word for different products.

Putting things at their most beneficial for the Respondent, there has been no use of the Domain Name for web space since 2005, but there has been ongoing use for email services to 18 customers. To the extent that goodwill was generated in the provision of its web space services, (which is tenuous given that it only had a very small number of customers), that goodwill ceased shortly after it ceased to provide that service, and certainly by the date of the Complaint. Similarly any goodwill arising from the provision of email services, would either be miniscule, or likely non-existent given that the 18 customers would be more concerned with the provision of technical means to send and receive emails, than the primary domain name by which that function is carried out.

The effect of initially parking the Domain Name with Sedo was that anyone using the domain would be diverted to a webpage that was entitled "bigspace.co.uk". It is noticeable that none of the entries on those webpages during that period appear to reference social networking websites offering interactive, user-submitted networks for: friends, personal profiles, blogs, photos, music and videos. The records of WayBackWhen show that the Domain Name was diverted to bigspace.co.uk until 21 April 2005 at the latest, followed by a period of non-use until August 2005 when the Domain Name was parked with Sedo in its own right. Notwithstanding the Respondent's protestations to the contrary, the sale of MYSPLACE to News Corporation in July 2005 was the catalyst for the Respondent to park the Domain Name with Sedo in its own right knowing the revenue earning potential that such an action could generate.

It is inconceivable given the nature of the Respondent's business and the notoriety of the Complainant that it was not aware of the MYSPLACE service in July 2004. In any event it was so aware following receipt of the cease and desist letter sent by the Complainant to the Respondent in May 2007

These references continued after the Respondent had knowledge of the Complainant but undoubtedly after the Complainant's letter of complaint. The Complainant asserts that it is these references which abuse its Rights. It says that whilst the Respondent states that such links are created automatically by a standard software package using search engine results. Sedo allows its users to optimize its revenue by the selection of key words. Whether the references above have been generated by the Respondent or automatically by Sedo software is ultimately of little significance as the owner is responsible for the use made of the Domain Name and therefore the Respondent is necessarily responsible for the website content for the Domain Name. In this case, the Respondent either intentionally or recklessly (or negligently) allowed its own business to expand into the established goodwill fostered by the Complainant, that is, social networking. At this point, the Domain Name became an abusive registration.

Confusion - It is natural for UK-based users of MySpace to search for the Complainant's services at the Domain Name. For example, it is likely that most if not all of the 495,000 unique visitors to the Respondent's website in May 2007 were searching for the Complainant's services. The Complainant says that it is therefore inevitable that members of the public will assume that the website which resolves to the Domain Name is connected with or associated with the Complainant's services particularly given the extensive use of the mark MYSPACE and terms such as "social networking" within the website.

The Respondent's non standard submission

"My space" as a descriptive mark The Complainant's business consists of providing internet users with their own networked web space. The Complainant's alleged mark "myspace" is wholly descriptive of that business. The view of the Expert in DRS 4662 *fireplacetraders* is inconsistent with the definition of "Rights" in the DRS Policy, albeit he found in favour of the Respondent on the ground that the registration was not abusive given that the domain name was descriptive.

The activities of the Respondent The records of the "WayBackMachine" are not comprehensive. However, on any view they confirm that the Respondent used the Domain Name to provide web space on a substantial scale continuously from 1998-2005.

The Complainant's "primary argument" The Complainant seeks to make a case in passing off - relying variously on a supposed analogy between this case and Penguin books and biscuits; the textbook by Wadlow; and the judgment of Pumfrey J in *Reed v Reed*. However, the DRS should not be equated with the law of passing off. It is intended to provide a simple procedure for dealing with abusive registrations of domain names, not the resolution of complex actions in passing off with conflicting bona fide claims.

The Respondent has not taken the Complainant's goodwill because both businesses have been providing the same type of service, namely the provision of web space - albeit that the Respondent financed it by subscriptions while the Complainant has provided web space free of charge but obtained revenue from sponsored links on a ("PAY PER CLICK") basis.

The Respondent takes issue with the extract from Wadlow cited by the Complainant and with the passage the Complainant quoted from the Reed case. (For reasons which will become apparent, it is unnecessary to set out this aspect of the parties' submissions).

The Domain Name has been directed to a web page containing sponsored PAY PER CLICK links since at least July 2004, not August 2005 as suggested by the Complainant. Furthermore, the Respondent's goodwill under the Domain Name extends not only to

continuing email customers but to others who have used its services provided through the Domain Name.

Were the Complainant to succeed, its customers will be concerned that their email addresses will have to be changed as this may cause them significant inconvenience and possibly loss of business.

The fact that the adverts shown in 2004 did not include adverts associated with the Complainant proves that the Complainant was not well known and was not known to the Respondent when it started using the site for sponsored pay per click links. The choice of the adverts on the site is determined by algorithms linked to the search terms used by the internet community as a whole. Internet users were not searching for the Complainant or related services in 2004 when the pay per click use started - otherwise such adverts would have been automatically selected by the software for display on the Respondent's page at that date. Analysis of the pay per click ads over a period of around 18 months shows a gradual increasing awareness of the Complainant - to the point where the adverts are now dominated by things related to the Complainant. However, this is not a change of use by the Respondent - merely an automated reaction to the algorithm to the increased notoriety of the Complainant. Such ongoing use cannot become abusive merely as a result of the junior user of the mark becoming well known.

The Respondent denies that there was any break in the use of the domain name for a pay per click website in 2005. A review of its account shows that a separate myspace.co.uk page was set up in June 2005 before the sale of the Complainant to News Corporation in July 2005. Prior to June 2005, the domain name was directed to the same pay per click web page as bigspace.co.uk. The absence of any records in the Web Archive between April and August 2005 simply reflects the fact that the Web Archive is not comprehensive.

Being made aware of the Complainant's objections in the cease and desist letter in May 2007 is not relevant. The Complainant's solicitors' letter did not ask the Respondent to consider changing the settings on the Sedo software. Rather it demanded that it transfer the domain to its clients. It was not a change of use that has resulted in the appearance of adverts associated with the Complainant. It is a change in the level of notoriety that the Complainant now enjoys. But this does not make the continuation of the Respondent's existing use of the domain name abusive within the meaning of the Policy.

The Respondent then seeks to cite a passage from *Office Cleaning Services v Westminster Window and General Cleaners* (1946) 63 RPC 39. It is not necessary to set out the point for reasons stated below.

Paragraph 4 (a)(i) (A), (B) and (C) of the Policy are quite clearly only relevant to the purpose at the time of registration by the respondent. The Policy clearly states "*Circumstances indicating that the Respondent has **registered or otherwise acquired** the Domain Name primarily...*". The suggestion that a domain name registered in good faith before the Complainant existed becomes an abusive blocking registration when the Complainant subsequently comes into existence and becomes famous is directly contrary to the decision of the Appeal Panel in *ghd*.

The Complainant wants the Domain Name because it thinks that some internet users now try to locate it using the domain name. Even if that were true, it is not abusive - it is simply a result of its later adoption of a descriptive.com domain where it already had the corresponding co.uk domain name. It would occur whatever use it made of the Domain Name. On the other hand, there is no evidence, despite the notoriety that the Complainant's brand has now achieved and the number of users they now attract, to

support its claim that users are being confused into believing the Respondent's website is *"connected with or associated with the Complainant's services"*.

7. Discussion and findings

Under the Policy the Complainant is required to show on a balance of probabilities that it has both Rights in the Domain Name and that the Domain Name in the hands of the Respondent is an Abusive Registration.

Rights

It is accepted by the Expert that, in addition to the Complainant's US trade mark, the Complainant has substantial goodwill in the word MYSPACE and therefore, subject to the point below, has rights in a name which is identical to the Domain Name (disregarding the .co.uk suffix which, as the Complainant says, is usual and appropriate for the purposes of construing the Policy).

The Respondent asserts, however, that the name MYSPACE is purely descriptive and points out that the definition of Rights in the definitions section in the Procedure provides that a Complainant will be unable to rely on rights in a name or term which is solely descriptive of a Complainant's business.

Is this correct? . In a general sense the words SPACE can be used to describe a place where information is recorded and MYSPACE may suggest that personal information is recorded at that location. For a name to be said to be wholly descriptive of a business, however, it must be possible to derive the nature of the business from the name alone. If not, self-evidently, it is not wholly descriptive. A term which might be said to be wholly descriptive of a business would (for example) be SHOESHOP to describe a shop selling shoes or INTERNET SERVICE PROVIDER to describe a provider of internet services. But the same cannot be said of MYSPACE. It would not be possible to know what sort of business MYSPACE comprises simply by looking at the name. To that extent, the name in which the Complainant has rights cannot be said to be wholly descriptive of the business of running a social networking site. The Respondent's argument that the Complainant does not have Rights in the name MYSPACE is not, therefore, accepted.

Abusive Registration

The expert accepts the following points of the Respondent:

- (1) The fact that the Respondent sought substantial payment in return for selling the Domain Name to the Complainant does not amount to an abusive registration.
- (2) The suggestion by the Complainant that the Respondent has engaged in a pattern of registrations which correspond to well known names or trade marks in which the Respondent has no apparent rights and the Domain Name is part of that pattern is incorrect.
- (3) Before being aware of the Complainant's alleged cause for complaint the Respondent was using the domain name in connection with a genuine offering of goods or services and was legitimately connected with the name myspace. Similarly, the Domain Name was not registered or acquired in circumstances which took unfair advantage of the Complainant's Rights or was unfairly detrimental to them nor are the grounds set out at paragraph 3 a i of the Policy made out.
- (4) Transferring the domain name may adversely impact on the Respondent's business and possibly that of its customers. In relation to this, however, it is

axiomatic that in almost any substantial domain name dispute this may be a consequence of a decision adverse to the Respondent. The Policy and Procedure do not require or entitle the Expert to conduct a balancing act between the interests of the Complainant and those of the Respondent. If the grounds for a successful transfer are made out, the Complainant is entitled to the relief it seeks. Any other course would give the Expert a degree of discretion not intended by the DRS and create an unwelcome uncertainty as to the manner of its operation. There may, on the margins, be some scope for application of a pragmatic overlay on the rules (for example, if there had been an Abusive use of a domain name but only for a very brief period). However, as a matter of generality, the DRS does not anticipate that a balancing exercise will be conducted by the Expert.

- (5) The Respondent has acquired some goodwill in the Domain Name. But, as with the point raised above, this cannot operate as a bar to any complaint about the use to which the Domain Name is put.
- (5) It is inappropriate for the DRS to be equated with the English law of passing off. Moreover, the Expert does not find the references by either party to English legal cases or to textbooks to be helpful and for that reason has not set out their submissions on case law. The Expert is required to decide a Complaint on the basis of the parties' submissions, the Policy and the Procedure. The DRS does not import in any developed way concepts of English law of passing off or trade mark infringement save that the definition of Rights is said to include but not be limited to rights enforceable under English law. But this definition does not mean that there is any value in attempts to draw comparisons between the English law of passing off and the meaning of an abusive registration.
- (6) There is nothing of substance to point to any abusive use prior to July 2005. Moreover, as the Respondent says, there is relatively little information provided by the Complainant as to the extent to which MYSPACE was prominent in the UK prior to the launch of the UK website in May 2006.

Accordingly, whilst the parties have made lengthy and diverse submissions the point in issue is whether any of the usage of the Domain Name by the Respondent from 2005 onwards should be regarded as Abusive and entitling the Complainant to an order for transfer.

In this respect, little assistance is derived from the extensive statistical information discussed by the parties about hits to web pages. However, the copy web pages which have appeared at the site of the Domain Name and which the Complainant has appended to its Complaint are of considerable help and it is material to describe some of (but not all) of them in more detail.

As at 17 August 2005 the web page comprised a list of links under the heading MYSPACE.CO.UK which contained in smaller type the words "This domain may be for sale by its owner!". (This does not suggest, if true, that the Respondent had any great need to retain the Domain Names in order to service its customers as at that point). The top 5 links thereafter were entitled *File Transfer with BAM*, *File Transfer Software*, *Streamload*, *Transfer Files* and *Free Norton Anti-virus 05*.

By 17 February 2006 the heading on the page was the same (with a similar indication that the Domain Name may be for sale). The links thereafter were to *MYSPACE-official site* (underneath which were the words *Poll and Link to Official MySpace.com Website*). *Myspace* (which was, in fact, a link to Yahoo), *Free Xbox 360 every week*, *vMix - Free Video Sharing* and *MySpace* (which was a link to "gallery of sexy MYSPACE females results you can see now!").

By 15 March 2007 the format of the page had become more developed to contain smaller links at top and bottom. The links at the top were to *Photo-sharing, Chat forum, Write a blog, Social networking, Chat online, Music streaming* and *Myspace*. Running down the main part of the page were links entitled *Social network software, Conenza-alumi platform* (apparently a social networking platform), *Social networking sites, Social network software* and a further *Social network software* link.

As at 13 August 2007, the page had been further developed to contain additional series of links. The top links were for *Adult dating, Webcam Chat, XXX Movies, Adult Friend Finder* and *English*. Those running to the left of the page were for *Myspace, Be Naughty www.Myspace.com* (actually a link to eBay) *The Envy Corps* and *www.myspace.com* (actually a link to Ask.com). Further links appeared to the right of the page under a navigation drop down menu. The top link for these was to *Social networking*. Beneath that was a link entitled *Myspace* and thereafter links to *Sex, Dating, Contract phones Myspace.co.uk, Photo-sharing, Chat forum* and *Chat online* etc.

For the purpose of the Complaint it is not necessary to pinpoint the exact moment in time at which the Respondent (or alternatively the search engine technology employed by Sedo) adjusted its activities to take account of the popularity of MYSPACE.COM nor to understand the exact basis on which the links caused to be placed on the site. On any footing, was a marked change in the format of the site between August 2005 and April 2006 and specifically a significant change in the character of a large number of links on the site which alluded directly or indirectly to activities which are (and were by then) closely associated with the business of the Complainant. Whether the change was due to the acquisition of the Complainant by News International or for some other reason, the site at the Domain Name from at least February 2006 onwards contained a number of links which were generating traffic for the Respondent and which caused confusion or are capable of doing so. Not only has there been a proliferation of links related to social networking but some links used the name MYSPACE to direct traffic elsewhere. For example, in February 2006 the top link – *MySpace-Official site* is actually a link to *Myspace.freeconsumer.org* and the link to *www.MySpace.com* in August 2007 is actually to ebay. With due respect to the Respondent, it cannot possibly be said in the context of the prominence of the Complainant's brand at that point in time that mis-directed traffic was traffic which was seeking the Respondent rather than the Complainant's web sites or that the words *social networking, chat forum, chat on line* etc were not placed there to build on an association with the Complainant's business.

So far as the issue of site-usage post 2005 is concerned, the Respondent's assertions in italics (followed by the Expert's analysis) are as follows:

1. *The usage from 2005 onwards did no more than continue the usage during 2004 when the Respondent was unaware of the existence of the Complainant.* As is evident from the description of the web pages set out above, this contention is not borne out on the facts. There has been a very marked change in usage.
2. *To the extent that the pages allude to or contain links to the Complainant's site, this is a product of the algorithms used by Sedo in putting links on the page for which the Respondent is not accountable.* This is not accepted. First, it cannot be the case that the Respondent can avoid accountability for the actions of Sedo for which it would have been responsible if it had taken the same steps itself. The Respondent is the Registrant of the Domain Name and in the ultimate analysis it is responsible for the content which appears on the site. Moreover, the Respondent has been aware of the Complainant's assertions and concerns since at least May 2007 and has chosen not to change the site content.

3. *The Respondent already has goodwill in the name MYSPACE.* The argument that the Complainant cannot object to the Respondent's conduct because the Respondent had registered, used and acquired goodwill in the domain name prior to the development of the Complainant's business is not well founded. It is undoubtedly the case that the Respondent may have acquired goodwill in a wide variety of uses of the word MYSPACE but there is no evidence at all that it had or has acquired goodwill in MYSPACE in the context of social networking and its associated activities. The Complainant could not have objected to any use by the Respondent of the Domain Name save in relation to the specific area in which the Complainant had built up goodwill. But it is exactly that use of the Domain Name to which the Complainant objects.

4. *The Respondent did not have the Complainant in mind when it put up a holding page in July 2005.* As indicated above, there is no need to pinpoint the exact moment when the content of the web pages at the Domain Name changed as a consequence of the fame of the Complainant but this has plainly occurred by mid-2006.

5. *There is no confusion caused to customers of the Complainant. Alternatively, to the extent that confusion is caused, it is of a consequence of the Complainant haven chosen a domain name which is the same as that in which the Respondent has rights.* The Expert accepts that no evidence is adduced of actual confusion and to that extent the ground set out at paragraph 3 a ii of the Policy is not made out. It can be difficult to adduce evidence of actual confusion in these circumstances because a Complainant requires contact from someone who has visited the offending domain name in error for actual confusion to be found. However, the grounds set out at paragraph 3 of the Policy provide non-exhaustive examples of what might constitute an Abusive Registration. Confusion (actual or likely) does not have to be established for it to be said that the Domain Name takes unfair advantage or is unfairly detrimental to the Complainant's rights. This aspect of an Abusive Registration can be made out if it is established that the Respondent is obtaining an unfair advantage by virtue of its usage of the Domain Name. In the view of the Expert it is entirely clear that the Respondent has either caused or permitted the web pages at the Domain Name to take the form described in order to take advantage of the association which visitors to the site would make between the Complainant's now very well known trading brand MYSPACE and the Domain Name and of the goodwill which the Complainant has accumulated in the field of social networking. This advantage and the use made of the Domain Name by the Respondent is unfair. The income the Respondent is deriving from its pay per click links at the site of the Domain Name derives in part as a consequence of it being able to trade off the reputation of the Complainant. Accordingly the Domain Name in the hands of the Respondent is an Abusive Registration.

6. Decision

The Complainant has Rights in a name or mark which is identical to the Domain Name and the Domain Name in the hands of the Respondent is an Abusive Registration. The Domain Name is to be transferred to the Complainant.

Signed: _____

Date: _____

Antony Gold