

Nominet UK Dispute Resolution Service

DRS 2166

The Game Group plc -v- Garth Sumpter

Decision of Independent Expert

Parties:

Complainant's Details

Complainant: The Game Group plc

Address: Unity House
Telford Road
Basingstoke
Hampshire

Postcode: RG21 6YJ

Country: GB

Respondent's Details

Respondent: Garth Sumpter

Address: 17 Graham Way
Taunton
Somerset

Postcode: TA4 1JG

Country: GB

Domain Name:

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

1. Procedural Background:

The Complaint was lodged with Nominet on 8 November 2004. Nominet validated the Complaint and notified the Respondent on 15 November 2004. The letter to the Respondent advised him that he had 15 working days to respond to the Complaint, that is, until 7 December 2004. On 7 December 2004 a Response was received from the Respondent's solicitors. Nominet acknowledged receipt of the Response and intimated a copy to the Complainant's solicitors on 7 December 2004, giving until 14 December 2004 for the Complainant to file a Reply if it so wished. A Reply was received from the Complainant on 14 December 2004. Nominet initiated mediation procedure on 17 December 2004 and subsequently indicated by letter to the Complainant and the Respondent on 23 December 2004 that mediation had been unsuccessful and that provided the Complainant paid the appropriate fees by 11 January 2005, Nominet would refer the case to an independent expert for a decision. The

Complainant duly paid the fees on 30 December 2004 for a decision of an expert pursuant to paragraph 6 of the Nominet UK Dispute Resolution Service Policy ("the Policy").

On 6 January 2005, Andrew Lothian, the undersigned, ("the Expert") confirmed to Nominet that he knew of no reason why he could not properly accept the invitation to act as expert in this case and further confirmed that he knew of no matters which ought to be drawn to the attention of the parties, which might appear to call into question his independence and/or impartiality. Nominet duly appointed the Expert with effect from 7 January 2005.

2. Outstanding Formal/Procedural Issues:

Response does not contain declaration of truth (Procedure, para 5(c)(v))

The Response was received electronically by email and was followed up by a duly signed hard copy. However, it does not comply with paragraph 5(c)(v) of the Procedure for the conduct of proceedings under the Dispute Resolution Service ("the Procedure") in that it does not contain a duly signed declaration relating to the truthfulness of the Response and its compliance with the Procedure and applicable law. It is important to record that the Respondent is legally represented in this case. The Expert would expect the Respondent's solicitors to be aware of the formal requirements of a Response and the consequences of failure to include the declaration. Paragraph 15(c) of the Procedure provides that "If, in the absence of exceptional circumstances, a Party does not comply with any provision in the Policy or this Procedure the Expert will draw such inferences from the Party's non-compliance as he or she considers appropriate." In previous DRS cases, even where the Respondent has not been legally represented, the Expert has taken the view that an inference can be drawn which would tend to reduce the weight to be given to the contents of the Response. The Expert sees no reason to depart from that approach in the present case, there being no exceptional circumstances, and the Response will be viewed accordingly.

3. The Facts:

1. The Complainant is a company engaged in the retail sale of computer software and hardware including computer and video games through high street outlets under the mark and style GAME and online from the domain name game.net. It, and its predecessor in title Game Plc have been in business under the mark GAME since 1990. The Complainant operates 584 stores in the UK, Eire, Sweden, Spain and France. 343 of these stores operate under the mark GAME at locations throughout the UK. The Complainant's turnover (and that of its predecessor in title) has risen from £1.2 million in 1990 to £171 million in 2002.
2. The Complainant has used the GAME mark as follows: Retail sale of goods under the mark through a chain of branded high street stores numbering 62 in 1998 and increasing to 295 by January 2002; in-store catalogues; on-line sales through the domain name game.uk.com, and, from October 2002 through the domain name game.net (900,000 hits per month in 2001 rising to in excess of 1,000,000 hits in September 2003 with 200,000-250,000 unique visitors per unit). The Complainant spent £2.8 million on advertising under the mark from the second half of 1998 to the end of 2000 with advertisements placed in national and regional newspapers, national and local radio and national television. The mark has also been used on store bags, company stationary and promotional items such as flyers, posters and point of sale literature, mail shots and a customer loyalty card (the latter being used by over 3.3 million customers in 2002).
3. The Respondent traded as a multimedia consultant or consultant to the computer games industry from September 1995. The Domain Name was registered by the Respondent on 3 October 1995. There is some dispute as to the nature of the use to which the Domain Name was put in connection with this business, although evidence is provided by the Complainant in the form of extracts from the Internet Archive demonstrating that from about February 2000 to May 2002 the Domain Name was associated with a website for the Respondent's consultancy business then

trading as GAMEweb, which offered press relations and product management services including copy writing, design and print, web design and automated web site functions, catalogue product information, publishing for website, CD press kits, traditional paper publishing, product placement and on-line buying. The Respondent states that his clients included such companies as Telewest, NTL, Konami, THQ, Funsoft, Virgin Interactive, Lunch PR, Panache PR, Dennis Publishing, EMAP Images, EMAP online and Ziff Davies. This business was not in competition with the Complainant.

4. In January 2002 the Complainant announced in a £1.4 million advertising campaign that it would be re-branding those of its stores which were not then trading as GAME so that all of its stores could be given a new look and feel together with a new logo and the introduction of a single GAME-branded domain name.
5. The Complainant states that also in January 2002, it or its predecessor in title made an approach to the Respondent via an intermediary for the purchase of the Domain Name; sale to the intermediary was agreed at a price of £18,000 and the paperwork was prepared. No transaction proceeded.
6. On 14 February 2002, the Respondent approached the Complainant's predecessor in title, EB Media plc by email, indicating that his business circumstances had changed and that he would be selling the Domain Name, his website and relative copyright. The Respondent stated "I would therefore like to offer you this opportunity to contact me should Game be interested in buying the domain name." On 22 February 2002 EB Media replied to the Respondent making an offer of £10,000 plus VAT for the Domain Name. On 22 February 2002 the Respondent declined the offer, indicating that the Domain Name's value was around £30,000 and that any offer over £31,000 would be accepted.
7. In April 2002 the Complainant approached the Respondent, through an intermediary, about possible purchase of the Domain Name. There is some dispute as to the nature and outcome of the negotiations which ensued, whether a price was agreed and the amount of that price, but in any event no transaction proceeded.
8. On 10 May 2002 a company named Garth Associates Multimedia Entertainment (G.A.M.E.) Limited was incorporated with the Respondent as sole Director.
9. On 25 May 2002 the Respondent's website, with which the Domain Name was associated, was changed. It began to display a holding message titled 'The home of UK gamers' and indicated that 'This site is launching very soon.'
10. On 23 September 2002 the Respondent's website was relaunched as an online retail store for computer games. Through this website, Garth Associates Multimedia Entertainment (G.A.M.E.) Limited commenced trading via the Respondent's Domain Name as 'game.co.uk The home of UK gamers'.
11. In April 2003 the Respondent was contacted by the Complainant's CEO and a meeting took place between the parties on 8 April 2003. The Complainant made a further offer to purchase the Domain Name, on this occasion for £100,000 payable over two years, based on the projected profit and turnover of the Respondent's business. The Respondent stated that he did not wish to name a price for the Domain Name; it was 'priceless' as it enabled him to spend time with his family while trading from home. However, the Respondent undertook to consult his business associates and partners before formally responding.
12. On 12 June 2003 the Respondent wrote a letter to the Complainant's CEO stating that the Complainant's offer to purchase the Domain Name for £100,000 was rejected. The letter went on to state that the Respondent's company together with the Domain Name was valued at £1 million, albeit that the Respondent was not particularly looking to sell the business. The letter also stated

that another major high street retailer was interested in discussions regarding the Domain Name and the Respondent's business.

13. The Respondent's company's statutory accounts show turnover of £58,122 for the period ended 31 May 2003 with a loss of £4,092 for the same period.
14. On 4 August 2004 Phil Atkinson, a representative of the Respondent, emailed the Complainant stating that the Respondent's business was about to be sold due to Jersey-based competition and that the sale price was £1 million. Mr Atkinson stated that he had been asked to assist in the sale of the Domain Name and that there was great interest.
15. The Respondent emailed the Complainant's Deputy Chief Executive on 25 October 2004 stating that game.co.uk was planning to change its business in the next couple of months. The email indicated that as a consequence of this change, the Domain Name would be made available for sale and that the Complainant was being informed in light of the previous negotiations (this honoured a commitment made by the Respondent in April 2003 in a letter to the Complainant's CEO). The Respondent stated that should the Complainant wish to purchase the site, then no announcements would be made via the trade press regarding the name being available until a conclusion was reached.

4. The Parties' Contentions (in summary):

Complainant:

1. The Complainant has rights in respect of the mark GAME which is identical or similar to the Domain Name.
2. The mark GAME in relation to the sale of electronic games has become exclusively associated with the business of the Complainant through extensive and continuous use over a period of 12 years prior to the change of use of the Domain Name.
3. Recognition of the GAME brand is demonstrated by the result of a Google search against the term "game". The Complainant produces evidence of such a search carried out in October 2004. The second result [the first result after the Google News listing] is an entry for game.uk.com which defaults to the Complainant's current domain name game.net.
4. The suffix of a Domain Name is not significant. Accordingly the Domain Name can be considered to be identical, or so similar as to be effectively identical, to the Complainant's mark GAME and to the Complainant's domain name game.net.
5. The Domain Name in the hands of the Respondent is an abusive Registration because:-
 - (i) it is being used in a way which has confused people into believing that the Domain Name is registered to, operated or authorised by, or otherwise connected with the Complainant; and
 - (ii) its use has been changed primarily for the purposes of selling the Domain Name to the Complainant or to competitor of the Complainant for a consideration in excess of the Respondent's documented out-of-pocket costs directly associated with acquiring or using the Domain Name.

Confusion

6. The Respondent offers, through the same channels of distribution, goods identical to those dealt in by the Complainant and it competes for online sales of electronic games against the Complainant. The Respondent makes no attempt to distinguish the business now conducted from the website

from the business of the Complainant. The Complainant believes that the Respondent's use of its site has confused people into believing that the Domain Name is connected with the Complainant, for example:

- a. The Complainant has received a number of complaints from the Respondent's customers who believed that they had dealt with the Complainant.
 - b. On 12 February 2003 the Director General of the Entertainment Leisure Software Publishers Association ("ELSPA") a members body for the British computer and video games industry, wrote to the Complainant regarding use of its ChartTrack game charts. When the Complainant investigated these allegations it discovered that ELSPA was in fact referring to the Respondent's website.
 - c. On 9 January 2004 in an article published electronically in Dow Jones Newswires the author reports on the Complainant's trading position and the comments of the Complainant's then Executive-designate Martin Long. The Complainant's domain name is given as game.co.uk.
7. This kind of confusion is detrimental to the Complainant's rights and of great concern to the Complainant because it directs serious investors to the Respondent's website which is not readily distinguishable from that of the Complainant, is of inferior quality and relates to a business vastly inferior to that of the Complainant.
 8. The Complainant believes that by using the Domain Name for retail of computer games the Respondent has taken unfair advantage of the reputation of the Complainant.

Change of use primarily for purpose of selling the Domain Name

9. The Complainant believes that the Respondent changed the use of the Domain Name in September 2002 in response to the approach for purchase made by the Complainant in April 2002 and in full knowledge of the Complainant's business and rebranding of the complete store portfolio in the United Kingdom.
10. During the negotiations of June 2003, the price demanded by the Respondent of £1 million exceeded his out of pocket costs of either acquiring or developing the present use of the Domain Name. The Complainant believes that the Respondent changed the use of the Domain Name for the purpose of selling at such a price.

Respondent:

1. The Respondent denies that his registration of the Domain Name is an Abusive Registration.

Registration of the Domain Name

2. The Domain Name was registered by the Respondent as a legitimate website used in connection with his existing business as a consultant to the computer game industry. The Respondent has traded as a consultant in such fashion until this current complaint using the Domain Name in question without objection from the Complainant.
3. The Complainant has no prospect of establishing that the main [sic] name 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 (emphasis added).

Use of the Domain

4. Only factor a (ii) of the list of factors set out as evidence of Abusive Registration in the Dispute Resolution Service Policy is supported by any evidence adduced by the Complainant. Although the list of factors is expressly stated to be non exhaustive, the absence of any other factor is highly persuasive that the Complainant has failed to make out its case.
5. The Respondent asserts that:-
 - (a) He has made genuine use of the Domain Name in connection with a genuine offering of services prior to becoming aware of the Complainant's Cause for Complaint as far back as his original registration of the Domain Name on 3 October 1995, and
 - (b) He has traded under the abbreviation GAME which is legitimately connected with the Domain Name, and
 - (c) The Domain Name is generic and descriptive - in short, the term is of such wide application that the Complainant cannot reasonably demand exclusive use of the same.

Change of use of the Domain Name

6. In November 2001 the Respondent's trading position changed in that having been largely dependent upon a contract with NTL, such contract being at imminent risk of termination, he required other alternative trading opportunities. In particular, because of his domestic circumstances, the Respondent was anxious to secure some other trading opportunity which would enable a substantial element of working from home.
7. The Respondent therefore reviewed the existence of his website. He had preliminary discussions with prospective publishing partners as to how the commercial value of the Domain might best be maximised and exploited.
8. The Respondent's discussions with his proposed trading partners progressed and following advice which he had received, the Respondent decided to exploit the Domain Name in the most obvious and logical way namely, by retailing computer games to the public. The Respondent commissioned suitable software for the operation of the Domain by contracts made subject to discussions with eMedia Services commencing in February 2002 and signed on 1st November 2002. Other long-standing negotiations with S Golds and Sons to supply products finalised in a contract being signed on 15th August 2002.
9. The Domain Name has 7.7 million hits per month and the Respondent is legitimately trading from that Domain receiving orders for software products and supplying those products to its customers. The Respondent has been engaged in such business now for an uninterrupted period of two years.

Confusion with the Complainant's business

10. The Respondent's site contains material which expressly precludes its being operated by the Complainant. In particular, the Complainant makes reference to the sites longstanding assertion that it has gone from a small independent operation to one that has over 30 staff. This is entirely inconsistent with the site being operated by a major national retailer such as the Complainant.
11. Any confusion arising with the Respondent's use of the Domain Name has arisen solely because the Complainant has chosen to trade under a highly generic name. Had the Complainant wished to avoid confusion then the Complainant should have chosen a more easily identifiable or unique trading identity. The Respondent points out that the domain name game.com is owned by Hasbro

and so far as the Respondent is aware, the Complainant has not made any like complaint about Hasbro's use of that domain name. The Respondent sees no reason why he should be taken as responsible for what he frankly stigmatises as sloppy and lazy work by journalists and other bodies. A little basic research on the part of James Hall and Dow Jones would have ensured that they provided accurate information.

12. In any event, the Respondent draws attention to the extremely slight evidence of confusion. For a trading entity such as the Complainant, the confusion of three customers from a turnover of £425.5m does not even rate as being derisory.

The Complainant's previous attempts to acquire the Domain Name

13. In April 2002 the Respondent was approached by one Michael Roberts who maintained that he was representing a small party with a business idea and offered £18,000 for the acquisition of the Domain Name. This offer was taken into consideration but declined. In due course, Mr Roberts made further offers up to £35,000 which were likewise considered but declined. If the Complainant believed that there was an agreement to acquire the Domain Name for £18,000, the Complainant was at best misled by its intermediary. However, the Respondent does not accept that the Complainant had any genuine belief of such nature. Had the Complainant genuinely believed this, then the Complainant could have issued legal proceedings to enforce the contract. The price in question was exceptionally low for a generic Domain Name and the fact that the Complainant failed to institute any proceedings strongly suggests that the Complainant was fully aware that the offers had been declined and the Complainant had merely been attempting to acquire the valuable Domain Name legitimately owned by the Respondent at insignificant cost to itself.
14. The Respondent denies that he has ever approached the Complainant to offer to dispose of the Domain Name. All contact between himself and the Complainant has been initiated by the Complainant. It is noteworthy that the Complainant admits making the first approach to the Respondent as long ago as April 2002 and the Complainant does not suggest that that approach came from the Respondent.

The effect on the Respondent of the Complaint

15. If the Respondent loses the use of the Domain Name then effectively he loses his entire business. All the start up costs associated with the business will be lost. Without the Domain Name, his business has no effective trading outlet. When the Respondent has discussed disposing of the Domain Name it has also been the case that he would also be expecting the purchaser to acquire business as a going concern. The Domain Name and the business are not separable. In the light of the very slight evidence of confusion, such as it is, to remove the Respondent's ownership of the Domain Name would be utterly disproportionate to the mischief being claimed.
16. It is notable that in April 2003 the Complainant was offering to acquire the Domain Name for valuable consideration and was not at that stage suggesting that there was anything abusive about the registration or use of the Domain Name. This is inconsistent with the Complainant's present position. Due to changed personal circumstances the Respondent latterly decided to consider receiving offers to acquire the Domain Name from him. The Respondent's email of 25 October 2004 was merely honouring the commitment which he gave the previous year.
17. The Respondent has entered into genuine negotiations with other interested parties for the acquisition of the Domain Name. The Respondent is entirely satisfied that this late application, made some year and a half after the Complainant admitted first approaching him, is a vexatious and last ditch attempt by the Complainant to acquire a valuable Domain Name without paying the genuine market price for the same.

Complainant's Reply:

1. The Response omits the signed statement of truth required by paragraph 5(c)v of the Procedure and it contains a number of inconsistencies and inaccuracies. For example:
 - 1.1 The Respondent claims to have traded "as a consultant to the computer games industry" since 16 September 1995 under the Domain Name. In fact the Website has been used as follows:
 - 1.1.1 1995 – 2000: believed to be inactive.
 - 1.1.2 February 2000 – May 2002: GAME.web, a "press relations and product management" business.
 - 1.1.3 Since about September 2002: retail sale of computer games.
 - 1.2 It is incorrect that only factor a (ii) of the list of factors set out as evidence of Abusive Registration in the Dispute Resolution Service Policy is supported by any evidence. Evidence was adduced concerning conduct embraced by a broad reading of paragraph 3(a)i(A) of the Policy.
 - 1.3 It is not correct that "the Domain was not for sale" in April 2003. In his letter of 12 June 2003 the Respondent refers expressly to sale of the Domain Name.
 - 1.4 In the course of investigating the Respondent's denial that that he had ever approached the Complainant to offer to dispose of the Domain Name, e-mails between the Complainant's predecessor in title, EB Media plc ("EB"), and the Respondent from February 2002 came to light. This correspondence demonstrates that it is not correct that the Respondent has never approached the Complainant to offer to dispose of the Domain name, nor that all contact between the Respondent and the Complainant was initiated by the Complainant, as stated. Further, the approach made by Phil Atkinson in August 2004 was made on behalf of the Respondent.
2. The Respondent does not dispute that the Complainant has Rights in the mark "GAME" (although he contends that it is unreasonable that the Complainant should require exclusivity) or that the mark is identical or similar to the Domain Name. The only issue between the parties therefore is whether the Domain Name is an Abusive Registration.
3. The Complaint is founded in the change of use of the website operated at the Domain Name, from the operation of a business in a substantially different field from that of the Complainant's business, to the operation of a business in precisely the same field.

The mark "GAME"

4. The Complainant understands the word "generic" to denote a mark which has through use come to mean a type of product/service, as opposed to an indication of source. The Respondent has not established that the mark "GAME" has become generic.
5. The Respondent does not challenge the Complainant's evidence of use of the mark or the Complainant's assertion that the mark "GAME" in relation to the sale of *inter alia* electronic games has become exclusively associated with the business of the Complainant.
6. The Complainant does not demand an exclusive monopoly over all uses of the word "GAME". The Complainant asserts that it has acquired through use an exclusive right to use of the mark "GAME" in relation to a retail business dealing primarily in computer hardware and software including electronic games and closely related goods.

The Respondent's motive

7. The Respondent does not dispute the Complainant's assertion of knowledge [that he would have been well aware of the business, trading style and activities of the Complainant]. The Respondent describes himself as having been in business since 1995 as "consultant to the computer game industry", and in his e-mail of 14 February 2002 as "someone who has worked in the computer games business for many years". He would therefore have been aware of the Complainant's re-branding programme announced in early January 2002.
8. The Complainant does not accept the Respondent's explanation for the change of use of the website at the Domain Name which is in any event not inconsistent with the Complainant's case. The dates which the Respondent puts forward regarding contracts with eMedia Services and S Golds and Sons regarding change of use all post-date the date of the announcement of the Complainant's re-branding as "GAME" in early January 2002.
9. In the course of investigating the Respondent's version of events, the Complainant also discovered that EB/the Complainant had also made an approach to the Respondent for purchase of the Domain Name in January 2002 through an intermediary. Agreement for sale to the intermediary was agreed at £18,000 and the paperwork was prepared. On 13 February 2002 the intermediary reported that the Respondent appeared to be stalling for time and that he claimed to need more time to consult his accountants. On 14 February 2002 the Respondent approached the Complainant regarding sale of the Domain Name.
10. On 22 February 2002 the Respondent claimed that the bare Domain Name had a value of £30,000, but by April 2003, when the Domain Name was "in the most obvious and logical way" associated with a business identical to that of the Complainant and after only 6 months trading, the Respondent claimed it had a value of £1 million. The Respondent therefore puts the increase in value of the domain resulting from this exploitation at £970,000.00.

Confusion

11. Response, para 10:-
 - 11.1 A visitor to the site would only access the "About game.co.uk" page if he was not familiar with the business run from it. Because there is nothing on the Respondent's home page to alert a user to the business not being that of the Complainant, the user would be unlikely to access this page.
 - 11.2 The meaning of the passage referred to is not immediately clear. It is not a clear and unambiguous statement.
 - 11.3 The Complaint was served on the Respondent on 15 November 2004. On or before 23 November 2004 the Respondent changed the wording of the "About game.co.uk" section of the site from the quoted passage to "the UK's smallest yet only truly independent online games and entertainment store". At the bottom of the page the operating business is identified as Garth Associates Multimedia Entertainment Ltd but omitting "(G.A.M.E.)". This is incorrect: the name of the company is Garth Associates Media Entertainment (G.A.M.E.) Limited.
12. Response, para 11. The Hasbro site is clearly identified, with distinctive branding, as being operated by Hasbro in connection with a business dealing primarily in board games. So far as the Complainant knows, neither Hasbro nor the Complainant have encountered any incidences of confusion between the businesses being run from the respective sites.

13. Response, para 11. ELSPA is an industry body and it wrote to the Complainant in the exercise of a regulatory function. Secondly, the test at paragraph 3(a)(ii) of the Policy is only that there has been confusion. There is no suggestion that confusion is only relevant if it arises despite research having been carried out into matters beyond the apparent provenance of a domain name or website.
14. Response, para 12. The Complainant has given only examples of confusion. These were chosen as representing the different types of confusion that have occurred, amongst industry bodies, the press and consumers. A further illustrative sample of instances of confusion occurring in or about February 2003 are produced with the Reply:-
 - 14.1 Nigel Ryan telephoned the Complainant to complain that he had placed an order on the web site game.co.uk, which had not arrived.
 - 14.2 Rochelle Kaye purchased a product in one of the Complainant's stores. She explained that she had encountered a problem and e-mailed customer services at game.co.uk to seek assistance. After three weeks of awaiting a response, she telephoned the Complainant to complain.
 - 14.3 Ed Clarke contacted the Complainant to cancel an order placed on the website at game.co.uk.
 - 14.4 Lee Clemesha contacted the Complainant to complain that he had placed an order on the website at game.co.uk on 15 December 2002 which had not been delivered.
 - 14.5 Jennifer Morgan contacted the Complainant to complain that she had placed an order on the website at game.co.uk which had not been delivered.
 - 14.6 In addition to these instances, the Complainant received approximately twenty calls shortly after Christmas 2002 from customers who placed orders on the Respondent's website, under the belief that it was operated by the Complainant.

Proportionality and delay

15. Proportionality is irrelevant. The Respondent is bound by the Policy and knew of the Complainant's business when he changed the use of the Domain Name and took the risk.
16. The Complaint was made some 18 months after the Claimant's first attempt to purchase the Domain Name. In the intervening period the Complainant has attempted to negotiate with the Respondent for the purchase of the Domain Name at a price which takes account of the Respondent's investment in the Domain Name.

5. Discussion and Findings:

General

In terms of paragraph 2(b) of the Policy (Version 2) the primary onus is on the Complainant to prove to the Expert on balance of probabilities each of the two elements set out in paragraph 2(a) of the Policy, namely that:

- (i) The Complainant has Rights in respect of a name or mark which is identical or similar to the Domain Name; and
- (ii) The Domain Name, in the hands of the Respondent, is an Abusive Registration.

Complainant's Rights

Paragraph 1 of the Policy provides that Rights "includes, but is not limited to, rights enforceable under English law. However, a Complainant will be unable to rely on rights in a name or term which is wholly descriptive of the Complainant's business". Accordingly there are three questions to consider - (1) whether the Complainant has Rights; (2) if the Complainant does have Rights, whether the name or term in which the Complainant has these is wholly descriptive of its business; (3) if not wholly descriptive, whether the name or term is identical or similar to the Domain Name.

Does the Complainant have rights in the mark 'GAME'?

The requirement to demonstrate Rights under the Policy is not a particularly high threshold test. Under English Law, rights in a name or mark can be established by the registration of a trade mark, and unregistered rights may confer an entitlement to bring a claim for passing off to protect goodwill inherent in any such name or mark. No evidence has been provided relating to registered rights. The Complainant has however submitted unchallenged evidence relating to the goodwill which it claims to have built up in the unregistered mark 'GAME'.

The Complainant and its predecessor have been trading as GAME for almost 15 years, in connection with the retail sale of computer software and hardware including computer and video games, and have built up a considerable number of high street stores across the UK operating under this mark. In addition to this widespread physical presence, the Complainant's website, also branded as GAME, receives a large amount of hits from a significant number of unique visitors. The Complainant spends a large sum of money on advertising under the mark and uses it very widely, from national television advertisements to a customer loyalty card with 3.3 million users. It should be noted that the Complainant produced very detailed evidence relating to its use of the mark and its history, and that the above is merely the Expert's summary of the principal components. The Expert has reached the view from this material that the Complainant's consequent goodwill is of a significant value.

While the Respondent does not challenge the Complainant's evidence of use of the mark GAME, he does take issue with a claim to exclusive use of the mark in that the term GAME as used in the Domain Name is of wide application. However, exclusivity of rights in a mark is not relevant to the question of the Complainant's Rights and accordingly this submission will be considered below in the context of Abusive Registration. The Respondent also asserts that the Domain Name is 'generic and descriptive'. The Expert will consider this both in the context of Abusive Registration and in terms of the Policy's requirement that a Complainant will be unable to rely on rights in a name or term which is wholly descriptive of its business.

Are the Complainant's rights in the mark 'GAME' wholly descriptive of the Complainant's business?

This is a question which is straightforward in the majority of DRS cases. However, it merits more detailed consideration in the present case. How is descriptiveness to be assessed, and how should the term 'wholly descriptive' be interpreted? A simple analysis would consist of comparing the name or term in which the Complainant claims rights with the Complainant's business and determining whether or not the former describes the nature and substance of the latter, in whole or in part. A more detailed approach would involve assessing whether the name or term has a distinctive character, either of itself or acquired through use.

Clearly, on a simple analysis, the Complainant's business is not 'GAME'; it is the business of selling computer hardware and software, electronic games and related goods. In this sense, the mark cannot be wholly descriptive. A term such as 'ELECTRONIC GAMES' would be far more descriptive of the Complainant's business. A similar approach was used by the Expert in DRS 1057, Simply Energy Ltd v. uSwitch Ltd where he stated:

...the Complainant operates a fuel price comparison web site which allows consumers to 'shop around' for the best gas and electricity prices...

... the term "simply energy" is not "wholly descriptive of the Complainant's business" (such terms are excluded from the ambit of "Rights" in paragraph 1 of the Policy) as the Complainant does not supply energy itself and any allusion to the fact that the Complainant's business is concerned simply with comparing energy suppliers' prices is too oblique in my view to be considered wholly descriptive.

In another sense, the term 'wholly descriptive' is often taken to mean 'devoid of any distinctive character' - see for example the usage of the latter phrase in Section 3(1)(b) of the Trade Marks Act 1994 denoting a trade mark which cannot be registered. As in that Act, this definition is usually accompanied by a rider that a distinctive character can be acquired through use, and in fact this is the contention of the Complainant where it submits that it "has acquired, through use, an exclusive right to use of the mark "GAME" *in relation to a retail business dealing primarily in computer hardware and software including electronic games and closely related goods*" [the Expert's emphasis].

This more detailed approach to 'wholly descriptive' was taken by the expert in DRS 1764, Sterling Direct Finance Ltd v. Paul Mulcaster Associates where he stated:

As indicated above the Expert takes the view that the term easy-loans is descriptive and devoid of distinctive character. Such a term may acquire a distinctive character through use. It is however for the Complainant to show that this has occurred.

In finding that the complainant had failed to show the acquisition of such a distinctive character, the expert in DRS 1764 went on to note that Internet searches for "easy loans" produced thousands of results and that the complainant had not identified a single incident of actual confusion. No evidence had been provided to show that customers of the complainant identified the word easyloans as associated with the complainant.

In the present case, by contrast, the Complainant has produced a copy of a search using the Internet search engine Google dated 20 October 2004 for the word 'game' which places it as the top (unsponsored) result of about 123,000,000 entries (after an entry placed by Google for its own news service). The Complainant has also listed a good number of instances of actual confusion which stem from the fact that customers or would-be customers of the Complainant associate the word GAME with the Complainant's business. These examples indicate that a number of consumers do identify the word 'GAME' (in the context of the retailing of computer games) with the Complainant. This is perhaps unsurprising given the extent of the Complainant's advertising and marketing activities as outlined in the Annexes to the Complaint. Finally, it is worth noting that the Complainant has produced evidence demonstrating that its use of the mark extends beyond mere representation in a stylised word form (meaning the word GAME in the particular typeface and purple colouring as exemplified by the Complainant's logo). Accordingly, the mark's scope would include domain names which cannot be stylised.

Following the approach in DRS 1764, the Expert agrees with the Complainant, on balance of probabilities, that the Complainant's use of the mark GAME has rendered it distinctive of the goods provided by the Complainant among the majority of its consumers and not wholly descriptive of the Complainant's business, even though the Complainant is clearly involved in retailing articles, some of which might individually and loosely be described as a 'game'. This is a very difficult question and in the context of a mark like GAME, being a word in common usage, the Expert takes the view that a demonstration of very wide or extensive use is necessary but that the Complainant has narrowly met this requirement.

Accordingly, on both analyses, the Expert finds that the name or term 'GAME' is not wholly descriptive of the Complainant's business.

Is the name or mark 'GAME' identical or similar to the Domain Name?

For the purposes of a comparison between 'GAME' and 'game.co.uk', the first (.uk) and second (.co) levels of the Domain Name can be disregarded as being wholly generic. This leaves a comparison between the name 'GAME' and the third level part of the Domain Name 'game'. On this comparison, the Expert is satisfied on the balance of probabilities that the Complainant has Rights in respect of a name or mark which is identical to the Domain Name.

Abusive Registration

Is the Domain Name, in the hands of the Respondent, an Abusive Registration? Paragraph 1 of the Policy defines "Abusive Registration" as:-

"a Domain Name which either:

- i. was registered or otherwise acquired in a manner, which at the time when the registration or acquisition took place, took unfair advantage of or was unfairly detrimental to the Complainant's Rights; OR
- ii. has been used in a manner, which took unfair advantage of or was unfairly detrimental to the Complainant's Rights."

While the manner of registration or acquisition of the name can be considered in a case under the Policy, it is clear that the Complainant is focusing exclusively on the use of the Domain Name since about September 2002. In brief, the Complainant's case is that the Respondent's change in use of the Domain Name on that date to the operation of a business in precisely the same field as the Complainant constitutes an abusive use which takes unfair advantage of the reputation [sic] of the Complainant. The Complainant splits its supporting submissions into two main components - (i) that the use of the Domain Name since the change has confused people into believing that it is registered to, operated or authorised by, or otherwise connected with the Complainant and (ii) that the change of use was effected primarily for the purpose of selling the Domain Name to the Complainant or one of its competitors for a consideration in excess of the Respondent's documented out of pocket costs.

Confusion

Paragraph 3(a) of the Policy sets out a number of non-exhaustive factors which may be evidence that the Domain Name is an Abusive Registration. One of these, paragraph 3(a)(ii), calls for circumstances indicating that the Respondent is using the Domain Name 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.

The Complainant's submissions focus on (i) failure to distinguish the Respondent's business from the Complainant's; (ii) actual confusion resulting from this failure.

The Complainant lists three detailed examples of customer confusion, one dating apparently from February 2002 and the other two from March 2003. Given that the change of use of the website was September 2002 and that prior to this date there could not possibly have been confusion of the type described, it seems likely that the example from February 2002 is a typographical error which was intended to read February 2003, particularly as the other two examples relate to March 2003.

All of the examples relate to individuals mistakenly ordering from the website at game.co.uk believing it to be associated with the Complainant. Two of the three individuals received an inadequate service from game.co.uk and complained to the Complainant about this. The third individual had made an online order with game.co.uk which he decided to cancel in order to buy the

same product from one of the Complainant's stores, believing that the two businesses were connected. This inevitably led to difficulties with the cancellation and return of the product. The third individual is also said to have told the Complainant that he did not question whether the Respondent's website was the right site as it had a similar slogan and logo to that of the Respondent and generally had the same layout and feel as the Complainant's stores.

In the Reply, following criticism from the Respondent as to the number of examples of confusion, the Complainant adds further instances in the form of five examples of members of the public, the majority of whom are said to have contacted the Complainant to complain about the service which they received from the Respondent's website. There is also a statement that the Complainant received about twenty calls shortly after Christmas 2002 from customers who placed orders on the Respondent's website believing it to be operated by the Complainant.

It should be noted that the Complainant has merely produced this evidence of confusion in the form of written submissions rather than anything more formal, such as letters, statements or Affidavits of the persons concerned, even though in the case of the first two persons the Complainant has retained names and addresses. This would ordinarily incline the Expert to accord it less weight, notwithstanding the fact that it is accompanied by a declaration of truth, but on this occasion it is supplemented by two fully documented and entirely consistent examples, namely the email from the Director General of ELSPA and the article in Dow Jones Newswires. In both examples, the writer confuses the website at the Domain Name with the Complainant and its website.

In the Expert's view, the examples of confusion make a compelling case. The Respondent does not deny that this confusion has taken place. With regard to the initial three customers, he draws attention to the scant evidence provided when set against the Complainant's turnover of £425.5 million. With regard to the documented evidence the Respondent describes the writers' work as 'sloppy and lazy'. The Expert does not agree. Both the Director General of ELSPA, an industry body, and a financial journalist writing for Dow Jones, a respected publisher, might reasonably be expected to be skilled and knowledgeable about the industry concerned and the Expert believes that their joint confusion is symptomatic of the Respondent's failure to distinguish sufficiently the altered use of his website from the name or mark under which the Complainant has traded for a comparatively lengthy period. The Expert believes that the confusion cited is, in cumulative terms, sufficient to support the Complainant's submissions. Furthermore, it is of such a nature that it may be merely the 'tip of the iceberg' given that the Complainant is only likely to hear of customer confusion by way of individuals who have had occasion to get in touch with the Complainant, for example to complain about inadequate service.

The Respondent submits that his site contains material which is inconsistent with and expressly precludes its operation by the Complainant. The Complainant counters that the material quoted is not on the Respondent's home page, that the user would be unlikely to access it and in any event it is not a clear and unambiguous statement. The Expert agrees with the Complainant that the site to which the Domain Name points can be easily confused with the Complainant's business and that the Respondent's statements, while possibly inconsistent with the site being operated by the Complainant, are insufficiently prominent and unambiguous to have avoided the confusion cited.

The Respondent states that any confusion arises from the Complainant choosing to trade under a highly generic name and that in order to avoid such confusion the Complainant should have chosen a more easily identifiable or unique trading identity. The Expert does not agree. The Expert has found that the Complainant's extensive use of the mark GAME has rendered it distinctive of the Complainant when associated with the type of goods sold by the Complainant. The confusion which has been described by the Complainant results directly from the Respondent adopting in 2002, in connection with identical goods, the trading style which the Complainant had used since 1990. It is of no relevance whether the Respondent began making his plans for the change of use in November 2001 as he contends, or after the Complainant's advertising campaign of January 2002 as it contends. The Complainant already had substantial rights in the name and trading style before the advertising campaign and the consequent rebranding of some of the Complainant's stores. There is evidence that

the Respondent was a consultant to the computer games industry and it is reasonable to presume that he knew of the Complainant's trading activities and rights well before making the change of use of the Domain Name or planning to change it. Despite what the Respondent asserts, he is no more using the Domain Name in a generic manner than the Complainant is in its business.

The Expert does not agree with the Respondent's contention that as the domain name game.com is registered to a third party there is any obligation on the Complainant to make a like complaint regarding that name. The Complainant points out that the site associated with game.com is of an entirely different character and the Expert considers that this is wholly consistent with the Complainant's case. The site at game.com is unlikely to generate confusion as it is evidently a games and puzzles portal with its own distinctive branding identified by the Hasbro logo. This does not aid the Respondent in his argument that the term GAME is generic and/or inherently likely to lead to confusion.

The Respondent argues that the absence of any of the other non-exhaustive factors contained in the Policy is highly persuasive that the Complainant has failed to make out its case. This is not a correct analysis of the Policy. Any of the individual non-exhaustive factors might, on their own, lead to a finding of Abusive Registration as indeed might factors which are not listed in the Policy. The Respondent also argues that he has made a genuine use of the Domain Name in connection with a genuine offering of services and was legitimately connected with the mark GAME prior to becoming aware of the Complainant's cause for complaint. This refers to the non-exhaustive factors in the Policy which may be evidence that the Domain Name is not an Abusive Registration – paragraphs 4(a)(i)(A) and (B).

The Expert is satisfied that prior to September 2002 the Respondent was trading and using the Domain Name in connection with a genuine offering of goods and services, insofar as the Domain Name was being used for the Respondent's business as a multimedia consultant or consultant to the computer games industry. During this time, the Expert agrees with the Respondent that he was trading under the abbreviation GAME which was legitimately connected with the Domain Name. However, the Expert believes that this, and the associated factor in the Policy, does not excuse a deliberate change made to the use of the Domain Name which the Respondent may be presumed to have known would conflict with and cause confusion detrimental to the business of the Complainant, giving 'cause for complaint' in the wording of paragraph 4(a)(i). Given the nature of that change, the present use of the Domain Name, while it is associated with an offering of goods, cannot be described as use in connection with a *genuine offering* of goods (the Expert's emphasis).

In this case the Expert is satisfied that the confusion engendered by a deliberate change of use of the Domain Name in the knowledge of the Complainant's rights and with an awareness of the Complainant's cause for complaint took unfair advantage of and was detrimental to those rights and, as such, is sufficient to constitute Abusive Registration. While the Respondent states that he has been trading in this fashion for an uninterrupted period of two years there is nothing in the Policy which excuses an abusive use simply because it has taken place over any particular period of time. The Policy contains no limitation period. It is clear that over the intervening period the Complainant has collated examples of confusion and has at various points sought to negotiate an acquisition of the Domain Name in good faith. The fact that the Complainant has not taken steps under the Policy any earlier does not, in the Expert's view, improve the Respondent's case.

Change of use primarily for the purpose of selling the Domain Name in excess of out of pocket costs

There is much discussion by both parties on this point and a large volume of evidence and argument. The Expert has endeavoured to create as accurate a chronology as possible, noted in the factual background, from the undisputed evidence provided by both parties. The Expert does not propose to go into the issue between the parties as to whether there was a concluded agreement to sell the Domain Name in April 2002 as it is of no relevance to the case.

At the outset of this topic, it should be said that although the Expert notes that the wording of paragraph 3(a)(i)(A) of the Policy relates only to registration or acquisition of a Domain Name for the primary purpose of sale in excess of out of pocket costs, this is a non-exhaustive factor and the Expert considers that there may be cases where an abusive change of use made solely for the purpose of inflating the sale price of a Domain Name might constitute an Abusive Registration as defined in the Policy.

Considering the chronology, it is clear that the Respondent's initial approach to the Complainant to sell the Domain Name (February 2002) pre-dates the change of use (September 2002) and post-dates the Complainant's rebranding announcement and advertising campaign. Furthermore, although the Respondent denies that he has ever approached the Complainant regarding sale of the Domain Name, the evidence produced by the Complainant in the Reply relating to the email exchange in February 2002 contradicts this. In February 2002 the Respondent stated to the Complainant that the Domain Name was worth in excess of £30,000 but by June 2003 this figure had risen to £1,000,000. Although the Complainant did not purchase the Domain Name in June 2003, by August 2004 the Respondent's intermediary was again quoting the price of £1,000,000 and by October 2004 the Respondent himself indicated that he was planning to change the nature of his business and that the Domain Name would be made available for sale.

The Complainant views the activities of the Respondent over the above period as a deliberate attempt to inflate the sale price of the Domain Name by making the change of use. The Respondent denies this; his approach is that he has been operating a legitimate business which was planned from around November 2001 and that the Complainant has been attempting to acquire the Respondent's valuable domain name at insignificant cost. The Expert finds that the Complainant has not proved its construction of the facts and chronology on balance of probabilities. The Complainant's view is a consistent interpretation of the evidence, barring of course the fact that to found, operate, and develop an online business for two years as the Respondent did, with turnover in the year to 2003 of £58,122 and a website with 7.7 million hits per month, would be a surprising, unlikely and rather long-term strategy for someone wishing to inflate the value of a domain name in order to sell it.

It may be that having received interest from the Complainant (directly or via intermediaries) at various points between January 2002 and August 2004 the Respondent did at some stage decide to seek the maximum price which he could for his Domain Name but the evidence is not conclusive of the Complainant's position that this was the Respondent's plan from the outset and the Expert is not prepared to find that these circumstances also demonstrate an Abusive Registration. Furthermore, the evidence is also consistent with the Respondent setting out simply to take advantage of the web traffic which he might obtain for the Domain Name through trading in similar goods in a style which is easily confused with that of the Complainant without having the primary purpose of disposing of the Domain Name at all. This interpretation is entirely in line with the finding which the Expert has made above on the Complainant's case relating to the confusion caused by the Domain Name.

6. Remedy:

The Complainant seeks a transfer of the Domain Name or that it be dealt with as the Expert sees fit. The Respondent states that if the Domain Name is transferred he will lose his entire business and start-up costs. The business would no longer be a going concern. To remove the business would be disproportionate to the mischief claimed. The Expert has no desire to remove the Respondent's livelihood. However, within the framework of the Policy to which the Respondent has contractually submitted, the Expert has found that the present use of the Domain Name is abusive and the cause of confusion. It is worth pointing out that any purchaser of the Respondent's business as a going concern would not inherit any better rights to use the Domain Name in this way than those possessed by the Respondent.

Paragraphs 11(a) of the Policy and 17(c) of the Procedure anticipate a decision by the Expert that the Domain Name registration be cancelled, suspended, transferred or otherwise amended, or that the

status quo be maintained. The principal remedy sought by the Complainant is the transfer of the Domain Name to the Complainant. The Expert is somewhat reluctant to transfer to the Complainant a domain name to which even the Complainant has ascribed values from £10,000 to £100,000 over recent years. Clearly if the Respondent had not engaged in the present use of the Domain Name he would have been able to retain it for a non-abusive use or to sell it to someone other than the Complainant for such use. However, the Expert has reached the view that the Respondent has brought the consequences of a transfer of the Domain Name upon himself by effecting the change of use in full knowledge of the Complainant's rights. A cancellation, or a suspension followed by cancellation of the Domain Name would not be an appropriate disposal of the case as this would simply result in the Domain Name being returned to the general pool for registration with the possibility for similar or more aggravated confusion in the future. The Expert does not consider that the Domain Name registration can be 'otherwise amended' in order to resolve the case. Consequently, the Expert finds that transfer is the most appropriate disposal.

7. Decision:

The Expert finds that, on the balance of probabilities, the Complainant has Rights in a name which is identical to the Domain Name and that the Domain Name is, in the hands of the Respondent, an Abusive Registration. The Expert therefore directs that the Domain Name be transferred to the Complainant.

Andrew D S Lothian

18 January 2005
Date