

Hanna-Barbera Productions, Inc -v- Graeme Hay

Nominet UK Dispute Resolution Service

DRS 00389

Decision of Appeal Panel

Parties

Complainant:

Hanna-Barbera Productions, Inc
15303 Ventura Boulevard, Suite 1400
Sherman Oaks
CA 91403
USA

Respondent:

Graeme Hay
12 Roman Way
Sandbach
Cheshire
CW11 3EN
GB

Domain Name

SCOOBYDOO.CO.UK

Procedural Background

The Complaint was received by Nominet on 7 May, 2002. Nominet validated the Complaint and sent a copy to the Respondent on 8 May, 2002, informing the Respondent that he had until 30 May, 2002 to lodge a Response.

A Response was lodged electronically on 29 May, 2002 and forwarded to the Complainant on 30 May, 2002 with an invitation to the Complainant to lodge any Reply by 10 June, 2002. Nominet received a hard copy of the Response on 6 June, 2002. The Response has no annexes.

The Complainant lodged a Reply by email on 10 June, 2002. On the same day a copy of the Reply was sent to the Respondent.

The Informal Mediation failed to produce an agreed resolution. On 25 June, 2002 the Complainant paid Nominet the required fee for a decision of an Expert pursuant to paragraph 6 of the Nominet UK Dispute Resolution Service Policy ("the Policy").

On 25 June, 2002 Nominet invited Jason Rawkins ("the Expert") to provide a decision on this case and, following confirmation to Nominet that the Expert knew of no reason why he could not properly accept the invitation to act in this case and 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 2 July, 2002.

The Expert's decision, rejecting the Complaint, was issued on 10 July, 2002, but not received by the Complainant's solicitors until 12 July, 2002. Nominet extended the time for lodging the Notice of Appeal until 22 July, 2002. A Notice of Appeal was received by Nominet from the Complainant's solicitors on 22 July, 2002. The undersigned panellists were invited by Nominet to form the Panel of Appeal ("the Panel") and all three have confirmed their independence and accepted the appointment.

On 5 August, 2002 the Panel invited the Respondent, should he wish to do so, to submit a further submission within 10 days commenting upon the Expert's decision and/or the Notice of Appeal. The purpose of the invitation was simply to give the Respondent an equal opportunity to make a submission to the Panel, the Complainant having been afforded that opportunity by way of the Notice of Appeal. In issuing the invitation, the Panel informed the Respondent that no new evidence would be admitted and that there was no need to repeat any of the previous submissions he had made in this proceeding, unless and to the extent that he thought that the Expert had missed them or misunderstood them.

The Respondent's further submission ("Appeal Response") was received by Nominet on 14 August, 2002.

The Panel saw no reason to invite a reply from the Complainant.

Introduction

The case concerns the domain name SCOOBYDOO.CO.UK ("the Domain Name"), registered on 18 August, 1999, which the Complainant complains is identical or similar to its trade mark SCOOBY-DOO and represents an Abusive Registration within the meaning of the Nominet DRS Policy ("the Policy").

The Domain Name is connected to a website at www.scoobydoo.co.uk. The history of that site and its content are central to the dispute.

At some stage between 18 August, 1999 and 29 January, 2002 the Respondent set up his website. The Complainant printed up the homepage of the website on 29 January, 2002 and exhibited it to the Complaint. The text on the website included the following:-

"SCOOBYDOO.co.uk

Welcome to my new website.

Over the coming weeks this page will begin to include a lot more scooby content.

Features available now

- Get a free Scooby email address ... your name @mailbox.scoobydoo.co.uk
- Scooby and Shaggy put on a magic show ... Watch the Show
- The Scoobydoo UK Store ... Scooby books and videos

Features will include:

- Scooby artwork
- Scooby sounds
- Scooby puzzles”

The Respondent made alterations to the website following receipt of a letter from the Complainant’s solicitors dated 12 February 2002. The letter asserted trade mark infringement and passing off and demanded, inter alia, transfer of the Domain Name. In essence it confirmed the substance of what the Complainant’s solicitor had said to the Respondent over the telephone a week earlier. The new version of the homepage, which, apart from topical references to the new Scooby-Doo movie, which have been introduced more recently, reads substantially the same today. It reads as follows:-

“SCOOPYDOO.co.uk

Welcome to my Scooby site.

Please note that this is an unofficial fan site.

Features available on the site:

- To enter the unofficial site please click here ...
Scoobydoo.co.uk – enter the site
- To pick up your name at mailbox.scoobydoo.co.uk emails click here
...
Scooby emails
- The official American Scoobydoo site can be found here ...
Scoobydoo.com

Important Disclaimer:

- This is a fan site, which offers a range of Scooby activities, including an online magic show, and a free Scoobydoo email address.
- We have NO connection with Warner Bros or Hanna Barbera and make no implication to the contrary.
- This is a site for the fans, by the fans.
- The Scoobydoo.co.uk scooby store has been removed due to legal action from HB, it will be restored as soon as possible”.

It is convenient to mention here that the Respondent asserts (and the Complainant is not in a position to dispute) that the merchandise sold via the website prior to the solicitors’ letter referred to above was official merchandise authorised by the Complainant and/or its licensees.

On 6 March, 2002 the Respondent replied to the Complainant by way of an email, marked ‘Without Prejudice’, explaining that he is a Scooby fan. He has spent time and money over a number of years building up goodwill in his site to a point where he now has over 550 email subscribers and has had over 37,000 visitors. If he is required to hand over the Domain Name, it will necessarily inconvenience the 550+ email subscribers who will have to change their email addresses. It will also cause the Respondent inconvenience in that he will also have to change his email address and take steps to ensure that all who contact him via that address are appropriately informed. Nonetheless he indicates that he is prepared to transfer the Domain Name and the goodwill associated with it to the Complainant for £3,000.

The 'Without Prejudice' correspondence, all of which is exhibited to the Complaint, continued through March and most of April. It ended with an email from the Respondent indicating that he was prepared to drop his price to £1,250. These matters stood until the launch of this Complaint on 7 May, 2002.

What needs to be proved

To succeed in a complaint under the Policy the Complainant must prove, first, that he has rights in respect of a name or mark which is identical or similar to the Domain Name and, secondly, that the Domain Name, in the hands of the Respondent, is an Abusive Registration.

Abusive Registration is defined in paragraph 1 of the Policy in the following terms:-

"Abusive Registration means 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."

The Parties' Contentions

These were comprehensively summarised by the expert at first instance in the following terms:

Complainant:

In summary, the Complainant's submissions are as follows:

1. The Complainant has rights in a trade mark which is identical or similar to the Domain Name:
 - 1.1 The Complainant is the proprietor of three UK trade mark registrations, and a Community Trade Mark registration, for the mark SCOOBY-DOO, the oldest of these dating back to 1979.
 - 1.2 The Complainant has used the SCOOBY-DOO mark since the late 1960s in its business of creating and producing animated programming for television, home video, and theatrical release; and associated publications and merchandise. It has also licensed the SCOOBY-DOO mark worldwide for use in connection with a variety of products.
 - 1.3 As a consequence of the above usage, the Complainant has acquired substantial trading goodwill in the SCOOBY-DOO mark.
 - 1.4 The Domain Name is identical and/or similar to the SCOOBY-DOO mark in which the Complainant has the rights identified above.
2. The Domain Name is an Abusive Registration in the hands of the Respondent:

- 2.1 The Respondent has no rights in the Domain Name. He does not own a relevant registered trade mark, nor is he the owner or licensee of the goodwill in the SCOOPY-DOO mark. He has not commonly been known by the name SCOOPY-DOO, nor does he have any connection with a mark which is identical or similar to the Domain Name.
- 2.2 The registration of the Domain Name is a misrepresentation to persons who consult the Whois database that the Respondent is connected to or associated with the Domain Name, and thus the owner or licensee of the goodwill in the SCOOPY-DOO mark.
- 2.3 The meta-tags in the home page of the Respondent's website at www.scoobydoo.co.uk include SCOOPYDOO, SCOOPY-DOO, SHAGGY, VELMA, DAPHNE, FRED, SCOOPYGANG and HANNA BARBARA (sic). The trading goodwill in those names is owned by the Complainant. As well as its trade mark registrations for SCOOPY-DOO, the Complainant also owns a UK registration for the trade mark SHAGGY, DAPHNE, VELMA, FRED.
- 2.4 The effect of the metatags used by the Respondent is that a user carrying out a search on the internet for Scooby-Doo related material will be directed to the Respondent's website before it is directed to any of the Complainant's websites. This constitutes unfair disruption of the Complainant's business and/or otherwise takes unfair advantage of and/or is unfairly detrimental to the Complainant's rights.
- 2.5 Prior to notification to the Respondent of the Complainant's rights, the Respondent was on his website at www.scoobydoo.co.uk offering to members of the public an e-mail service utilising the Domain Name and selling Scooby-Doo books and videos. The Respondent received payment from Amazon for the Scooby-Doo books and videos sold through his website. The Respondent is accordingly selling, and/or intending to sell, goods or services by reference to the SCOOPY-DOO mark, and may be receiving direct and/or indirect financial benefit from so doing. This unfairly disrupts the Complainant's business and/or otherwise takes unfair advantage of and/or is unfairly detrimental to the Claimant's rights.
- 2.6 Following receipt of a letter from the Complainant's solicitors (and prior to the Complaint being lodged), the Respondent made alterations to his website, including a statement to the effect that it was an unofficial site and the following "Important Disclaimer":
- "The scoobydoo.co.uk Scooby store has been removed due to legal action from HB; it will be restored as soon as possible."*
- The Respondent's intention, if not otherwise restrained, is therefore to resume his activities trading in Scooby-Doo merchandise.
- 2.7 The Respondent has sought payment from the Complainant in excess of his documented out-of-pocket costs directly associated with acquiring or using the Domain Name.

Respondent:

In summary, the Respondent's submissions are as follows:

1. The Complainant does not have relevant rights.
 - 1.1 The Complainant only owns rights in the mark SCOOPY-DOO (with hyphen); not in the mark SCOOPYDOO (all one word). In addition,

at the time of the registration of the Domain Name, the Complainant only had trade mark registrations covering foodstuffs and clothing.

2. The Domain Name is not an Abusive Registration:
 - 2.1 The Domain Name was registered in good faith, was not a breach of any trade mark, and was registered as a legitimate fan site.
 - 2.2 The Respondent has never made any representations that he is the owner of the Scooby-Doo trade mark, and no reasonable person would be misled over this nor believe, on carrying out a Whois database search, that the Respondent, rather than the Complainant, owns Scooby-Doo.
 - 2.3 As a fan site it is in the very nature of the site that the other characters in the series will clearly be mentioned in the meta tags and on the site.
 - 2.4 The internet search carried out by the Complainant was for "Scoobydoo". The search was also performed on google.co.uk, rather than google.com. A google.com search puts Scooby-doo.com at the top of its search result list. In any case, the Respondent's site featuring on search results could have been simply due to better and legitimate use of meta tags.
 - 2.5 Before the Complainant first made contact with the Respondent, the Respondent was acting as an Amazon affiliate and users were able to purchase official Scooby-Doo merchandise from Amazon via the Respondent's website. After being contacted by the Complainant (but prior to the Complaint being lodged), the Respondent removed this service from his website.
 - 2.6 The Respondent's website allows fans of Scooby-Doo to sign up to a webmail address of name@mailbox.scoobydoo.co.uk. The Respondent makes no profit from this.
 - 2.7 When anyone accesses the Respondent's website, there is a clear disclaimer that it is an unofficial fan site. There is a link to the Respondent's main site so that users have to consciously click on the link to the unofficial site. There is also a direct link to the official .com site.
 - 2.8 If no agreement can be reached with the Complainant, the Respondent has no intention of returning the merchandise store facility to his website.
 - 2.9 The Complainant's references to without prejudice communications should not be taken into account.
 - 2.10 The Respondent has spent three years working on his website and developing a loyal user base. His costs include hosting costs for the site. If the Complainant wishes to take over the domain, it will have to pay the costs incurred, which also include the Respondent's time and work over the past three years. £3,000 was the price put on this by the Respondent. The Complainant is free to accept this estimate of costs incurred, or not. The Respondent has never sought out or intended to seek out the Complainant to sell his site.

These contentions have been supplemented as follows by the Notice of Appeal and the Appeal Response:

Complainant:

1. The Respondent was trading on the site, so the site should not be regarded as 'solely' a tribute site for the purposes of paragraph 4.b.

of the Policy and the case does not fall to be decided by reference to that paragraph.

2. In any event, the appropriate date at which to assess the site under paragraph 4.b. cannot be the date upon which the complaint is filed. To ignore prior use of the site will lead to injustice.

Respondent:

1. The Appeal was filed out of time. It should have been filed within five days of the decision, i.e. by 18 July 2002.
2. There is insufficient evidence before the Panel to enable the Panel to verify that the Complainant is the relevant rights owner. The Respondent believes that the rights have passed to Warner Brothers.
3. The Respondent queries whether Theodore Goddard is representing the rights owner. No relevant documentation has been produced to that effect.
4. While the Respondent admits he was running a Scooby Store on his website:
 - (a) the evidence put before the Experts in the way of screenshots is an unreliable way of doing it in that screenshots can be faked.
 - (b) Over the period that the Scooby Store was in operation the Complainants earned commission of less than £30.00.
 - (c) It was a hobby, not something that falls within the generally accepted definition of "trade or business".
5. The email service was free and the Respondent derived no gain from it, financial or otherwise.
6. The Expert was correct in his findings in relation to "tribute sites" the date on which "use" is to be assessed, use of meta-tags, the demand for money and the Without Prejudice rule.

The Decision Under Appeal

Having reviewed the original submissions of the parties the Expert held as follows:

1. The Complainant has proved the first limb of what is required under paragraph 2 of the Policy. The Complainant has rights in respect of the name or mark SCOOBY-DOO and the Domain Name, notwithstanding the absence of the hyphen, is identical to that name or mark.
2. As to the second limb, namely that in the hands of the Respondent the Domain name is an Abusive Registration, the time at which this should be assessed varies depending upon the nature of the allegation. Accordingly, as to the allegation that the Respondent registered the Domain Name primarily for the purpose of selling the Domain Name for a sum in excess of the Respondent's out-of-pocket expenses (paragraph 3.a.i.A of the Policy), the Respondent's intention at the date of registration is what is important. As to the allegations concerning the use of the Domain Name, the appropriate date is the date of filing of the Complaint. On that topic the Expert had this to say:

"It seems to me that, in a case with these facts, I should assess the site at the time when the Complaint was filed. This is because the Domain Name was being used for a fan site before the Respondent

first heard from the Complainant's solicitors and that use has continued. It is only the precise manner in which the site is operated which has changed. In such circumstances, it would seem inequitable to judge the site as it stood before the Respondent was first contacted by the Complainant's solicitors, rather than as it was at the time when the Complaint was filed."

3. The Complainant did not register the Domain Name with the primary intention of selling it to the Complainant. He registered it with a view to setting up a fan site.
4. Ignoring the use made of the Respondent's website prior to the filing of the Complaint (a necessary consequence of the findings in 2 above), the subsequent use made of the site has been as a genuine tribute site and not in a manner, which took unfair advantage of or was detrimental to the Complainant's rights. In so finding, the Expert nonetheless stated:

"Overall, I therefore conclude that the current operation of the Respondent's fan site does not render the Domain Name an Abusive Registration. I should, however, point out that, if the Respondent were still selling Scooby-Doo merchandise from his site or if the Complainant had been able to prove that the Respondent was making money from the e-mail service from the site, my decision would not necessarily have been the same."

5. Accordingly, the Domain Name, in the hands of the Respondent, is not an Abusive Registration and the Complaint fails.

In coming to those conclusions the Expert made other determinations, which call for comment.

In holding that the Complainant's trade mark is identical to the Domain Name and that the Domain Name is being used in relation to a tribute site, the Expert recognised that this brought paragraph 4.b. of the Policy into play. That paragraph reads as follows:

"Fair use may include sites operated solely in tribute to or criticism of a person or business, provided that if:

- i. the Domain Name (not including the first and second level suffixes) is identical to the name in which the Complainant asserts rights, without any addition; and
- ii. the Respondent is using or intends to use the Domain Name for the purposes of a tribute or criticism site without the Complainant's authorisation

then the burden will shift to the Respondent to show that the Domain Name is not an Abusive Registration."

The Expert decided that the fact (as found by him) that the website was a genuine tribute site was sufficient for the Respondent's purposes under this paragraph. In his decision he stated:

"It is clear from paragraph 4b of the Policy that, if someone operates a tribute or criticism site and 4bi and 4bii are satisfied, it does not automatically follow that the Domain Name is an Abusive Registration. If this were the case, there would be no reason for the Policy to provide that the evidential burden shifts to the domain name owner in such circumstances.

Rather, the burden shifts to the Respondent to show that the registration and subsequent use of the Domain Name did/does not take unfair advantage of or cause unfair detriment to the Complainant's Rights. For example, if a tribute or criticism site was in reality no more than a sham and the domain name owner's real intention was to make money from selling the domain name to a third party, then the domain name in question would, in spite of ostensibly being a tribute or criticism site, still amount to an Abusive Registration. The position would be the same if the way in which the tribute or criticism site was run in some other way took unfair advantage of or was unfairly detrimental to a third party's rights. However, as already noted, for this to be the case, there would need to be something more than the simple operation of a tribute or criticism site."

In other words, a genuine tribute site cannot ordinarily constitute an Abusive Registration.

In addressing the issue as to whether or not the Expert should take into account 'Without Prejudice' correspondence the Expert had this to say:

"As a general point, there is no reason why the without prejudice rule should not apply to proceedings under Nominet's DRS. The DRS is a quasi-judicial means of resolving disputes relating to domain names and it would therefore not be right for the parties involved not to be able to communicate with each other on a genuinely without prejudice basis should they so wish. If the without prejudice rule were not to apply to DRS proceedings the parties involved would be deterred from conducting appropriate negotiations with each other and many less disputes would be resolved by agreement and without the need for the DRS to run its full course through to an expert's decision. "

The Expert concluded that the 'Without Prejudice' rule should apply.

In dealing with the allegation that visitors to a Whois database will be likely to believe that the registrant is or is in some way associated with the well-known trade mark owner, the Expert rejected the Court of Appeal finding to that effect in the *One in a Million* case. He observed that if that were to apply to the Policy, registration of any domain name which is identical to a trade mark of a complainant would constitute an Abusive Registration. The allegation that visitors to Whois databases will be deceived is a common one and the Panel has something to say on the topic (below).

The Standard of Review

In the recent appellate decision in case no. DRS 00248 (*Seiko UK v. Designer Time/Wanderweb*) the panel in that case considered this issue in the following terms:

“Appeals can and do take many different forms in the various courts, inquiries and tribunals which sit in the United Kingdom.

At one end of the spectrum there are bodies which hear appeals by way of a re-hearing *de novo*. Those bodies make up their own minds on the submissions and evidence before them without significant reference to the first instance decision under appeal, and it is not necessary for the appellant to suggest that the first instance decision was wrong in fact or law – the appellant may appeal simply in the hope that the impression formed by the appeal body will be different from that formed below.

At the other end of the spectrum there are bodies which require it to be demonstrated that the first instance tribunal has come to a decision to which no reasonable tribunal could have come. In such cases the first instance tribunal is afforded a significant margin of appreciation and an appellant must identify and demonstrate significant errors of principle in the decision below”

and the panel concluded:

“Paragraph 9.a. of the Policy provides that *“the appeal panel will consider appeals both on the basis that a matter be re-examined on the facts, and that procedure has not been correctly followed”* and the Panel considers this wording envisages a standard of review somewhere between the two extremes described above”

This Panel has difficulty in seeing why a ‘re-examination on the facts’ does not mean a full review on the facts and irrespective of the reasonableness or otherwise of the first instance decision.

As a matter of policy, the Panel can see a distinct advantage in appeal panels approaching an appeal on the basis of a full review. There are many issues in relation to the Policy where there is scope for intelligent minds quite reasonably to diverge. If the appeal process is to assist in achieving consistency of approach, these areas where there is scope for reasonable divergence of view must be reduced. This can only be done by appeal panels substituting their own decisions for those of the expert whenever they feel it appropriate to do so and irrespective of the reasonableness of the expert’s approach.

The Panel proposes to approach this case on the basis of a full review on the facts before the Expert and without tying its hands in any way.

Discussion and Findings

Appeal out of time?

The Respondent argues that the Expert’s decision to find in favour of the Respondent was communicated to both parties by email on 11 July, 2002 and that the 5 working day deadline therefore expired on 18 July, 2002, 4 days before

the Notice of Appeal was in fact submitted. The Respondent acknowledges that the Complainant did not receive the reasoned decision of the Expert until some time after 11 July, 2002 (it was in fact received by the Respondent on 15 July, 2002), but says that that does not matter. The decision (i.e. the result) is what counts for this purpose.

First, the Respondent appears to be unaware that the Complainant sought and obtained an extension of time from Nominet, whereby the time limit was extended to July 22, 2002. Secondly, in the view of the Panel, paragraphs 17 and 18 of the Nominet Procedure make it clear that it is communication of the 'full text of the decision' (i.e. the reasoned decision), which triggers time for appeal running. The 5 day period is to give the appellant sufficient time to submit 'written grounds for appeal'. For that the appellant needs to have read and considered the 'full text of the decision'.

The Appeal was submitted in time.

The Complainant's Rights

The Respondent raises an issue as to whether or not the Complainant is the relevant rights owner. While the Complainant might have done more to 'prove' its rights, this administrative procedure is not intended to be saddled with the "baggage" inherent in the litigious process. The Panel observes that the Respondent's website contains a link to the official Scooby-Doo website and the home page at that website contains the following legend:

"SCOOBY-DOO and all related characters and elements are trademarks of and © Hanna-Barbera."

That is good enough for the Panel. The Panel agrees with the Expert that the Complainant overcomes the first hurdle in that the Complainant plainly has rights in respect of a name or mark which is identical or similar to the Domain Name. In passing, the Panel is surprised that the Respondent felt it necessary to question the standing of the Complainant's lawyers. There was nothing before the Panel to justify the question, nor any reason given as to why the matter had been raised at this late stage in the proceedings.

Identical/Similar

The Panel also agrees that for these purposes the absence of the hyphen from the Domain Name is immaterial and the Complainant's mark should be treated as being identical to the Domain Name. In so saying the Panel does not seek to find as a matter of principle that the absence of a hyphen will always be immaterial. In this case, however, the Domain Name is clearly intended to represent the Complainant's trade mark. On the Respondent's website the Complainant's trade mark appears several times and invariably without the hyphen (e.g. in the expression "The official American Scoobydoo site can be found here...Scoobydoo.com"). On this basis the Complainant's unregistered rights clearly extend to the un-hyphenated form of the name. In any event, the Panel notes that the Respondent uses the Complainant's trade mark in its hyphenated form in the source code for the website home page.

Abusive Registration - introduction

In addressing the issue as to whether or not the Domain Name is an Abusive Registration within the meaning of paragraph 2 of the Policy (as defined in

paragraph 1 of the Policy), the Panel has to assess whether registration of the Domain Name or the subsequent use made of it "took unfair advantage of or was unfairly detrimental to the Complainant's Rights".

Sub-paragraphs 3.a. and 4.a. of the Policy set out non-exhaustive lists of factors which may be evidence that the Domain Name is an Abusive Registration (sub-paragraph 3.a.) or that the Domain Name is not an Abusive Registration (sub-paragraph 4.a.).

Insofar as registration of the Domain Name is concerned, the only factors set out in paragraph 3 which may be relevant are those set out in sub-sub paragraph a.i., namely

- A. Registration primarily for the purpose of transferring the Domain Name to the Complainant for a sum in excess of the Respondent's out-of-pocket expenses.
- B. As a blocking registration.
- C. Primarily for the purpose of unfairly disrupting the business of the Complainant.

In the view of the Panel, none of those factors is relevant here. Manifestly, the Respondent's intention from the outset was to use the Domain Name for a tribute site to Scooby-Doo. There was an offer for sale, but the offer was a straightforward response to the Complainant's opening salvo, not an indication of the Respondent's intent when registering the Domain Name.

Accordingly, the Respondent's intentions at the time of registration of the Domain Name can only render the Domain Name an Abusive Registration if his intended use of the Domain Name (i.e. as a tribute site) is abusive.

The Complainant in its Notice of Appeal argues for the first time that the offer for sale of the Domain Name should be looked at not simply in relation to sub-sub-paragraph 3.a.i.A, but more broadly as an abusive use of the Domain Name under the second limb of the definition of Abusive Registration.

This argument was clearly an afterthought and in the view of the Panel does not assist the Complainant. The fact that a demand for money may be in excess of the out of pocket expenses of the registrant cannot of itself constitute abusive use of the Domain Name. Were it to do so, domain name dealing, of itself a perfectly legitimate activity, would be outlawed at a stroke – not something that the architects of the Nominet DRS could conceivably have contemplated. All depends upon the domain name in issue. Ordinarily, the price put upon a domain name by a registrant is simply evidence of what the registrant regards as being its market value. Many generic names command high prices.

True, the Domain Name comprises the Complainant's trade mark, but the issue as to whether or not it constitutes an Abusive Registration is in this case best considered by reference to the actual use made of it i.e., by reference to its use connected to the Respondent's website.

A more relevant provision in the context of this case is to be found in sub-sub paragraph 3.a.ii. of the Policy, which refers to "*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 places reliance upon the Court of Appeal decision in *One In A Million* and in particular the following quote from Aldous LJ, namely:

“Registrations by the defendants of a domain name including the name Marks & Spencer makes a false representation that they are associated or connected with Marks & Spencer Plc. This can be demonstrated by considering the reaction of a person who taps into his computer the domain name marksanspencer.co.uk and presses a button to execute a “Whois” search. He will be told that the registrant is One In A Million Ltd. A substantial number of persons will conclude that One In A Million Ltd must be connected or associated with Marks & Spencer Plc”.

While there may be circumstances where the ownership details on a Whois database can constitute such a false representation, they are likely to be very rare, unless the name of the registrant is itself potentially deceptive. In the experience of the Panel, ordinary members of the public are rare visitors to Whois databases. Most such visitors are people wishing either to complain to the owner of the domain name about the use being made of it or to acquire the domain name. Either way, the prime concern of the visitor is to obtain the registrant’s contact details and he is unlikely to make any relevant assumptions as to the affiliations of the registrant.

Accordingly, parties to Nominet DRS proceedings should not expect panellists to pay much attention to allegations based on the above quote in the absence of some supporting evidence.

The Panel is more concerned at the probability that a significant number of the 37,000 visitors to the Respondent’s site will have assumed from the use of the Domain Name as part of the web address that the site is an official site of the Complainant and/or is licensed by the Complainant and that prior to the addition of the disclaimer many of those visitors may not have been disabused. The fact that the site offered for sale official merchandise may well have encouraged the view that the site was an official/licensed site.

Abusive Registration – the date at which use is to be assessed

Domain name registrants commonly vary their usage of their domain names from time to time. ‘Live’ websites are regularly varied/updated. In this case the Respondent made potentially significant changes to his website on being notified by the Complainant of the Complainant’s grounds for complaint, but before this administrative procedure was initiated.

This raises the issue as to the date at which the use of the Domain Name should be assessed. Should all the Respondent’s use of the Domain Name be looked at or only use at or from a particular date? The Expert took the view that the use should be looked at from the date of the Complaint by which time of course trade through the site had stopped and the disclaimer had been inserted.

The Panel disagrees with the Expert. The Panel is of the view that the wording of the second limb of the definition of Abusive Registration (“*has been used in a manner which took an unfair advantage of...*”) entitles the Panel to look at all use of the Domain Name from commencement of that use to date. Ordinarily, it may be that less weight will be given to any changes in that use made following intimation to the Respondent of the Complainant’s objections.

Abusive Registration – a tribute site for the purposes of paragraph 4.b.?

The Panel has already found that the Respondent's clear intention at time of registration was to use the Domain Name to connect to a Scooby-Doo tribute site. The question remains as to whether the website in question constitutes a tribute site within the meaning of paragraph 4.b. of the Policy. Paragraph 4.b. reads as follows:

"Fair use may include sites operated solely in tribute to or criticism of a person or business, provided that if:

- i. the Domain Name (not including the first and second level suffixes) is identical to the name in which the Complainant asserts rights, without any addition; and*
- ii. the Respondent is using or intends to use the Domain Name for the purposes of a tribute or criticism site without the Complainant's authorisation*

then the burden will shift to the Respondent to show that the Domain Name is not an Abusive Registration."

Why should the website not be covered by this sub-paragraph of the Policy? The Domain Name (not including the '.co.uk' suffix) is identical to the Complainant's trade mark and the Respondent is using the Domain Name for the purposes of a tribute site and without the Complainant's authorisation. The Complainant argues that the trade through the site disqualifies the site being regarded as a tribute site for this purpose.

Throughout, the website has been used to promote and pay tribute to the fictional character, Scooby-Doo. As part and parcel of that promotional activity the Respondent has used the site to sell official Scooby-Doo merchandise and offer like-minded fans the opportunity of using 'scoobydoo.co.uk' email addresses. Moreover, to raise the profile of the site on search engines the Respondent has used the Complainant's trade marks (including ScoobyDoo in both hyphenated and un-hyphenated forms) as meta-tags for the home page of the site.

The Panel takes the view that none of this activity is incompatible with the site being a tribute site. Such activities seem to the Panel to be perfectly reasonable ancillary activities for a Scooby-Doo tribute website.

The Panel has considered the word 'solely' in the first line of paragraph 4b. of the Policy ("*fair use may include sites operated solely in tribute ...*"). It raises interesting questions as to whether or not partial tribute sites are fair and whether or not the burden of proof shifts in the case of partial tribute sites. However, these are not questions which the Panel needs to answer. The Panel is of the view that the 'www.scoobydoo.co.uk' website is and has always been solely a tribute site notwithstanding the sale of merchandise and the provision of email addresses.

In the result, the Panel agrees with the Expert that paragraph 4.b. of the Policy applies. Moreover, the Panel is unanimous in the view that the purpose of paragraph 4.b is to dissuade people from taking the name of another without adornment and without permission and with a view to making direct reference to that person whether for tribute or criticism. The clear meaning of the rule is that such a registration is prima facie abusive, unless the Respondent can show otherwise. Accordingly, the burden is on the Respondent to show that the Domain Name is not an Abusive Registration.

Abusive Registration – paragraph 4.a. of the Policy.

As indicated above, paragraph 4.a. of the Policy sets out a non-exhaustive list of factors, which may be evidence that the Domain Name is not an Abusive Registration. The potentially relevant sub-sub-sub paragraphs are a.i. A and C.

- “i. Before being informed of the Complainant’s dispute, the Respondent has:*
- A. used The Domain Name in connection with a genuine offering of goods or services*
 - C. made legitimate non-commercial or fair use of the Domain Name*

Neither of these factors provides much assistance to the Panel in deciding the question before it. On one view the sale of official merchandise and provision of email addresses to Scooby-Doo fans through a Scooby-Doo tribute site has to be a ‘genuine offering of goods and services’. On the other hand if the Panel comes to the conclusion that that ‘genuine offering’ takes unfair advantage of the Complainant’s rights, this provision cannot assist the Respondent. As to ‘legitimate non-commercial or fair use’, again all depends upon what the Panel regards as fair. Certainly, on the facts, the Respondent’s use cannot be said to have been entirely non-commercial.

Abusive Registration – the Panel’s conclusion

The Panel is of the view that the sensible way of addressing the question as to whether or not the Domain Name is an Abusive Registration is to start by evaluating the Domain Name and reviewing the use made of it as a whole.

In this case the Domain Name is identical to the Complainant’s trade mark. It is intended to refer to the Complainant’s trade mark. Inevitably, a not insignificant number of internet users visiting the site will be doing so in the expectation that the site is an official site of the Complainant. The Respondent has used the Domain Name and the site to which it is connected to sell goods and to develop a network of email users. The Respondent has sought to increase the incidence of visitors to the site by using the Complainant’s trade marks (including ScoobyDoo in both hyphenated and un-hyphenated forms) as meta-tags in the home-page. The disclaimer (a late addition) is ineffective. By the time it is seen, the Respondent will have achieved a business opportunity that in most cases he would not otherwise have had. On receipt of the Complainants solicitors’ opening letter, the Respondent made the changes to the site, which are described above, and indicated that he would be restoring the online store when he could. The trade through the site, albeit modest, has clearly been of importance to the Respondent.

The Expert indicated that had he felt it appropriate to take into account the Respondent’s trade through the site, he might have come to a different decision. He also indicated that if the Respondent recommenced trading through the site, the Complainant could revive the complaint.

Why should trade through a tribute site make the difference? If tribute sites and criticism sites may be fair and if, as the Panel has found, selling official merchandise and offering email addresses through a tribute site are perfectly acceptable ancillary activities for a tribute site (i.e. this is the sort of activity one might expect to find on a tribute site and does not detract from the status of the site as a tribute site), what could be abusive about this registration?

For one of the members of the Panel the trade through the website is of greater significance than it is for the others. In the view of the majority of the Panel, in the context of a tribute site, the vice is in selecting a domain name, which is not one's own name, but which to one's knowledge is identical to the name of another, which one has selected precisely because it is the name of that other and for a purpose which is directly related to that other. For a tribute or criticism site, it is not necessary to select the precise name of the person to whom one wishes to pay tribute or criticise. In this case the domain name could have been 'ilovescoobydoo.co.uk', for example.

Taking the Domain Name in these circumstances arguably amounts to impersonation of the owner of the name or mark. Substantial numbers of people will have visited the Respondent's website (the Respondent admits to a total of over 37,000 visitors to his site) believing that they were visiting the site of the Complainant, a phenomenon sometimes referred to as 'initial interest confusion'. Prior to the posting of the disclaimer, those visitors might well not have been disabused. The fact that the Respondent was selling official merchandise may have encouraged those visitors in their belief that they were visiting an authorised/licensed site. Notwithstanding the Respondent's denial of any advantage, the Panel is of the view that on the balance of probabilities there must have been an advantage to the Respondent of some kind. Whether or not that 'advantage' has led to financial gain is irrelevant. The question is as to whether the advantage he has taken has been fair.

Even if there has been no advantage to the Respondent, the Domain Name can still represent an Abusive Registration if it has been used so as to have been unfairly detrimental to the Complainant's rights.

The Panel is unanimous in taking the view that, taking all that into account, such a use as the Respondent has made of the Domain Name cannot be fair. Impersonation can rarely be fair. Additionally, the existence of a network of 550+ email users (including the Respondent) using the Domain Name as part of their email addresses exposes the Complainant to risk. In the hands of the Respondent and his network of 550+ email users the Complainant's name and mark is out of the Complainant's control. To that extent its goodwill is outside its control. An email user may bring the name into disrepute. The widespread unauthorised use of the Domain Name in this way may well dilute the distinctiveness of the Complainant's trade mark rights. In the Panel's view these are all matters, which the Panel is entitled to take into account when considering whether registration and/or use of the Domain Name has taken unfair advantage of or has been unfairly detrimental to the Complainant's rights. The risk is a present risk and arises both from what the Respondent has done and will, to a greater or lesser extent, continue to do, if permitted to retain the Domain Name.

Accordingly, it is the Panel's view (irrespective of where the burden of proof lies) that the Domain Name has been used in a manner which took unfair advantage of or was unfairly detrimental to the Complainant's Rights and, accordingly, that the Domain Name constitutes an Abusive Registration within the meaning of paragraph 3.a.ii. of the Policy and generally. The burden of proof in this case is upon the Respondent pursuant to clause 4.b. of the Policy, but the Panel would have come to the same conclusion in any event.

For the avoidance of doubt, the Panel has not found that, in registering the Domain Name and in using the Domain Name, the Respondent *intended* to take unfair advantage of or cause unfair detriment to the Complainant's rights, but honest intentions are not enough.

Without Prejudice Communications

In addressing the issue over the offer of the Domain Name for sale, the Expert expressed the view that the Without Prejudice rule should apply to the Nominet DRS. While the offer for sale is now a non-issue, the Panel disagrees with the Expert on the applicability of the Without Prejudice rule to proceedings under the Policy. In the view of the Panel, the reasons for excluding the rule will ordinarily far outweigh any perceived advantages of applying it.

First, when registering a domain name, the registrant signs up to the Policy and knows that evidence that he may have registered the domain name in question with a view to selling it could go to the heart of a complaint in relation to the registration. If registrants could avoid that problem simply by sending complainants letters marked 'Without Prejudice' and stating that, with a view to settling the dispute, they are willing to transfer the domain name for a sum of money (in excess of their out-of-pocket expenses), this would drive a coach and horses through the Policy.

The Expert commented in his decision that if the rule did not apply to the DRS, parties would be deterred from entering into settlement negotiations. As indicated above, however, the mediation element of the DRS enables without prejudice settlement discussions to take place and the Panel understands that, currently, 30+% of all complaints are satisfactorily resolved at that stage.

Secondly, the policy behind the rule is that parties should be encouraged to reach out-of-court settlements of their disputes and that in correspondence to that end parties should feel free to make such concessions as they think appropriate without there being any risk of those concessions being drawn to the attention of the court and thereby in some way prejudicing their legal position. The policy was developed because litigation is expensive and courts have the power to award damages etc and costs. There is therefore a public interest in giving litigants an opportunity of avoiding those consequences.

These proceedings are very different from court proceedings. The Nominet DRS incorporates within it an initial mediation process in which all communications are 'Without Prejudice'. Moreover, the cost of these proceedings is or ought to be relatively low compared to court proceedings and Experts have no power to award damages etc or costs.

Thirdly, application of the Without Prejudice rule to proceedings under the Policy (other than in relation to communications in the course of the mediation process) is likely to be counter-productive. It is likely to add to the complexity and expense of the proceedings rather than contribute to their settlement. In so saying the Panel has in mind that by the time a case reaches the Expert, the case will have undergone the mediation process without settling.

The added complexity stems from the complexities attached to the rule itself. It is not as if all correspondence marked 'Without Prejudice' benefits from the rule, whereas all correspondence which is not marked 'Without Prejudice' does not. All depends upon the nature of the communication and not the label applied to it. For example, pre-action letters, threatening proceedings unless the recipient capitulates, are commonly marked 'Without Prejudice' in circumstances where settlement is well outside the contemplation of the sender. They are clearly not entitled to the protection afforded by the privilege. Equally, letters not marked 'Without Prejudice', yet part of a line of correspondence entered into with a view to out-of-court settlement, can and often will be afforded that protection. The line between what is protected and what is not is not always an easy one to draw.

Pre-trial disputes as to the applicability of the rule, which invariably add to the cost, are common in court proceedings. The *WH Smith v. Colman* trip to the Court of Appeal is a recent example.

The Panel is of the view that there is no sense in introducing those complexities (designed for court proceedings) into this procedure, which is intended to be a simple and cost-effective alternative to litigation. Moreover, it should not be overlooked that most complaints involve at least one un-represented party and those cases which fall to be determined by an expert may well be handled by an expert who is not familiar with the detail of the Without Prejudice rule. Not all experts are litigation lawyers and many are not legally qualified.

There is scope therefore for much misunderstanding in relation to the rule. Some will understand it, some will not; some will seek the protection of it, some , unaware of its existence, will not; some, such as the Respondent in this case, will simultaneously seek the protection of the rule and yet unwittingly waive the privilege, through a failure to understand it properly.

If application of the rule were crucial to a fair and effective administration of the Policy, then, however difficult its application might be, a way would have to be found for ensuring that all concerned have the rule explained to them. But, for the reasons given, the Panel does not believe that application of the rule is crucial to fair and effective administration of the Policy, quite the reverse.

Decision

Taking all the circumstances of this case into account, the Panel finds that the Complainant has rights in respect of a name or mark which is identical to the Domain Name and that the Domain Name, in the hands of the Respondent, is an Abusive Registration.

Accordingly, the Appeal succeeds and the Panel reverses the decision of the Expert at first instance and directs that the Domain Name be transferred to the Complainant.

Tony Willoughby

Simon Carne

Bob Elliott

Dated: 21 August 2002