

CONSORZIO DEL PROSCIUTTO DI PARMA

-V-

VITAL DOMAINS LIMITED

Nominet UK Dispute Resolution Service

DRS 00359

Decision Of Appeal Panel

Dated this 12th day of September 2002

1. PARTIES

Complainant/Appellant: Consorzio del Prosciutto di Parma

Address: Via Marco Dell'Arpa 8/B
Parma
Italy

Postcode: 43100

Country: Italy

Respondent: Vital Domains Limited

Address: 133 Oslo Court
Prince Albert Road
London

Postcode: NW8 7EP

Country: GB

2. DOMAIN NAMES

<parmaham.co.uk> and <parma-ham.co.uk>

("the Domain Names")

3. PROCEDURAL BACKGROUND

- 3.1 The Complaint was received in full by Nominet UK ("Nominet") on April 23, 2002. Nominet validated the Complaint and notified the Respondent of the Complaint on April 29, 2002. Nominet informed the Respondent that he had 15 working days (until May 22, 2002) to lodge a Response. A Response was received in full on May 6, 2002

and forwarded to the Complainant on May 8, 2002 with an invitation to the Complainant to make any further submission in reply to the Response by May 15, 2002. The Complainant filed a Reply on May 17, 2002, which was forwarded to the Respondent on the same day. The dispute was not settled by informal mediation and on June 13, 2002, the Complainant was invited to pay the fee to obtain an expert decision pursuant to paragraph 6 of the Nominet UK Dispute Resolution Policy (the "Policy"). The fee was duly paid.

- 3.2 On June 24, 2002, Nominet invited one of the experts from its list of experts (Mr David King) to provide a Decision in the case. On June 27, 2002, he confirmed to Nominet that he knew of no reason why he could not properly accept the invitation to act as an expert 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.
- 3.3 The expert issued his decision on July 10, 2002 and it was notified to the parties on July 12, 2002. The Expert determined that the Domain Names did not constitute Abusive Registrations.
- 3.4 The Complainant/Appellant (hereinafter the "Complainant") sent written Grounds for Appeal to Nominet on July 19, 2002.
- 3.5 On July 25, 2002, Nominet appointed Mr Nick Gardner, Mr Adam Taylor and Mr Nick Lockett as an appeal panel (the "Panel") to determine the appeal. The case file was duly sent to each of them by Nominet following individual confirmation to Nominet that they knew of no reason why they could not properly accept the invitation to act in this case, and, save as mentioned below, of no matters which ought to be drawn to the attention of the parties which might appear to call into question their independence and/or impartiality. Mr Gardner drew to Nominet's attention that he was aware that Mr Lawrence Collins QC, who at the time was a partner in Mr Gardner's firm, had, sitting as a deputy High Court judge, determined unrelated proceedings involving the Complainant. Nominet drew this fact to the parties attention. No objection was made to Mr Gardner's appointment.
- 3.6 Following the approach adopted by the Appeal Panel in DRS 00248 (*seiko-shop.co.uk*), the Panel asked Nominet to issue a notice to the parties inviting the Respondent to respond by 2 August 2002 to the written Grounds for Appeal:
- 3.7 No response to the Complainant's written Grounds for Appeal was received by Nominet.
- 3.8 The deadline for submitting the Panel's decision was set by Nominet as August 26, 2002. This was subsequently extended until September 6, 2002.
- 3.9 Capitalised terms used in this decision which are not otherwise defined bear the meaning given in the Policy.

4. THE NATURE OF THIS APPEAL

- 4.1 This Panel has considered the nature of this appeal process and the manner in which it should be conducted. The Panel notes (a) the nature of Nominet's Dispute Resolution Service ("DRS"); (b) the manner in which both the first instance decision and the appeal process are formulated under the Policy as expert determinations (paragraph

18(a) of the Nominet procedure (the “Procedure”) provides that the appeal panel will be constituted of three experts appointed by Nominet); and (c) paragraph 9(a) of the Policy which 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”.

- 4.2 The Panel concludes that in so far as an appeal involves matters other than purely procedural complaints the appeal should proceed as a re-determination on the merits. The Panel does not consider the appeal should involve an examination of the original decision by the expert and whether, for example, it was one which should not be interfered with even though (if it were the case) the Panel itself reached a different conclusion. To do so seems contrary to the above matters and would introduce a degree of complexity inconsistent with the spirit of the Policy.
- 4.3 In this regard the Panel respectfully disagrees with the approach taken by the Panel in case DRS 00248 (*seiko-shop.co.uk*) and agrees with the approach taken by the Panel in case DRS 00389 (*scoobydoo.co.uk*).

5. FORMAL PROCEDURAL ISSUES

- 5.1 No further formal issues arise for consideration

6. FACTS

- 6.1 The Complainant is a non-profit making, voluntary association of ham producers of the Parma region of Italy. It is accorded legal status under Italian law and has been entrusted with supervisory duties relating to the production of ham in the Parma region in a particular traditional manner and to the use of the name "Prosciutto di Parma", which translates as "Parma ham" (and of a special "Parma" stamp). The Complainant also promotes the consumption of Parma ham and disseminates knowledge about it in Italy and abroad.
- 6.2 The name "Prosciutto di Parma" is registered as a "protected designation of origin" ("PDO") under Council Regulation 2081/92 ("the Regulation").
- 6.3 The Complainant has obtained registration of the UK certification mark PROSCIUTTO DI PARMA (registration number 1457951) and PARMA (and device) (registration number 1457952). Both were registered in 1991 in respect of ham.
- 6.4 The Complainant has obtained registration of the collective marks PROSCIUTTO DI PARMA (registration number 1116450) and PARMA (and device) (registration number 1116201) as community trade marks. Both were registered in July 2000 in respect of parma ham.
- 6.5 The Respondent is engaged in the buying and selling of domain names. The Domain Names were registered in December 1999 (*parmaham.co.uk*) and January 2000 (*parma-ham.co.uk*). They were originally registered “for the purpose of generating traffic to Mr Reza Sobati’s main site”. The exact relationship between Mr Sobati and Vital Domain Names Limited has not been explained to the Panel. In any event it is not disputed by the Complainant that Mr Sobati’s site later “developed into the company called Vital Domains Limited as the marketing potential of such domains made domains increasingly like assets”. (This suggests that the Respondent may not in fact have been in existence when the Domain Names were registered. However, it

is clear that the Respondent is Mr Sobati's vehicle and the Panel treats him and the Respondent as one).

- 6.6 The Domain Names were made available for sale via the Respondent's web site at some point following registration.
- 6.7 Mr Roger Grimshaw of Mewburn Ellis, trade mark agents, on behalf of the Complainant, wrote to Mr Sobati on September 28, 2000 asserting the Complainant's rights in the Domain Names and enclosing a copy of his client's registration certificate for the certification mark "PARMA" (and device) registered in the UK under registration number 1457952. Mr Grimshaw stated that his client was prepared to reimburse the Respondent for the costs of registration of the Domain Names. The letter reserved all of the Complainant's rights and indicated that in the absence of a satisfactory response such further action as was necessary would be taken. The letter is marked "without prejudice" although it appears to the Panel that it is not entitled to the benefit of without prejudice privilege (see further below).
- 6.8 On October 2, 2000, Mr Sobati telephoned Mr Grimshaw and stated that, whilst the Respondent felt that the Complainant did not have grounds for complaint, he would be prepared to consider to an offer.
- 6.9 On January 2, 2001, Mr Grimshaw of Mewburn Ellis wrote a further letter, again marked "without prejudice", in which he stated "in an attempt to avoid proceedings in this matter our clients have asked us to repeat their offer to reimburse you for your outlay in registering [the Domain Names]". It appears to the Panel that this letter is properly written on a without prejudice basis as part of genuine settlement negotiations (see further below).
- 6.10 On January 4, 2001, in response to this letter, Mr Sobati emailed Mr Grimshaw offering to sell both of the Domain Names for £5,000 (excluding VAT) or one of them for £3,000 (excluding VAT). On April 19, 2001, Mr Grimshaw emailed Mr Sobati on behalf of his client offering the sum of £3,000 (in total) for the two Domain Names. Mr Sobati responded to Mr Grimshaw's email on the same date stating that the price for the two Domain Names was fixed at £5,000 (excluding VAT). Mr Grimshaw sent a holding e-mail to the Respondent whilst awaiting his client's instructions. Thereafter the present proceedings were instituted

7. ADMISSIBILITY ISSUES

- 7.1 As appears from the above facts a potential issue arises as to whether (a) some or all of the correspondence identified above would, in the context of legal proceedings be inadmissible as being protected by the "without prejudice" rule; and (b) if so, whether that rule is also applicable to disputes under the Policy.
- 7.2 Mr Gardner & Mr Taylor consider that the Policy permits panels to look at all correspondence (in accordance with the Scooby-doo.co.uk appeal decision) provided that without prejudice communications generated in the course of Nominet's mediation process are clearly excepted from disclosure, thereby ensuring that respondents have a window within which to safely initiate settlement discussions..
- 7.3 Mr Lockett dissents, considering that genuine "without-prejudice" correspondence should not be admissible in Nominet proceedings, that Nominet should remove any genuine "without prejudice" correspondence from tribunal papers, and that the

Scooby-doo.co.uk appeal decision on "without-prejudice" documentation is wrongly decided.

- 7.4 As, for reasons which are explained below, the Panel does not find it necessary to rely upon any of this correspondence in reaching its decision, nothing turns on this point. Accordingly the Panel has not considered these issues further.

8. THE PARTIES' CONTENTIONS

- 8.1 The parties' contentions can be summarised as follows:

Complainant

- 8.2 In the Complaint, the Reply and the Grounds for Appeal, the Complainant made the submissions set out below.
- 8.3 The Complainant has Rights in respect of a name or mark which is identical or similar to the Domain Names (paragraph 2.a.i. of the Policy). These comprise the PDO status of the term "Prosciutto Di Parma", the various registered trade marks identified above and its common law rights. The names PARMA and PROSCIUTTO DI PARMA are used in the UK and the public have come to associate these with the Complainant..
- 8.4 The Domain Names, in the hands of the Respondent, are Abusive Registrations (paragraph 2.a.ii. of the Policy).
- 8.5 The Respondent has registered the Domain Names primarily for the purpose of selling, renting or otherwise transferring them to the Complainant or to a competitor of the Complainant, for valuable consideration in excess of the Respondent's documented out of pocket costs directly associated with acquiring or using the Domain Names. Users accessing the web sites at the Domain Names are directed to a web page at www.vitaldomainsforsale.co.uk, and that this page makes it clear that the Respondent is in the business of selling domain names. The Complainant is the only person that might have legitimate reasons to acquire the Domain Names.
- 8.6 The Respondent has been engaged in a pattern of making Abusive Registrations. A "brief perusal" of the "showcase" of domain names for sale at the Respondent's web site, reveals that the domain names <cornetto.co.uk>, <e-rollerblade.co.uk>, <I-rollerblade.co.uk> and <palmcorder.co.uk> are all offered for sale. Cornetto, palmcorder and rollerblade are all UK trade marks and so these registration themselves constitute Abusive Registrations and hence establish the relevant pattern.
- 8.7 The Complainant's representatives did not survey all 2000 domains available for sale at the Respondent's site but their " cursory inspection" revealed the identified domains which were felt to be abusive in that they consist of essentially registered trade marks.
- 8.8 The Complainant, as the registered proprietor of the UK certification marks and the community-registered collective marks, is the only party with "legitimate reasons" for acquiring the Domain Names.
- 8.9 The Respondent cannot satisfy any of the tests for demonstrating a legitimate interest in the Domain Names.

- 8.10 No legitimate use of the Domain Names can be made by the Respondent without the consent of the Complainant because the supply of services under the Domain Names would be an infringement or breach of the Complainant's Rights.
- 8.11 The case is very similar to the facts of the One in a Million case (BT and others –v- One in a Million and others [1998] EWCA Civ 1272 - 23rd July, 1998. Note: a copy of this case can be found at <http://www.nominet.org.uk/news/legal/index.html>).
- 8.12 Internet users seeking information about the Complainant's activities would be likely to search for a site at the Domain Names. A user would be confused into thinking that they had found the Complainant's site and that it did not promote itself on any other website.
- 8.13 The Respondent has registered the Domain Names as blocking registrations against a name in which the Complainant has Rights (paragraph 3.a.i.B of the Policy). Only the Complainant can use the name PARMA HAM as a trade mark or trade name or as part of a company name or in any other commercial context (such as a "commercial" domain name) where use of the name is other than as a purely descriptive term.
- 8.14 PARMA HAM is not a generic name. In this respect, the Complainant contends that:
- 8.14.1 PARMA HAM has been granted the status of a PDO. Article 3 of the Regulation states that "names that have become generic may not be registered". It follows that the name PARMA HAM is not generic.
- 8.14.2 PROSCIUTTO DI PARMA and PARMA ham have been registered as trade marks in the UK and as Community Trade Marks. The provision of the UK Trade Marks Act 1994 and the Community Trade Mark Regulations state that generic marks cannot be registered. These provisions apply to Certification Marks and Collective Marks, respectively. Accordingly, the Complainant's mark would have been refused registration under section 3(1) of the Trade Marks Act 1994 and Article 7(1) of the Community Trade Mark Regulation if these marks had been considered generic.
- 8.14.3 The inclusion of the term "parma ham" in the specification of goods for Community Trade Mark No. 116458 does not indicate that the term is generic; the reference to "parma ham" (rather than "ham") is an administrative oversight. The term "parma ham" does not appear in the WIPO Guide to Classification. "Ham" is a generic term, whilst "parma ham" is not.
- 8.14.4 The word "generic", where used in relation to food products in particular, is defined in The New Oxford Dictionary of English as "not having a trade mark" and in Collins English Dictionary as "having no brand name, not protected by registered trade mark".

Respondent

- 8.15 In its Response the Respondent made the submissions set out below.
- 8.16 The Domain Names were registered with many other generic domain names, initially for the purpose of generating traffic to "Mr Reza Sobati's main site"; the Respondent later decided to market such domains when it realised their potential.

- 8.17 The name PARMA HAM is generic. This means that the Complainant has no more right to the Domain Names than a person who owns a sandwich bar called "Parma Ham" or even a person who wants to start a recipe site.
- 8.18 The Respondent disputes it is engaged in a pattern of making Abusive Registrations. It says that it has registered approximately 2000 domains and prior to the present proceedings has not received a single complaint. The Respondent says that the examples given by the Complainant were all perceived by the Respondent to be generic which, is "an easy mistake to make given that terms like "Hoover" have crept into the vernacular".
- 8.19 With reference to the case law cited by the Complainant, the current case is more like <champagne.com> than <marksandspencer.com>.
- 8.20 The Complainant has made unsubstantiated allegations with regard to the intentions of the Respondent when the Domain Names were registered. The Complainant's use of the Policy amounts to reverse domain name hijacking.

9. DISCUSSION AND FINDINGS

Rights

- 9.1 The starting point is to consider whether the Complainant has Rights.
- 9.2 The definition of Rights under the Policy "includes but is not limited to, rights enforceable under English law" but excludes rights in a name or term which is wholly descriptive of the Complainant's business.
- 9.3 The panel is satisfied that the combination of the PDO ("Prosciutto di Parma"), the community collective trade marks (word "Prosciutto di Parma" and device mark for "Parma" inside a crown) and UK certification trade marks (word "Prosciutto di Parma" and device mark for "Parma" inside a crown) constitute Rights. As was stated in DRS 00248 (*seiko-shop.co.uk*), the establishment of Rights is not a particularly high threshold test.
- 9.4 Given the descriptive nature of the terms Parma", "Parma ham" and "Prosciutto di Parma", the Panel declines to make any finding that the Complainant has any common law rights deriving from public recognition in the absence of any evidence as to the extent and nature of such recognition.
- 9.5 Although descriptive, those terms are not "wholly descriptive of the Complainant's business".
- 9.6 The next consideration is whether these Rights are "in respect of a name or mark which is similar to the Domain Name[s]" within the meaning of paragraph 2a.i of the Policy. The Panel concludes that those Rights identified above are in respect of a name or mark (whether it be "Parma ham" as a translation of "Prosciutto di Parma" or the name or mark "Prosciutto di Parma" itself) which is similar to both parmaham and parma-ham, the Domain Name suffixes being ignored for this purpose.

Definition of Abusive Registration

9.7 The Complainant also has to prove in accordance with paragraph 2 of the Policy, that on the balance of probabilities, the Domain Names in the hands of the Respondent are Abusive Registrations.

9.8 The Policy defines an 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”.

Non-exhaustive factors

9.9 Section 3 of the Policy provides (insofar as relevant):

“a) A non-exhaustive list of factors which may be evidence that the Domain Name is an Abusive Registration is as follows:

i) Circumstances indicating that the Respondent has registered or otherwise acquired the Domain Name:

A) primarily for the purposes of selling, renting or otherwise transferring the Domain Name to the Complainant or to a competitor of the Complainant, for valuable consideration in excess of the Respondent's documented out-of-pocket costs directly associated with acquiring or using the Domain Name;

B) as a blocking registration against a name or mark in which the Complainant has Rights; or

C) primarily for the purpose of unfairly disrupting the business of the Complainant;

ii) 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;

iii) In combination with other circumstances indicating that the Domain Name in dispute is an Abusive Registration, the Complainant can demonstrate that the Respondent is engaged in a pattern of making Abusive Registrations; or ...”

9.10 The Panel does not consider that any of these indications apply.

Paragraph 3a.i.A: sale to Complainant or competitor

9.11 Did the Respondent register the Domain Names primarily for the purpose of selling to the Complainant for valuable consideration in excess of its out of pocket costs? The Respondent says that it registered the Domain Names for the purpose of generating traffic to a website (the nature of which is not explained) and later decided to market these and other generic domain names when it realised their potential.

- 9.12 Even if the Respondent did register the Domain Names for the purpose of sale, it did not do so primarily to sell the Domain Names to the Complainant – it did so to make them available for sale to the world at large.
- 9.13 The Panel is satisfied that on the evidence before it and on the balance of probabilities the Respondent at the time of registration genuinely and reasonably believed the Domain Names were generic or descriptive terms. It appears that the Respondent was not aware of the existence of the Complainant, nor is there any reason to suppose that a lay person, unfamiliar with the precise nature of the regulation of the production of Parma ham in Italy, would be likely to apprehend such a body would exist.
- 9.14 As mentioned above, there is no evidence before the Panel as to the extent and nature of recognition by the public of the terms “Parma” or “Parma ham” or “Prosciutto di Parma”, and so the Panel is not prepared to infer that the Respondent knew or could reasonably have been expected to know of the Complainant’s existence and rights at the time of registration.
- 9.15 The Panel doubts that there are any bodies which could be said to be “competitors of the Complainant” but if there are the same reasoning would apply.
- 9.16 The Complainant argues that, due to its rights, no one except it can legitimately use the Domain Names and that paragraph 3a.i.A must therefore apply. The Panel disagrees. Even if it is right that no one else can legitimately use the Domain Names (and it is by no means clear that that is so), that cannot be used to ascribe to the Respondent an intention which at the time of registration it did not in fact have.
- 9.17 The Respondent’s offer in the email of 4 January 2001 to sell the Domain Names to the Complainant for £3000 each or £5000 for both was clearly in response to the Complainant’s approach and is not an indication of the Respondent’s intent when registering the Domain Names. Therefore nothing turns on the admissibility of the without prejudice correspondence.

Paragraph 3a.i.B: blocking registration

- 9.18 The Panel concludes that the Domain Names were not registered as blocking registrations. No doubt they are in fact blocking any registration by the Complainant but that will always be the case in any dispute under the Policy. This requirement has, the Panel concludes, to involve some deliberate intent in this regard at the time of registration. None could have been present if, as the Panel has concluded, the Respondent was unaware of the Complainant at the time of registration.

Paragraph 3a.i.C: disruption

- 9.19 Similarly the Panel concludes that the Domain Names were not registered for the purpose of disrupting the Complainant’s business.

Paragraph 3a.ii: use in a way which has caused confusion

- 9.20 The Panel does not consider that the Domain Names have been used in a way which would confuse people into believing that they are registered to, operated or authorised by, or otherwise connected with the Complainant. It would be manifest to anyone entering the Domain Names into a browser, and then being taken to the Respondent’s site, that they are simply being offered for sale by a domain name dealer. In any

event, there is no evidence that the Respondent has used the Domain Names in any manner that has in fact caused confusion.

Paragraph 3a.iii: pattern of Abusive Registrations

- 9.21 The Panel does not accept the Complainant's submissions that the Respondent is engaged in a pattern of Abusive Registrations. It is far from clear to the Panel that registration of domains incorporating the terms rollerblade, palmcorder and cornetto would necessarily be abusive nor that it would necessarily be appreciated (especially by a lay person) that such terms were registered trade marks. The Panel accepts that the Respondent bona fide believed these terms were generic or descriptive and available for registration. Whether the Respondent was correct in doing so matters not. Given these are the only examples relied upon by the Complainant in an undisputed figure of 2000 registrations the Panel declines to find the Respondent is engaged in a pattern of Abusive Registrations.

Other evidence of Abusive Registration?

- 9.22 Accordingly the Complainant has not established any of the non-exhaustive factors which may evidence Abusive Registration in paragraph 3 of the Policy.
- 9.23 The Panel is therefore required to consider whether, having regard to the definition of an Abusive Registration, these registrations are otherwise abusive. In this regard the Panel also has to take account of section 4a.ii of the Policy.

Paragraph 4a.ii: generic / descriptive domain and fair use

- 9.24 Paragraph 4a.ii says that a relevant factor that may be evidence that a registration is not abusive is if "the Domain Name is generic or descriptive and the Respondent is making fair use of it". Indeed, there has been much debate in this case as to whether the Domain Names are in fact generic.
- 9.25 The Panel has already concluded that the Respondent genuinely and reasonably believed that the Domain Names were generic or descriptive when it registered the Domain Names.
- 9.26 The Complainant refers to the New Oxford dictionary definition of "generic" as "not having a trade mark" but does not mention the first part of the definition: "characteristic of or relating to a class or group of things; not specific".
- 9.27 Interestingly the Respondent asserts that the position is analogous to Champagne. As a matter of English law, protectable goodwill may accrue to a class or type of goods even where that class or type is produced by an identified class of persons rather than an individual. Such goodwill has been recognised in respect of products such as Champagne and Swiss Chocolate.
- 9.28 The Panel's view is that Parma ham is generic only in a narrow sense in that it refers to a class of things (Parma hams) just as Champagne is generic in that it refers to a class of sparkling white wines. (This is not a conclusion that there is in fact protectable goodwill in respect of "Parma ham").
- 9.29 There is however no evidence that "Parma ham" is generic in the wider sense that it is commonly used in the UK to refer to other types of products (i.e. from producers

outside the Complainant's association) which might be in all material respects identical but which lack the required characteristic (in this case origin and method of production) to qualify for the class. In our view, this is the sense of "generic" in paragraph 4a.ii of the Policy.

9.30 Although the Panel has concluded that the term is not generic in the sense explained above and although there is no relevant evidence from the Respondent, Mr Taylor and Mr Lockett think it reasonable to infer that to the UK public "Parma ham" is an everyday descriptive term denoting "ham produced in the Parma region [of Italy]" and not a product originating from the Complainant or its members.

9.31 Whether or not the Respondent is making fair use of the Domain Names is considered separately below.

Passing off

9.32 The Complainant appears to argue that the Domain Names are Abusive Registrations because the present use of the Domain Names is passing off, being "very similar" to the case of *BT v One In A Million*, as internet users seeking information about the Complainant's activities would be likely to search for a site at the Domain Names and would be confused into thinking that they had found the Complainant's site and that the Complainant did not promote itself on any other website.

9.33 The Panel disagrees. First, Abusive Registration and passing off are not necessarily the same thing. In any event the Domain Names are of a different type from those considered in *BT v One in a Million*. In that case it is clear that the names involved were distinctive and there was no question as to whether the Defendants could reasonably have believed the names to be generic or descriptive. In the present case the Panel does not accept that the Domain Names constitute the "instrument of fraud" indicated in *BT v One In A Million* or that internet users are likely to be confused into thinking that the website of the Respondent (a domain name dealer) is that of the Complainant association of ham producers.

Other unfair registration or use?

9.34 Were the Domain Names otherwise registered or used in a manner that took unfair advantage of or was unfairly detrimental to the Complainant's rights?

9.35 A majority of the Panel conclude that the answer is "no". In the course of reaching their respective decisions, the panellists prepared detailed legal reasoning. However, this has been omitted because DRS decisions should be accessible to non-lawyers. Unrepresented parties should be able to pursue DRS proceedings and indeed not all of the DRS experts are lawyers. Detailed legal submissions by parties should be discouraged. The following summarises the essence of the panellists' views.

Mr Gardner's dissenting view

9.36 It is convenient to set out Mr Gardner's dissenting view first. It is as follows:

9.37 Each of the examples of Abusive Registration in paragraph 3ai appear to require a degree of mental intention. However the definition of Abusive Registration is wide enough to permit an objective assessment of the position irrespective of what the Registrant's intention or belief in fact was.

- 9.38 It is inappropriate to carry out a detailed comparison of the Policy wording and similar words used in trade mark legislation. However it is significant that the words “being without due cause, takes unfair advantage of or is detrimental to the distinctive character or the repute of the trade mark” have been subject to judicial consideration on many occasions in a number of different contexts.
- 9.39 One form of detriment identified in the cases is erosion of distinctiveness. For example, it was held in one case that any product which was not Champagne but which was allowed to describe it as such inevitably eroded the “singularity and exclusivity” of the description Champagne and so caused damage of “a most insidious but serious kind.”
- 9.40 The registration of the Domain Names (parmaham and parma-ham) with a view to “attract traffic” and/or offer them for sale to anyone prepared to pay the required price is either using or making available for use an identifying name which could cause just such damage to the Complainant’s Rights. It does not matter whether or not there might be some potential third party users of the Domain Names who could use them in a way which did not cause such damage – the Respondent either used them itself or is prepared to sell the names to anyone. The names were therefore registered in a manner which took unfair advantage of or was unfairly detrimental to the Complainant’s Rights.
- 9.41 Mr Gardner in any case considers that the Domain Names have also been used in a manner which took unfair advantage of or was unfairly detrimental to the Complainant’s rights. This is because although the Respondent registered the Domain Names believing them to be generic, it maintained its position that the names were generic and hence it was entitled to offer them for sale to the world at large *after* having been provided with material which should have led it to realise that its earlier belief was incorrect.
- 9.42 The Respondent stated in its Response that it does not seek to register domains corresponding to third party trade marks and “*will always return a domain to its rightful owner where a trademark has clearly been obtained for that name*”. It could and should have followed that stated policy here and its failure to do so renders the continued use thereafter (by offering the Domain Names for sale to the world at large) to be use in a manner which it knew or should have known took unfair advantage of or was unfairly detrimental to the Complainant’s Rights.
- 9.43 Accordingly even if the Domain Names were not Abusive Registrations at the time of registration Mr Gardner considers they became such thereafter.

The majority view

- 9.44 Mr Taylor’s and Mr Lockett’s views are as follows:
- 9.45 Each case depends on its own circumstances. Here the Respondent registered the Domain Names either to attract traffic to its own site or to sell to others. As has been stated above, the Respondent genuinely and reasonably believed that the Domain Names were generic or descriptive and therefore available for all and was unaware of the Complainant and its Rights. It may be that such a scenario is comparatively rare and that in many DRS cases an expert or appeal panel might be sceptical as to such assertions by a Respondent, whether due to the more distinctive nature of the domain

name concerned or for other reasons. In this case the Panel has accepted the Respondent's assertions.

- 9.46 Even if it can be said that the Domain Names were registered in a manner which unbeknownst to the Respondent took advantage of, or was detrimental to, the Complainant's rights and even if it can be said that that was undesirable or unfortunate, it was not unfair. The possibility that a future buyer might infringe the Complainant's trade mark rights does not alter that fact.
- 9.47 As was pointed out in DRS 00248 (*seiko-shop.co.uk*), although Abusive Registration may overlap with trade mark infringement, they are not the same. Otherwise such infringement would have been expressly included in the Policy.
- 9.48 The Policy was not intended to operate where there is a genuine clash of rights, in which case there needs to be testing of evidence and balancing of interests in court. It is neither necessary nor appropriate for the Panel to explore in detail whether use of the Domain Names is, still less might be, trade mark infringement.
- 9.49 That said, it is by no means inevitable or even likely that any future use of the Domain Names would infringe. (On this point, Mr Lockett places weight on the difference between certification and conventional trade marks and on the opinion of the Advocate-General in cases C-469/00 and C-108/01 before the European Court of Justice (the "*Asda Parma Ham Case*" - a reference to the European Court of Justice from the House of Lords decision in *Conorzio Del Prosciutto Di Parma v. Asda Stores Limited and Others* [2001] UKHL 7 – 8th February, 2001). A summary of the Advocate General's opinion can be found at <http://europa.eu.int/cj/en/cp/aff/cp0236en.htm> - the full text can be found in the database at <http://curia.eu.int/en/jurisp/index.htm>. That opinion suggested that the certification mark did not prevent ASDA supermarket from slicing and packaging Parma ham outside Parma. It must therefore follow that ASDA could call the resulting product "ASDA sliced Parma ham" or something similar. Assuming that the European Court agrees, "erosion of distinctiveness" cannot apply in the case of a certification mark when used in the manner that ASDA can be reasonably expected to use it. The Respondent therefore has a number of other parties to which it could legitimately sell the Domain Names.)
- 9.50 Having acquired the Domain Names fairly, the Respondent did what one would expect a dealer in generic domain names to do. He offered them for sale to the world at large. That was not unfair use (i.e. the second limb of the Abusive Registration definition).
- 9.51 Nor did the fact that the Complainant informed the Respondent about its existence and its trade marks mean that the Respondent's continued offer for sale became unfair. It may be that by pressing on the Respondent exposed itself to liability for assisting trade mark infringement by a future owner of the Domain Names but that is far from saying that the Domain Names are Abusive Registrations. As already stated, Abusive Registration should not be automatically equated to actual, still less to potential, trade mark infringement.
- 9.52 The Complainant has not satisfied the majority that on the balance of probabilities the Respondent's continuing to offer the Domain Names for sale to the public, in

knowledge of the Complainant's trade marks, constitutes unfair use in the circumstances of this case, in particular given:

9.52.1 the nature of the Domain Names and the Panel's conclusion that the Complainant fairly acquired them; and

9.52.2 (in Mr Lockett's view:) Mr Lockett's conclusion that there are a number of parties who could use the Domain Names without infringing, explained above.

9.53 The Respondent is not legally represented and its statement about returning domains where a trade mark has clearly been obtained should not be held against it. In any case it is evident that the Respondent intended this to be a statement about general policy where exclusive trade mark rights were shown to exist.

9.54 The majority therefore conclude that the Domain Names were not registered or used in a manner that took unfair advantage of or was unfairly detrimental to the Complainant's rights.

Reverse domain name hijacking

9.55 The Panel rejects the Respondent's submission that this Complaint amounts to "Reverse Domain Name Hijacking. The definition of that term as set in the Procedure requires the Complainant to have been using the Policy in bad faith. No such bad faith is established.

10. DECISION

10.1 For the reasons set out above the Panel concludes, by a majority decision (Mr Gardner dissenting), that the Domain Names are not Abusive Registrations.

10.2 The bringing of this complaint did not constitute Reverse Domain Name Hijacking.

10.3 No action should be taken in respect of the Domain Names.

Dated 12 September 2002

Signed

Nick Gardner, Presiding Panelist

Signed

Nick Lockett, Panelist

Signed

Adam Taylor, Panelist

