

Nominet UK Dispute Resolution Service

DRS 00400

Bacardi & Company Limited -v- Strathmade Limited

Decision of Independent Expert

**1. Parties:**

Complainant:	Bacardi & Company Limited
Address:	5 Aeulestrasse Vaduz
Postcode:	N/A
Country:	LI
Respondent:	Strathmade Limited
Address:	13 Glasgow Road Paisley Renfrewshire
Postcode:	PA1 3QS
Country:	UK

**2. Disputed Domain Name:**

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

**3. Procedural Background:**

The Complaint in this case was lodged with Nominet UK ("Nominet") on May 16, 2002, with hard copies received in full on May 17, 2002. Nominet validated the Complaint on May 21 and notified it to the Respondent, giving him 15 days within which to lodge a Response. The Respondent failed to respond on or before June 14, 2002. On June 17, 2002 Nominet wrote to the Parties confirming that it had not been possible to achieve a resolution of the dispute by informal mediation, and advising that the dispute would be referred to an independent expert for a Decision if the Complainant paid the appropriate fee by July 1, 2002. On the same day, the Respondent's solicitor, Caroline J Weir of Macdonald Hendersen, sent an e-mail to Nominet requesting to extend the deadline for a response but without providing reasons why such extension should be allowed. Since Nominet can only extend deadlines in exceptional circumstances, Nominet refused to extend the Respondent's deadline for a response. On June 19, 2002, the Complainant paid to Nominet the appropriate fee for a Decision by an Expert pursuant to paragraph 6 of the Nominet Dispute Resolution Service Policy ("the Policy").

On June 28, 2002, the undersigned, Christopher Gibson ("the Expert"), formally 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 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.

#### **4. Outstanding Formal/Procedural Issues (if any)**

Paragraph 5a of the Procedure for the conduct of proceedings under the Dispute Resolution Service (“the Procedure”) requires the Respondent to submit a response to Nominet. In this case no such response has been received.

Under paragraph 15b of the Procedure, the Expert will proceed to a Decision on the complaint if, in the absence of exceptional circumstances, a party does not comply with any time period laid down in the Procedure or the Policy.

On June 17, 2002, the Respondent’s solicitor, Caroline J Weir of Macdonald Hendersen, had sent a non-standard e-mail to Nominet requesting that the deadline for a response be extended, but no reasons were given for why such extension should be allowed. This request for extension was refused by Nominet on the basis that there was no indication of the presence of exceptional circumstances.

There is no evidence before the Expert to indicate the presence of exceptional circumstances; accordingly, the Expert will now proceed to a Decision on the Complaint notwithstanding the absence of a Response.

Paragraph 15c 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 light of the absence of a Response in this case, it is necessary for the Expert to consider whether to draw any special inferences from the Respondent’s non-compliance with paragraph 5a of the Procedure. There are many reasons why a Respondent may not provide a Response and the Procedure does not require the Expert to speculate upon these. In the view of the Expert, if the Respondent does not submit a response the principal inference that can be taken is that the Respondent has simply not availed itself of the opportunity to attempt to demonstrate that the Domain Name is not an Abusive Registration. This does not affect the primary requirement upon the Complainant, on whom the burden of proof rests, to demonstrate Abusive Registration.

#### **5. The Facts**

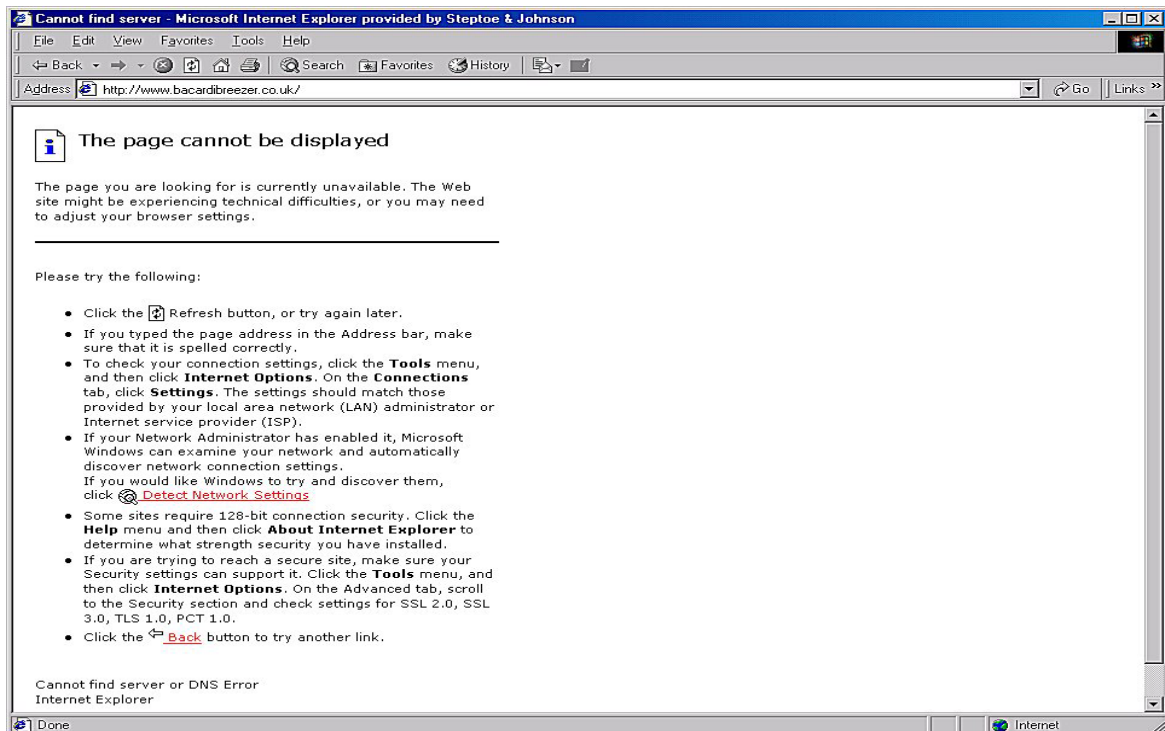
The Complainant is a well-known alcoholic beverages company. It owns numerous UK registered trade marks and Community Trade Marks which consist solely of, or contain, the words ‘BACARDI BREEZER, BACARDI and BREEZER’. The BACARDI and BACARDI BREEZER brands are well-known and have built-up substantial goodwill in the UK and throughout the world due to the company’s world-wide marketing and sales operations.

The Complainant is the registered owner of the domain names bacardi.com, bacardi.co.uk, bacardi.net, bacardi.org, bacardibreezer.com, bacardibreezer.net and operates web sites promoting its alcoholic beverages at the URLs [www.bacardi.com](http://www.bacardi.com) and

[www.bacardibreezer.com](http://www.bacardibreezer.com). The web site at [www.bacardi.com](http://www.bacardi.com) receives approximately 278,000 visitors per day.

The Complainant has been selling rum and other alcoholic beverages in the United Kingdom continuously since 1935. Bacardi is one of the best selling white spirit alcoholic beverages in the UK and Bacardi Breezer is a best selling pre-mixed alcoholic beverage in the UK.

A Nominet WHOIS search shows that on January 11, 2000, the Respondent Strathmade Limited registered the Domain Name bacardibreezer.co.uk. Throughout the relevant period in this case, it is undisputed that when the Domain Name is entered into an Internet browser the following web site appears:



The Respondent did not file a Response.

However, the Complainant made reference to correspondence with the Respondent's representatives dating from February and March 2000. At the time of that correspondence, the Domain Name was registered in the name of "S.Panesar". The Domain Name was later transferred from S. Panesar to Strathmade Limited. Mr Sanjeev Panesar is currently the sole shareholder and sole director of Strathmade Limited and was so at the time of this change in registrant details of the Domain Name. Copies of the Annual Returns for Strathmade Limited for the period from 13 December 1999 to 13 December 2001 were attached to the Complaint.

With the Complaint, the Complainant also submitted a response to its solicitor's letter of February 16, 2000 (a copy of which was not attached to the Complaint) from the solicitor for Mr Panesar, Hughes Dowdall, dated February 29, 2000. The response was marked "without prejudice" and the Expert will not refer to or rely on this correspondence.

On March 14, 2000, Mr Panesar's accountants, Donn Sheppard, replied to a letter from the Complainant's solicitor dated March 3, 2000 (a copy of which was not attached to the Complaint), and confirmed that it had acted as the accountant not only for Mr Panesar but also for a company known as Springway Off Sales Limited. The letter stated that Mr Panesar had no interest in this company, but, nevertheless, went on to explained that Mr Panesar had engaged two technology specialist companies for developing a web site for Springway Offsales and that there had been a plan "in theory" to use the domain names 'springway.co.uk' and 'drinks2u.co.uk' to establish the site on which Springway Offsales would sell various drinks, liquors, wines, etc., and then, under the spirits section

"there would be a list of items relating to spirit based drinks which would then follow on eventually onto the bacardibreezer.co.uk site."

The letter stated that Mr Panesar did not agree with the a course of action in which the Complainant would reimburse registration costs to Mr Panesar, as he had incurred some considerable costs in engaging the two technology firms to develop the site.

## 6. The Parties' Contentions

### *Complainant*

The Complainant's submissions are as follows:

The Complainant submits that the Domain Name in dispute is identical or similar to a name or mark in which it has rights.

The Complainant submits that the Respondent's registration of the Domain Name, which contains the Complainant's well-known names and trade marks, amounts to actionable passing-off.

The Complainant asserts that members of the public will be misled into believing that any website activated using the Domain Name is associated with or endorsed by the Complainant. The Complainant refers to the decisions of *One-in-a-million* and *Britannia Building Society v Prangley & ORS*. In both UK cases, the Claimants succeeded in their claims of passing-off and trade mark infringement, even though the Defendants had not actually set up web sites at the addresses of the domain names in dispute. The Courts found in both cases that the Defendant's reason for registering the names was in order to offer the registrations for sale at a premium and therefore deemed the Defendants to be using the domain names as an "instrument of fraud".

The Complainant submits that the Domain Name, in the hands of the Respondent, is an Abusive Registration principally because it was acquired, and has been used, in a manner which takes unfair advantage of or is unfairly detrimental to the Complainant's rights.

The Complainant contends that the Respondent has registered the Domain Name as a blocking registration against a name or mark in which the Complainant has Rights in accordance with paragraph 3(a)(i)(B) of the Policy. The Complainant refers to DRS

00160 *Foot Anstey Sargent v Adrian Cameron* and suggests that the facts of this case are similar. The Complainant asserts that it has rights in the BACARDI, BREEZER and BACARDI BREEZER names and that it would legitimately desire to register the Domain Name and that this would have been obvious to the Respondent at the time of registration; and thus concludes that the Domain Name is a blocking registration.

The Complainant contends that due to the nature of the Domain Name, there is no legitimate or fair use of the Domain Name that could be made by the Respondent without confusing or misleading users or abusing or taking advantage of the Complainant's trade mark rights. The Complainant refers to DRS 00058 *Nokia Corporation v Just Phones Limited* and suggests that the facts of this case are similar. The Complainant asserts that the Respondent stated it has registered the Domain Name with the alleged intention of establishing a web site for the sale of Bacardi Breezer. The Complainant submits that the Defendant never harboured any real intentions to use the Domain Name in this way and the real reason for registering the Domain Name was to prevent the Complainant from doing so and to take advantage of the Complainant's Rights.

The Complainant asserts that the Respondent is engaged in a pattern of making Abusive Registrations. In addition to the Domain Name, the Respondent is also the registrant of gordonsgin.co.uk and martinimetz.co.uk and was until recently the registrant of smirnoffice.co.uk. The Complainant further asserts that as far as the Complainant knows, no websites have ever been active at the gordonsgin.co.uk and martinimetz.co.uk domain names.

The Complainant submits that the Respondent has no legitimate connection with the BACARDI, BREEZER or BACARDI BREEZER names and it is not making a legitimate or fair use of the Domain Name. On this point, the Complainant makes reference to the content of the web site (as shown above).

The Complainant seeks the transfer of the Domain Name.

### ***Respondent***

The Respondent did not file a Response.

## **7. Discussion and Findings:**

### ***General***

Based on the evidence and the reasons given by the Complainant above, the Expert agrees that for the purposes of this Complaint, the actions of Mr S. Panesar and Strathmade Limited in relation to the Domain Name should be considered those of one and the same entity, the Respondent.

According to paragraph 2 of the Policy, in order to succeed in this Complaint, the Complainant has to prove to the Expert that, on the balance of probabilities:

- i. the Complainant has Rights (as defined in paragraph 1 of the Policy) in respect of name or mark which is identical or similar to the disputed domain name; and

- ii. the disputed domain name is an Abusive Registration (as defined in paragraph 1 of the Policy).

### ***Complainant's Rights***

The Complainant is the proprietor of the registered trade marks BACARDI BREEZER and BACARDI, which, as discussed above, are brands well-known in the UK and abroad.

The Domain Name bacardibreezer.co.uk comprises the word 'bacardibreezer' and the suffix '.co.uk'. In assessing whether or not a name or mark is identical or similar to a domain name, it is appropriate to discount the domain suffix, which is of no relevant significance and wholly generic. In addition, it is appropriate to discount the fact that the Domain Name contains no space between the words 'bacardi' and 'breezer' as this has no significance and in any event results from the fact that spaces, in contrast to the dash or hyphen, may not be used in domain names. The Expert therefore considers that the Complainant's mark is similar (and identical in the context of URL syntax) to the Domain Name.

Consequently, the Expert finds that, for purposes of the Policy, the Complainant has rights in respect of the registered trade mark BACARDI BREEZER, which are identical or similar to the Domain Name.

### ***Abusive Registration***

Under the second factor above, the Complainant must prove on the balance of probabilities that the disputed domain name, in the hands of the Respondent, is an Abusive Registration. An "Abusive Registration" is defined in paragraph 1 of the Policy 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.

A non-exhaustive list of factors, which may be evidence that the domain name is an Abusive Registration, is set out in paragraph 3(a) of the Policy. Those relevant to this case are discussed in turn below. Paragraph 4(a) of the Policy sets out how the Respondent may demonstrate in its Response that the domain name in issue is not an Abusive Registration. Although the Respondent has not responded, the Expert wishes to consider any evidence before it, including the letter of March 14, 2000 from the Respondent's accountants.

***3(a)(i)(B): Circumstances indicating that the Respondent has registered or otherwise acquired the Domain Name as a blocking registration against a name or mark in which the Complainant has rights.***

With respect to this point, the Complainant refers to DRS 00160 *Foot Anstey Sargent v Adrian Cameron* and suggests that it is analogous to the facts of this case. As in *Foot Anstey Sargent*, it appears that the Domain Name here has not been used for e-mail or as a web site, thus the question is, whether “at the time the registration was made,” the Respondent took unfair advantage of the Complainant’s Rights. It should also be noted that under the Policy, “[f]ailure on the Respondent’s part to use the Domain Name for the purposes of e-mail or a web-site is not in itself evidence that the Domain Name is an Abusive Registration.”

The Expert finds that the name ‘bacardibreezer’ is so unique, particular and well-known that it is plainly one in which the Complainant has clear and obvious rights. Further, there is evidence that the Respondent was at all material times well aware of the Complainant’s mark. The Expert also finds it highly probable that, the fact that the Complainant would legitimately desire to register the Domain Name that is very similar to its well-known names and trade marks BACARDI, BREEZER and BACARDI BREEZER, would have been obvious to the Respondent at the time of registration.

The Respondent’s accountant indicated, in its letter to the Complainant’s solicitors, that the Domain Name “in theory” was intended to be eventually used for a web site for the sale of Bacardi Breezer. At the same time, the Respondent’s accountants denied that the Respondent had any interest in Springway Offsales, a local store which was purportedly to make use of the web site. Even should we cast these points in a view most favourable to the Respondent, they would not provide legal justification for the Respondent to use the Complainant’s mark for a site of its own.

There is no evidence that the Respondent has been commonly known by the name nor that it is legitimately connected with a mark which is identical or similar to the Domain Name. The Expert has no difficulty in finding that the Respondent has no legitimate connection with the BACARDI, BREEZER or BACARDI BREEZER names and that it had obtained no proper authorization from the Complainant.

Even if the Respondent did harbour real intentions to use the Domain Name for a web site that would sell Bacardi Breezer and had made demonstrable preparations to use the Domain Name in connection with the sale of Bacardi Breezer, the Expert agrees with the Complainant’s contention that due to the nature of the Domain Name, it is highly probable that there is no legitimate or fair use of the Domain Name that could be made by the Respondent without confusing or misleading users into believing that the Domain Name is registered to, operated or authorised by, or otherwise connected with the Complainant, or taking advantage of the Complainant’s trade mark rights. In this regard, the Complainant makes reference to DRS 00058 *Nokia Corporation v Just Phones Limited* and suggests that the facts of this case are similar.

In the case of *Nokia Corporation*, the expert held that the name ‘NOKIA’ was used in the ‘nokiarington.co.uk’ domain name “in a trade mark sense” and that the domain name “create[d] precisely the sort of impression which the ECJ allow[ed] the trade mark owner to prevent”. The Expert concurs with this view and would, in any event, find it difficult to be convinced by any arguments that the use of the Domain Name which consists solely of the Complainant’s registered trade marks is merely descriptive and in accordance with honest trading practices in such matters. The Expert therefore

concludes that the Respondent's registration of the Domain Name took unfair advantage of the substantial reputation and goodwill in the Complainant's established trade marks.

Consequently, the Expert finds that, on the balance of probability, the registration of the Domain Name was a blocking registration, and accepts that the Domain Name has been registered in a manner which took unfair advantage of or was unfairly detrimental to the Complainant's Rights.

***3(a)(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 Registration.***

In addition to the Domain Name, the Respondent is also the registrant of 'gordonsgin.co.uk' and 'martinimetz.co.uk' and was until recently the registrant of 'smirnoffice.co.uk'. The Complainant attempted to argue that the Respondent "is engaging in a pattern of making Abusive Registration." The record in this case shows that this argument is plausible. Although there is no clear evidence that the Respondent is a dealer in domain names, on the face of it, these three other domain names which the Complainant has identified do appear to track known names or marks in which well-known alcoholic beverages companies have rights.

In support of its contention that the Respondent's registration of the Domain Name, which contains the Complainant's well-known names and trade marks, amounts to actionable passing-off, the Complainant refers to the UK decisions in *One-in-a-million* 98/0092-95/B (July 1998) and *Britannia Building Society v Prangley & ORS* HC 2000 01406 (June 2000). The Claimants in both cases succeeded in their claims of passing-off and trade mark infringement, even though the Defendants had not actually set up web sites at the addresses of the domain names in dispute. The Court of Appeal in *One in a Million* provided a lengthy review of the law of passing off and trade mark infringement and decided that the Defendant's reason for registering the names was in order to offer the registrations for sale at a premium and therefore deemed the Defendants to be using the domain names as an "instrument of fraud". Applying the decision in *One in a Million*, the High Court in *Britannia Building Society v Prangley & ORS* could not accept the evidence that the Defendant acquired the domain name of a well-known building society without having regard to the fact that the name represented that society and was a commercially viable instrument.

Unlike the circumstances in *One in a Million*, there is no evidence that the Respondent here is a dealer in domain names who registers and sell domain names, nor is there an indication that the Domain Name was originally registered by the Respondent for the purpose of selling it to the Complainant. However, the threat presented in this case was of a similar nature to that identified in *One in a Million* where the court stated:

"The placing on a register of a distinctive name ... makes a representation to persons who consult the register that the registrant is connected or associated with the name registered and thus the owner of the goodwill in the name,"

and that the defendants would "exploit the goodwill [of the trade mark owners] by either trading under the name or equipping another with the name so he could do so." The Expert therefore accepts the Complainant's assertion that members of the public



may be misled into believing that any website activated using the Domain Name is associated with or endorsed by the Complainant.

In light of these circumstances, the Expert concludes that the Domain Name was registered by the Respondent “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.” The Expert therefore concludes that it has been established, on the balance of the probabilities, that the Domain Name in the hands of this Respondent must be considered an Abusive Registration.

## **8. Decision**

The Expert finds that the Complainant has Rights in respect of a name or mark which is similar to the Domain Name and that the disputed Domain Name, in the hands of the Respondent, is an Abusive Registration. The Expert therefore directs that the disputed Domain Name (bacardibreezer.co.uk) be transferred to the Complainant.

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**Christopher Gibson**

**12 July 2002**