

Nominet UK Dispute Resolution Service

DRS 0114

Penguin Books Limited -v- Michael Cieplak

Decision of Independent Expert

**1. Parties:**

Complainant: Penguin Books Limited  
Address: 80 Strand  
Postcode: WC2R 0RL  
Country: UK

Respondent: Michael A. Cieplak  
Address: 36 Westlands Way  
Oxted, Surrey  
Postcode: RH8 0N  
Country: UK

**2. Disputed Domain Name:**

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

**3. Procedural Background:**

The Complaint in this case was lodged with Nominet UK ("Nominet") on November 20, 2001, with hard copies received in full on November 23, 2001. Nominet validated the Complaint on November 23<sup>rd</sup> and notified it to the Respondent, giving 15 days within which to lodge a Response. On December 18, 2001 a non-standard email Response was received by Nominet, with the hardcopy received the following day on December 19, 2001 (the Respondent explained that it had encountered trouble using Nominet's on-line response form). A copy of the Response was forwarded to the Complainant on December 18, 2001. The Complainant's submitted a Reply, which was received in electronic form and hardcopy on December 24, 2001. On December 27, 2001, Nominet sent a copy of the Reply to the Respondent and on the same day advised the Parties that the informal mediation stage of the procedure would commence and last for 10 working days. On January 23, 2002, Nominet wrote to the Parties confirming that it had not been possible to achieve a resolution of the dispute by informal mediation. On February 5, 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 February 15, 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)**

None.

**5. The Facts**

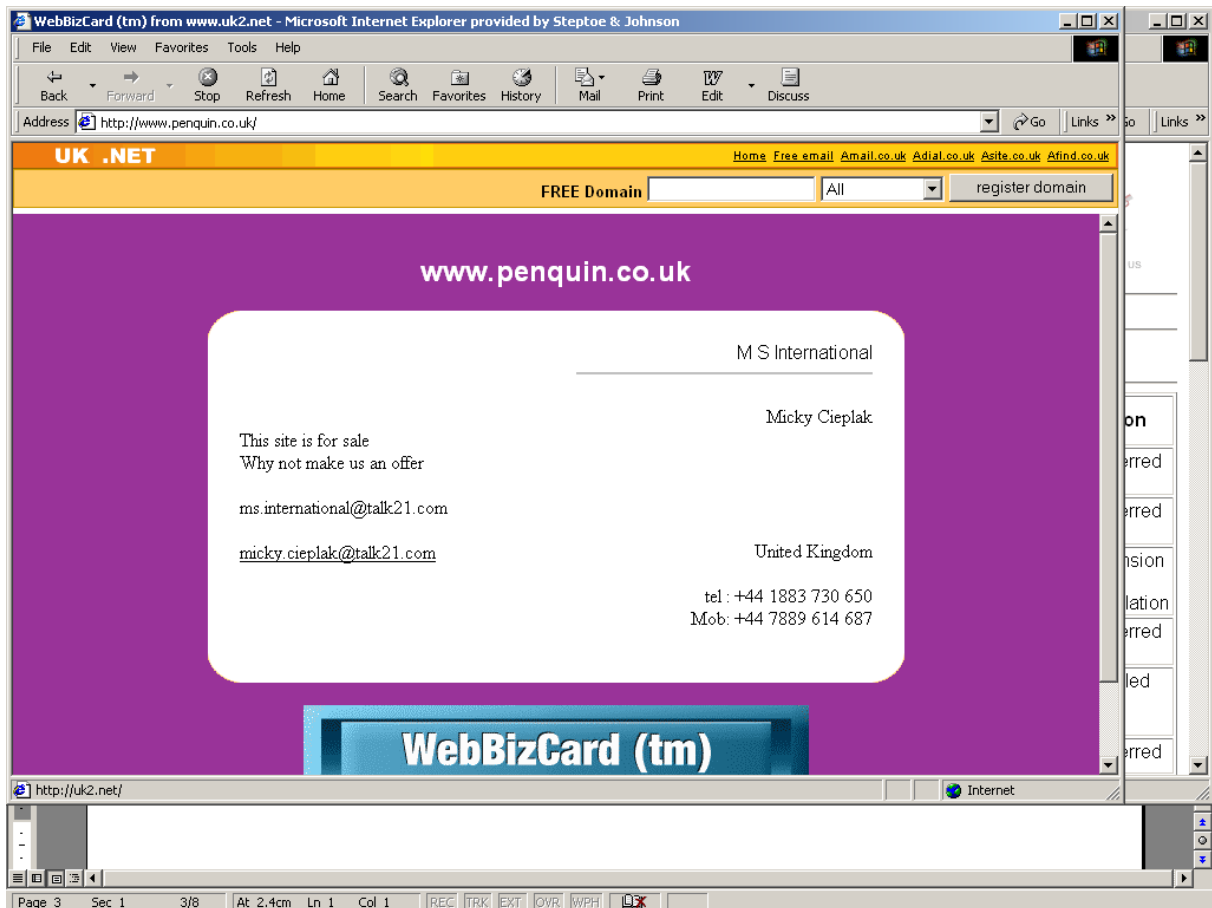
The Complainant is a well-known publishing company. It owns numerous registered trademarks of the word 'penguin' in the UK and throughout the world, and the Penguin brand is well-known and has built-up substantial goodwill in the UK and throughout the world due to the company's world-wide publishing operations.

The Complainant is the registered owner of the domain name penguin.co.uk and has operated a web site promoting its books at the URL [www.penguin.co.uk](http://www.penguin.co.uk) for approximately 6 years. This web site receives around 130,000 unique users per month. The Complainant uses the e-mail suffix penguin.co.uk for its employee's e-mails: it employs over 1500 staff members in its UK operations and over 600 have an email address incorporating the suffix '@penguin.co.uk'.

The Complainant has been using the name 'penguin' in relation to its paperback books since the 1930s. Since that time, various corporate entities responsible for publishing Penguin books have used the word 'penguin' in some way in their names. The Complainant Penguin Books Limited, was incorporated in the UK under that name in 1965. In the Penguin group of companies, the Complainant's sister companies carry on the business of producing and distributing Penguin books under the Penguin name and brand across the globe: Penguin Putnam Inc. (in the US); Penguin Books Canada Ltd; Penguin Books India Pvt Limited; Penguin Books Australia Ltd; Penguin Books (NZ) Ltd and Penguin Books (South Africa) (Pty) Ltd.

In addition to its registered domain name 'penguin.co.uk', Complainant has submitted a listing of approximately 20 other domain names that it has registered incorporating the word Penguin, including penguin.fr, penguin.it, penguinbooks.de, penguinclassics.co.uk, penguinschoolsline.co.uk and penguinkidszone.co.uk, to name a few. In addition, many of Penguin's sister companies own their own domain names incorporating the name 'penguin': Penguin Putnam owns 'penguin.com'; Penguin Australia: 'penguin.com.au'; Penguin New Zealand: penguin.co.nz; and Penguin Canada: 'penguin.ca'.

A Nominet WHOIS search shows that on March 4, 2000, the Respondent Michael A Cieplak registered the Domain Name penguin.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 has indicated that, aside from penguin.co.uk, it has registered numerous other domain names including:

1solicitor.com; 1solicotr.co.uk; recruitmentplus.com; recruitmentplus.co.uk; recruitment4all.com; recruitment4all.co.uk; 1<sup>st</sup>-timebuyer.co.uk; mortgagesplus.co.uk; stock-traders.co.uk; orbitair.com; orbitair.co.uk; sub-orbital.com; dippydog.com; 8out.co.uk; rightflights.com; y-b-lonely.co.uk; nutt1.com; only21.co.uk; 16s.co.uk; 3g3g.co.uk; 3g-zone.co.uk; 3g1st.com; 4wds.co.uk; 4x4zone.co.uk; bigyellowbird.com; bigyellowbird.co.uk; jumbol.co.uk; patel-plus.co.uk; fattys.co.uk; 11tr.com; littlecritters.co.uk; justplans.co.uk; phone4one.com; phone4one.co.uk; lifestyle1.co.uk; 69<sup>th</sup>.co.uk; 25housaday.co.uk; jobspots.co.uk; typically.co.uk; typically-tropical.co.uk; typically-tropical.com; fluffballs.com; fluffballs.co.uk.

Virtually all of these domain names resolve to a web page similar to that for penguin.co.uk, with only the offer language sometimes differing by inviting, for example, 'Offers over £5,000' or 'Serious Offers'.

The word "penguin" (with a "q") is a registered trademark in the UK, registered by a French entity unrelated to the Complainant and the Respondent.

In advancing their contentions in this case, the parties have each submitted and made reference to email and letter correspondence concerning the Domain Name, which was initiated by the Respondent on August 9, 2001 and transpired before the dispute was submitted to the Nominet Dispute Resolution Service. I have set out the correspondence where relevant below, as it establishes important facts upon which the Expert's decision is based. Further, it should be noted that the Expert finds no difficulty in relying on this correspondence, as there is no suggestion that it is of such a nature as to be likely to attract "without prejudice" protection in

ordinary legal proceedings. The Expert notes that the communications here are similar to those quoted and relied upon in *One in a Million*, 98/0025/B (July 1998), a decision which Nominet has posted on its web site for reference.

- [1] E-mail of August 9, 2001 from Mike Wheeler, the co-owner of ‘penquin.co.uk’, to Phil Denvir, IS Director, Complainant:

“In March 2000 my partner Michael Cieplak registered the Domain name Penquin.co.uk. We are getting many thousands of hits and e-mails for penquin.co.uk. If you go to [www.penquin.co.uk](http://www.penquin.co.uk) you will see there is nothing on this site except a for sale sign! Anyone inadvertently sending an email to penquin thinking they are sending it to Penguin will be unaware that their email has gone to the wrong destination. We are receiving emails on a daily basis, some for sales, account, personal, illustrations etc. If you feel you want to discuss this further I am contactable on [phone numbers].  
Regards, MIKE WHEELER.”

- [2] E-mail of August 9, 2001 from Phil Denvir to Caroline Benn, OnLine Marketing Director, Complainant:

“Caroline  
any interest or should we just expect people to type correctly...  
Phil”

- [3] E-mail of August 13, 2001 from Clarissa Aston, Online Marketing Assistant, Complainant to Mike Wheeler:

“Dear Mr Wheeler,  
Thank you for notifying us of the responses that you receive for penquin.co.uk. To avoid our customers inadvertently emailing the wrong address or trying to enter the wrong website we would like to purchase this domain from you. We are prepared to offer £99 for this domain name. Please let me know if this is agreeable to you.  
Yours sincerely  
Clarissa Aston  
Online Marketing Assistant”

- [4] E-mail of August 15, 2001 from Mike Wheeler to Clarissa Aston:

“Dear Clarissa,  
Thank you for your email re: Penquin.co.uk. Your offer is regretfully unacceptable. Due to the number of hits we have for this site and the daily emails we inadvertently receive, £99 is inappropriate. I am surprised that no one has asked to see these emails. Yesterday for example an email arrived for Ruth Killick at Penguin from a Brendan Simms. It was 28 pages long. A list of names, addresses and contact numbers of fairly important people. In another email Madeline Meckiffe' Dad is having trouble with his email and would like to know if she received his last one asap. Presumably not! There are countless others ranging from invoice queries, illustrations for a book, sales enquiries etc.  
Yours Sincerely  
MIKE WHEELER”

- [5] Letter of August 28, 2001 from Mike Wheeler to Anthony Forbes Watson, CEO of Complainant:

“Dear Mr Forbes Watson,  
Further to our brief telephone conversation of last Thursday afternoon please find enclosed emails as discussed. Also enclosed is a print out showing the number of hits for Penquin.co.uk  
Yours sincerely  
Michael Wheeler”

[6] E-mail of August 29, 2001 from Caroline Benn to Mike Wheeler:

“Dear Mr Wheeler  
We acknowledge receipt of a package from you which includes various emails to the penquin.co.uk domain. My email of yesterday refers.  
Caroline Benn  
Online Marketing Director”

[7] E-mail of August 28, 2001 from Caroline Benn to Mike Wheeler:

“Further to your contact with Anthony Forbes Watson, I was surprised that you have declined our offer of £99 to cover the domain name purchase costs of penquin.com. Pls could you clarify what you are looking for from us?  
many thanks  
Caroline Benn  
Online Marketing Director  
Penguin Group (UK)”

[8] Letter of September 13, 2001 from Mike Wheeler to Caroline Benn:

“Dear Caroline,  
Please find enclosed recent e-mails sent to Penguin.co.uk. We are surprised that you are surprised that Penguin's offer of £99 was turned down. In light of the number of e-mails and hits recorded on Penguin we would be looking for offers in the region of £500,000.  
Yours sincerely  
Mike Wheeler”

[9] E-mail of October 1, 2001 from Helena Peacock, Legal Director, Complainant to Mike Wheeler:

“I am Legal Director at Penguin UK. Caroline Benn has passed me the e-mail correspondence which you initiated regarding the domain name www.penguin.co.uk.

Penguin is a household name in the UK and elsewhere, and we have a very active website at www.penguin.co.uk which is a central plank of our marketing strategy. You own the penquin.co.uk website from which it appears that you have no use for this site and wish to sell it. The site occasionally receives e-mails intended for employees of Penguin Books whose e-mail addresses are at penguin.co.uk. You have told us that you are troubled by the level of misdirected e-mail and we have offered to purchase the domain name from you for £99. This is the amount it cost you to register the name in the first place and it is the amount that any seller in good faith would expect.

However, you have now asked us for £500,000 in return for the sale to Penguin of the above domain name, on the basis that the volume of misdirected e-mail supports such an extraordinarily high price. You have not provided any explanation as to why you registered a domain name so easily confusable with ours. It is hard to conclude from the evidence of such a demand combined with your own apparent lack of use of the site that you are acting in good faith, but if there is proof to the contrary, then please let me have it.

In the light of the misdirected e-mails, there is clear confusion between your domain name and ours to the detriment of Penguin UK. I must therefore make it plain that unless you confirm to myself or Caroline Benn within the next 7 days that you are willing to sell Penguin the domain name for the amount we have offered, or alternatively that you will immediately set up an automatic response to misdirected e-mails telling them to check the e-mail address, Penguin will be at liberty to take such action against you as it thinks fit.

I look forward to hearing from you.  
Kind regards,  
Helena Peacock”

[10] E-mail of October 17, 2001 from Mike Wheeler to Helena Peacock:

"I am in receipt of your email dated 1st October 2001. First of all I would like to correct some inaccuracies in your communication. Penguin.co.uk receive regular e-mails which are clearly intended for employees of your company and not merely occasional emails as you state. Also at no point have we stated that we are troubled by the level of mis-directed emails. Further, our site has received well over 100,000 hits. When this domain name was registered we had no idea that so many people would mis-spell "penguin" and I believe that we have acted in good faith by bringing this to your attention.

It is quite clearly ridiculous to suggest that any seller in good faith would simply expect to receive the cost of registering a domain name. My suggestion of a price of £500,000 was simply to be as ridiculous at the other extreme as you have been in your offer, although it is recorded that some domain names have changed hands for that sort of price.

I would point out that your company does not own Penguin.com nor Penquin.com. Your company may well be suffering confusion with these sites as well.

I note that you claim that your company will be at liberty to take such action as it think fit. I would point out that even you are restrained by what is permitted by law and I do not believe that you have any grounds to take any action whatsoever in respect of this domain name. Any action you do take will be strenuously defended. Further, I am ceasing forwarding emails to you. If you wish to open a sensible commercial dialogue, then please communicate in those terms.

Yours sincerely  
Mike Wheeler"

[11] E-mail of October 18, 2001 from Helena Peacock to Mike Wheeler:

"Thank you for your email yesterday.

I am afraid that I disagree with your view that our offer to pay your registration costs of £99 to purchase the domain name penguin.co.uk is ridiculous. In fact, it is very much in line with what the courts are holding is appropriate in cases such as this. However, I do not wish to enter into a protracted legal argument with you here. We are keen to see this domain name transferred to us, or at least to have the email intended for our staff forwarded on to us. If you wish to indicate a reasonable figure you would be willing to accept for the transfer of this domain name to us, then we will happily consider it. However, I should make it clear that we are not willing to move far from the offer we have already made, which we believe to be perfectly reasonable, and certainly not so far as your initial '£500,000' proposal. You should note that penguin.com is owned by our sister company Penguin Putnam Inc. in the United States.

Please respond within the next seven days with your reasonable offer. If you do not wish to enter into further discussion or if we cannot reach a sensible agreement to resolve this issue, then I repeat that we shall be liberty to act as we see fit to take this matter forward.

Yours sincerely  
Helena Peacock"

[12] E-mail of November 6, 2001 from Mike Wheeler to Helena Peacock:

"Thank you for your email of the 18th October. We really do believe that we have acted in good faith by bringing the matter of mis-directed emails to you attention; indeed you would have been none the wiser unless we had. Given the number and nature we felt that we had no choice, indeed the quantity is going up rather than down which we will forward/post onto you should you request to have them.

As you will be aware this domain was registered in March 2000 as an investment with a view to re-sell and or develop. We could not envisage the amount of people who would not spell penguin correctly and who continue to do so. After taking advice and looking at the options open to us, such as developing the site, which we believe in the medium to long term could be very profitable, taking

into account the number of hits to date (approx 150,000) and the expected growth in the Internet, the projected future hits would be quite substantial.

We now understand why you would not wish to enter into protracted legal arguments but we would be more than willing to consider any revised reasonable offer should you wish to make one.

Yours sincerely  
MIKE WHEELER”

[13] E-mail of November 9, 2001 from Helena Peacock to Mike Wheeler:

“Thank you for your email of 6 November.

We are indeed keen to receive copies of emails intended for our staff and I would be grateful if you would please forward these to Caroline Benn.

I find it hard to accept your statement that on registered this site you were intended to develop it, given that you have not done so in the 18 months you have owned it. However, my intention is not, as I indicated in my last message, to enter into protracted arguments. I see that you have still not indicated what it is you wish us to pay you in order to have this domain name transferred to us, other than to reject our offer of your registration costs. Taking into account your stated intention to deal with us in good faith and in order to deal with this matter without having to resort to formal dispute resolution procedures, we are willing to offer you an ex gratia payment of £250 for the transfer of the domain name to us.

This offer will remain open until the close of business on Friday the 16th of November. If we have not heard from you by that time, we reserve the right to take such steps as we consider necessary to expedite this matter.

Yours sincerely  
Helena Peacock”

[14] E-mail of November 19, 2001 from Mike Wheeler to Helena Peacock:

“In response to your recent email, if we do not develop this site ourselves we would be willing to sell for offers in the region of £50,000. Emails have been forwarded to Caroline Benn as requested. except for a couple of personal ones.

Yours sincerely  
MIKE WHEELER”

## 6. The Parties' Contentions

### *Complainant's Submission*

The Complainant contends that the Domain Name in dispute is identical or similar to a name or mark in which it has rights and that the Domain Name in the hands of the Respondent is an abusive registration. Further, the Complainant contends that the Domain Name penquin.co.uk is confusingly similar to its own domain name, 'penguin.co.uk', and that the words 'Penguin' and 'Penquin' look alike, especially in the context of the full domain name.

The Complainant makes reference to the detailed correspondence above to advance the following contentions:

- i. that the Respondent himself has presented evidence that Internet users are confusing the two domain names, referring in particular to the e-mails dated August 9 and 15, 2001 above.
- ii. that due to concern about the confusion the Domain Name was causing to third parties sending correspondence that never reached Complainant, it offered to purchase the

Domain Name from the Respondent for £99, indicating this represented the cost that would have been incurred to register the name;

- iii. that the Respondent replied this offer was “unacceptable” and wrote to Complainant on two occasions, first, on September 13, 2001 with an exorbitant demand for "offers in the region of £500,000," and later on November 19, 2001, requesting “offers in the region of £50,000”;
- iv. that Complainant responded to the first offer on October 1, 2001 indicating that it felt the offer of £99 was fair and that the demand for £500,000 appeared to be in bad faith, and inviting Respondent to demonstrate this was not so;
- v. that the Respondent replied to this email on October 17, 2001 indicating that the suggestion that it required offers in the region of £500,000 was intended as a joke;
- vi. that the Complainant on November 9, 2001 made an ex gratia offer of £250 for the transfer of the Domain Name;
- vii. that Respondent’s registration of the Domain Name is an abusive registration because, as the correspondence shows, the Respondent’s awareness of the confusion, together with the exorbitant sums of money sought, indicate that the Respondent’s registration was intended to give rise to a negotiation to sell the Domain Name to the Complainant, or, at least, that on realising confusion was occurring, the Respondent has attempted to unfairly capitalise on it.

The Complainant further asserts that there is no indication the Respondent has ever made any attempt to use the web site or Domain Name itself, and, as far as the Complainant knows, the Respondent has no interest in the word ‘penguin’. The Complainant seeks the transfer of the Domain Name in order to end the confusion between Complainant’s domain name and penguin.co.uk, and to ensure that future e-mail communications reach members of Complainant’s staff. The Complainant states that it would be willing, as per its initial offer, to pay the Respondent registration costs of £99 for the transfer of the Domain Name.

### ***Respondent's Submission***

The Respondent has acknowledged the similarity between the words “penguin” and “penquin”, but states that they are nevertheless spelled differently and have different pronunciations. The Respondent asserts there must be many thousands of confusingly similar registered domains, raising as an example the domain names philips.co.uk, phillips.co.uk and philipps.co.uk, all of which sound the same but are spelled differently and are registered by different entities.

The Respondent contends that the Complainant should not have the right to demand the transfer of a similar domain name, bearing in mind that people do not necessarily associate the word “penguin” – let alone “penquin” – with the Complainant, and that many people would instead associate word penguin with a bird, biscuit, Batman, Artic, funny walk, suit, Nun, etc.

The Respondent urges that notice should be taken of the fact that Complainant was unsuccessful in obtaining the domain name ‘penguin.org’ in the Uniform Domain Name Dispute Resolution (UDRP) case, *Penguin Books Limited v The Katz Family and Anthony Katz* (WIPO No. D2000 – 0204), and that, unlike the Domain Name here, the spelling for ‘penguin’ in the UDRP case was correct.

With respect to the correspondence detailed above, the Respondent contends:



- i. that he had no way of knowing that on registering penguin.co.uk, he would receive emails for penguin.co.uk, but that due to the number of emails coming to 'penguin' for 'penguin', it was decided to bring this to the Complainant's attention with the hope of selling penguin.co.uk for a fair commercial price reflecting the 150,000+ of undefineable hits (i.e., these may not necessarily have been from people wanting to look up the Complainant);
- ii. that at no point has the Complainant really desired to negotiate and conduct any meaningful dialogue, other than by email;
- iii. that despite telephone conversations with Phil Denvir, IS Director and Anthony Forbes Watson, CEO of Complainant, no one from Complainant requested to see or be sent any of the emails that came into penguin.co.uk.
- iv. The Respondent asserts that it respectfully declined the offer of £99 to cover unconfirmed registration costs on the basis that it believed the value of penguin.co.uk to be substantially higher. Mike Wheeler responded by sending emails intended for Complainant in the post to Caroline Benn with a covering letter looking for offers in the region of £500,000, but this was not intended as a serious demand as Complainant suggests; instead, it was a reflection on Complainant's offer intended to be ridiculously high as Complainant's offer of £99 was ridiculously low.
- v. that the correspondence ended up with Respondent's submission to Complainant for offers in the region of £50,000; and
- vi. that the Respondent having brought this matter to the attention of Complainant, the Complainant, instead of viewing this as a positive situation, became fairly aggressive and could itself be viewed as acting in bad faith by requesting to have the Domain Name transferred to it for next to nothing.

The Respondent also emphasises that the word 'penguin', as the Complainant has noted, is trade marked to a third party and questions whether this third party has better rights to the Domain Name than either party in this dispute.

### ***Complainant's Reply***

The Complainant submitted a Reply in which it acknowledged that 'penguin' and 'penquin' are spelled and pronounced differently, but that many people, nevertheless, are making the mistake of typing 'penquin' instead of 'penguin', as evidenced by the number of emails and hits being received by the Respondent that were intended for 'penguin.co.uk'. The Complainant also observes that, on the Internet, it appears the word 'penquin' is not uncommonly used as a deliberate substitute for the word 'penguin'. When one enters the word 'penquin' in an Internet search engine, the results include many sites featuring penguins.

The Complainant argues that the UDRP decision, *Penguin Books Limited v The Katz Family et al.*, is distinguishable from the facts in this case. Not only was it decided in a different forum under different rules, but the respondent there was found to have a legitimate interest in the domain name because he had been known by the nickname, 'the Penguin', and there was evidence he had registered the name to develop a family web site including information about penguins. Further, there was no evidence that the respondent had acquired a portfolio of domain names or that he was offering penguin.org for sale. According to the Complainant the Respondent here, on the other hand, has provided no evidence of any legitimate interest in the word 'penquin' (or the word 'penguin') and, furthermore, has admitted to having acquired a

portfolio of commercially attractive domain names as ‘an investment’, but without taking any steps to develop a web site at ‘penquin.co.uk’.

The Complainant acknowledges that it does not have documentary evidence to show the Respondent made a connection between the words ‘penquin’ and ‘penguin’ at the time of registering the Domain Name, nor is it able to show for certain that Respondent was intending to sell the domain name to the Complainant when it was first registered. The Complainant urges, however, that there is evidence the Respondent intended at the time of registering the Domain Name to attempt to sell it for a profit to *someone*, including facts that the Respondent has acquired a portfolio of domain names and has not developed a web site for the Domain Name other than posting an advertisement for its sale. The Complainant further asserts that once the Respondent realised people were confusing ‘penquin.co.uk’ for ‘penguin.co.uk’, the Respondent attempted to procure exorbitant sums of money for it. The Complainant argues that, in this respect, the Respondent is attempting to use the Complainant’s existing rights in its trade mark as leverage to procure more money than the transfer of the Domain Name would otherwise be worth, and that this exploitation was at the heart of the decision in *One in a Million* and is also covered by the Nominet DRS rules prohibiting abusive registration.

Finally, in reply to the Respondent’s contention that Complainant has been unwilling to negotiate and has acted aggressively, the Complainant states that this characterisation is unfair and inaccurate, and the fact that it negotiated primarily by e-mail and through its Heads of Online and Legal (rather than through the CEO) does not in any way suggest an unwillingness to resolve the matter. The initial offer of £99 was made in good faith with the intention of opening a reasonable dialogue. When Mr Wheeler responded that offers in the region of £500,000 would be considered, Complainant believed the matter could only be settled with recourse to legal action. When Mr Wheeler clarified that this was a spurious figure intending to convey disdain for the Complainant’s offer, Complainant again attempted to negotiate a figure acceptable to both parties. In the absence of any indication from the Respondent of what would be considered a reasonable payment, Complainant proposed paying an ex gratia sum of £250. Respondent’s reply was to request offers in the region of £50,000, and at this point, the Complainant decided that the best way to resolve the matter was through the Nominet DRS.

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

### ***General***

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, in the hands of the Respondent, is an Abusive Registration.

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

The Complainant is the proprietor of the registered trade mark PENGUIN, which, as discussed above, is a brand well-known in the UK and abroad.

The Domain Name penquin.co.uk comprises the word ‘penquin’ 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.

Although the mark PENGUIN is not identical to the Domain Name, differing by the replacement of the ‘g’ with a ‘q’, the record in this case is replete with evidence that there is, in fact, a close similarity between ‘penquin’ and ‘penguin’, which has resulted in actual confusion whether because of typing or other misspelling errors.

The Expert therefore finds that, for purposes of the Policy, the Complainant has rights in respect of a mark which is similar to the Domain Name.

### ***Abusive Registration***

Under the second factor above, the Complainant must prove on the balance of the 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. The Expert will not dwell on these factors, as the Respondent itself has not relied upon them and they do not find application to the facts in this case. (The Respondent has not argued, for example, that he has used or made demonstrable preparations to use the Domain Name in connection with a genuine offering of goods or services).

***3(a)(i)(A): Circumstances indicating that the Respondent has registered or otherwise acquired the Domain Name primarily for the purposes of selling, renting or otherwise transferring the Domain Name to 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.***

The record in this case, as the Complainant has acknowledged, is unclear on this point. While there are grounds for at least some degree of suspicion that the Respondent, at the time of registration, registered ‘penquin.co.uk’ with its similarity to ‘penguin’ in mind and for the purpose of attempting to eventually sell it on to the Complainant, the evidence does not support a finding, on the balance of the probabilities, that this was the primary purpose that the Respondent’s registration. It is true that the Respondent admits to holding a portfolio of domain names “as an investment”, “with a view to re-sell”, “and or to develop [them] in the future”, and that the vast majority of them are merely advertised for sale. The Respondent is clearly and admittedly a dealer in domain names. This, without more, however, does not establish, as required in paragraph 1 of the Policy that the Domain Name “was registered or otherwise acquired in a manner which, at the time when the registration or acquisition took place, took unfair advantage of or was unfairly detrimental to the Complainant's Rights.”

For similar reasons, there is no adequate evidence, nor has the Complainant attempted to argue, that the Respondent “is engaged in a pattern of making Abusive Registrations.” See Policy 3(a)(iii). While the Respondent is a dealer in domain names, on the face of it, the domain names which the Respondent has identified as being included in his portfolio do not appear to track known names or marks in which third parties have rights.

**3(a)(ii): *Circumstances indicating that the Respondent is using the Domain Name in a way in 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.***

This factor derives from the second prong of the Policy's definition of Abusive Registration: that is, the domain name "has been used in a manner which took unfair advantage of or was unfairly detrimental to the Complainant's Rights." These provisions are at the center of the Expert's considerations in this case.

The record in this case might be unusual in that the Respondent has provided significant evidence of confusion caused by the Domain Name, in the absence of which – and viewing only the Domain Name's web site (containing the sale notice) – one might not readily suspect that there would be such a problem. Further, except for this confusion, there would be no concern on the part of the Complainant, particularly since it had already registered penguin.co.uk in Nominet's registry. (Indeed, in the email dated October 1, 2001 sent by the Complainant's representative to Mike Wheeler, it is suggested, as a means of resolving the problem, that the Respondent "set up an automatic response to mis-directed e-mails telling them to check the e-mail address. . . .")

On the record before me, however, it is undisputed that there has been significant confusion to third parties, with the consequence that many emails have been directed to penguin.co.uk which should have gone to the Complainant and its staff members. The Respondent emphasised this repeatedly in its communications to the Complainant:

[August 9] "We are getting many thousands of hits and e-mails for penguin.co.uk. . . . Anyone inadvertently sending an email to penguin thinking they are sending it to Penguin will be unaware that their email has gone to the wrong destination. We are receiving e-mails on a daily basis some for sales, accounts, personal, illustrations etc."

[August 15] " Due to the number of hits we have for this site and the daily emails we inadvertently receive. . . . There are countless others ranging from invoice queries, illustrations for a book, sales inquiries etc."

The focus therefore must be on whether, given knowledge of this confusion, the Respondent has *used* the Domain Name in a manner that took unfair advantage of or was detrimental to the Complainant's rights.

The Respondent contends that it acted in good faith by bringing the confusion and mis-directed emails to the attention of the Complainant's representatives in the first place. It further contends that the Complainant has acted in an aggressive and bad faith manner in response, unwilling to enter into a meaningful dialogue for the transfer of the Domain Name.

A brief review of the correspondence detailed above is in order. In response to the first message from Mike Wheeler acting for the Respondent, the Complainant's representative thanked him for bringing the problem to Complainant's attention and offered £99 for the transfer of the domain name to avoid further inadvertently mis-directed emails. Mike Wheeler replied on August 15, 2001 that:

"Due to the number of hits we have for this site and the daily emails we inadvertently receive, £99 is inappropriate. I am surprised that no one has asked to see these emails. Yesterday for example an email arrived for Ruth Killick at Penguin from a Brendan Simms. It was 28 pages long. A list of names, addresses and contact numbers of fairly important people. In another email Madeline Meckiffe' Dad is having trouble with his email and would like to know if she received his last one asap. Presumably not! There are countless others ranging from invoice queries, illustrations for a book, sales enquiries etc."

Following this message, the Complainant's representative in an email dated August 28, 2001 asked "Pls [sic] could you clarify what you are looking for from us?" Mike Wheeler responded that "we would be looking for offers in the region of £500,000." This message next brought an email from the Complainant's Legal Director, outlining Complainant's rights and legal position, and indicating that if Respondent did not confirm its intention to sell the name or set up an automatic response within 7 days, "Penguin will be at liberty to take such action against you as it thinks fit." In response, Mike Wheeler stated that his suggestion "of a price of £500,000 was simply to be as ridiculous as the other extreme as you have been in your offer...." He again stated that penquin.co.uk was receiving "regular e-mails which are clearly intended for employees of your company and not merely occasional emails as you state." He further threatened "I am ceasing forwarding emails to you," a threat which he did not apparently carry through as he later did forward various emails. The Complainant eventually raised its offer to £250 for the transfer of the domain name, to which Mike Wheeler replied in the final email correspondence that "we would be willing to sell for offers in the region of £50,000."

From this review, I cannot find that the Complainant acted in an overly aggressive or bad faith manner in its contacts with Mike Wheeler acting for the Respondent. Further, as the communications themselves suggest, the Complainant was willing to enter into meaningful dialogue with the Respondent, as expressed in particular through the two offers for purchase of the domain name, although these were not to the liking of the Respondent.

This review brings us back to the Complainant's main contention. The Complainant has argued that, with knowledge of the confusion and relying on the fact that emails intended for the Complainant's staff were being mis-directed, the Respondent has attempted to use the Complainant's existing rights in its trade mark as leverage to procure exorbitant sums, more than the transfer of the domain name would otherwise be worth. Is this negotiating gambit on the part of the Respondent, which the correspondence clearly discloses, a use of the Domain Name "in a manner which took unfair advantage of or was unfairly detrimental to the Complainant's Rights"? (Policy, paragraph 1(ii)). The Expert believes that, based on the unusual facts detailed in this decision, it was.

The Complainant makes reference to the *One in a Million* decision; the reasoning therein is instructive for this case. The Court of Appeal provided a lengthy review of the law of passing off and trade mark infringement, and observed that the lower court was right to conclude that

"[t]he threat of passing-off and trade mark infringement, and the likelihood of confusion arising from the infringement of the mark are made out beyond argument in this case, *even if it is possible to imagine other cases in which the issue would be more nicely balanced.*" (Emphasis added).

The case here may be one in which the issues are indeed "more nicely balanced." As with the defendants in *One in a Million*, the Respondent here is a dealer in domain names – he registers and sells them. Unlike the circumstances in that case, however, the domain names of the Respondent's portfolio in evidence here do not appear to correspond to well-known names and trade marks. While the evidence of actual confusion is well established in this case, there is no indication that, as in *One in a Million*, the Respondent has engaged in a pattern of Abusive Registrations or that the Domain Name was originally registered by the Respondent for the purpose of selling it to the Complainant. In *One in a Million*, the Court's opinion notes several of the amounts considered to be exorbitant, which the defendants there were asking for the domain names in issue: £25,000, £15,000 and £4700. The last standing price that the Respondent here stated it would consider was £50,000. The threat identified in *One in a Million* was that the defendants there 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 threat in this case was of a different kind, in particular the detrimental confusion that would continue as demonstrated through the large number of hits and mis-directed emails which the Respondent

was so quick to point out, if the Complainant did not buy the Domain Name. In this sense, as the Court of Appeal in *One in a Million* found, “[t]he value of the name[] lay in the threat that [it] would be used in a fraudulent way.”

In light of these circumstances, the Expert concludes that the Domain Name has been used by the Respondent “in a manner which took unfair advantage of or was unfairly detrimental to the Complainant’s rights.” Once the Respondent was aware of the confusion caused between the Complainant’s trade mark and the Domain Name, it sought to leverage that difficulty into an exorbitant sum, much more than the domain name would otherwise be worth. 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.

Furthermore, the Expert agrees with the Complainant’s reasons, as set out above, for finding that the decision in *Penguin Books Limited v The Katz Family and Anthony Katz* (WIPO No. D2000 – 0204) is inapposite to this case.

## **8. Decision**

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

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**Christopher Gibson**

**4 March 2002**