

Hanna-Barbera Productions, Inc -v- Graeme Hay

Nominet UK Dispute Resolution Service

DRS 00389

Hanna-Barbera Productions, Inc -v- Graeme Hay

Decision of Independent Expert

1. **Parties:**

Complainant: Hanna-Barbera Productions, Inc
Address: 15303 Ventura Boulevard, Suite 1400
Sherman Oaks
Postcode: CA 91403
Country: USA

Respondent: Graeme Hay
Address: 12 Roman Way
Sandbach
Cheshire
Postcode: CW11 3EN
Country: GB

2. **Domain Name:**

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

3. **Procedural Background:**

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

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

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

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

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

invitation to act in this case and of no matters which ought to be drawn to the attention of the parties which might appear to call into question his independence and/or impartiality, Nominet duly appointed the undersigned as the Expert with effect from 2 July 2002.

4. The Facts:

The Complainant is a well-known television production company which has made the famous Scooby-Doo programmes since around 1969. It owns trade mark registrations covering the UK for the mark SCOOPY-DOO.

On 18 August 1999 the Respondent registered the Domain Name.

The Domain Name resolves to *www.scoobydoo.co.uk*, where the Respondent operates a fan site.

5. The Parties' Contentions:

Complainant:

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

1. The Complainant has rights in a trade mark which is identical or similar to the Domain Name:
 - (1) The Complainant is the proprietor of three UK trade mark registrations, and a Community Trade Mark registration, for the mark SCOOPY-DOO, the oldest of these dating back to 1979.
 - (2) The Complainant has used the SCOOPY-DOO mark since the late 1960s in its business of creating and producing animated programming for television, home video, and theatrical release; and associated publications and merchandise. It has also licensed the SCOOPY-DOO mark worldwide for use in connection with a variety of products.
 - (3) As a consequence of the above usage, the Complainant has acquired substantial trading goodwill in the SCOOPY-DOO mark.
 - (4) The Domain Name is identical and/or similar to the SCOOPY-DOO mark in which the Complainant has the rights identified above.
2. The Domain Name is an Abusive Registration in the hands of the Respondent:
 - (1) The Respondent has no rights in the Domain Name. He does not own a relevant registered trade mark, nor is he the owner or licensee of the goodwill in the SCOOPY-DOO mark. He has not commonly been known by the name SCOOPY-DOO, nor does he have any connection with a mark which is identical or similar to the Domain Name.

- (2) The registration of the Domain Name is a misrepresentation to persons who consult the Whois database that the Respondent is connected to or associated with the Domain Name, and thus the owner or licensee of the goodwill in the SCOOPY-DOO mark.
- (3) The meta-tags in the home page of the Respondent's website at *www.scoobydoo.co.uk* include SCOOPYDOO, SCOOPY-DOO, SHAGGY, VELMA, DAPHNE, FRED, SCOOPYGANG and HANNA BARBARA (sic). The trading goodwill in those names is owned by the Complainant. As well as its trade mark registrations for SCOOPY-DOO, the Complainant also owns a UK registration for the trade mark SHAGGY, DAPHNE, VELMA, FRED.
- (4) The effect of the metatags used by the Respondent is that a user carrying out a search on the internet for Scooby-Doo related material will be directed to the Respondent's website before it is directed to any of the Complainant's websites. This constitutes unfair disruption of the Complainant's business and/or otherwise takes unfair advantage of and/or is unfairly detrimental to the Complainant's rights.
- (5) Prior to notification to the Respondent of the Complainant's rights, the Respondent was on his website at *www.scoobydoo.co.uk* offering to members of the public an e-mail service utilising the Domain Name and selling Scooby-Doo books and videos. The Respondent received payment from Amazon for the Scooby-Doo books and videos sold through his website. The Respondent is accordingly selling, and/or intending to sell, goods or services by reference to the SCOOPY-DOO mark, and may be receiving direct and/or indirect financial benefit from so doing. This unfairly disrupts the Complainant's business and/or otherwise takes unfair advantage of and/or is unfairly detrimental to the Claimant's rights.
- (6) Following receipt of a letter from the Complainant's solicitors (and prior to the Complaint being lodged), the Respondent made alterations to his website, including a statement to the effect that it was an unofficial site and the following "Important Disclaimer":

"The scoobydoo.co.uk Scooby store has been removed due to legal action from HB; it will be restored as soon as possible."

The Respondent's intention, if not otherwise restrained, is therefore to resume his activities trading in Scooby-Doo merchandise.
- (7) The Respondent has sought payment from the Complainant in excess of his documented out-of-pocket costs directly associated with acquiring or using the Domain Name.

Respondent:

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

1. The Complainant does not have relevant rights.

- (1) The Complainant only owns rights in the mark SCOOPY-DOO (with hyphen); not in the mark SCOOPYDOO (all one word). In addition, at the time of the registration of the Domain Name, the Complainant only had trade mark registrations covering foodstuffs and clothing.
2. The Domain Name is not an Abusive Registration:
- (1) The Domain Name was registered in good faith, was not a breach of any trade mark, and was registered as a legitimate fan site.
 - (2) The Respondent has never made any representations that he is the owner of the Scooby-Doo trade mark, and no reasonable person would be misled over this nor believe, on carrying out a Whois database search, that the Respondent, rather than the Complainant, owns Scooby-Doo.
 - (3) As a fan site it is in the very nature of the site that the other characters in the series will clearly be mentioned in the meta tags and on the site.
 - (4) The internet search carried out by the Complainant was for "Scoobydoo". The search was also performed on google.co.uk, rather than google.com. A google.com search puts Scooby-doo.com at the top of its search result list. In any case, the Respondent's site featuring on search results could have been simply due to better and legitimate use of meta tags.
 - (5) Before the Complainant first made contact with the Respondent, the Respondent was acting as an Amazon affiliate and users were able to purchase official Scooby-Doo merchandise from Amazon via the Respondent's website. After being contacted by the Complainant (but prior to the Complaint being lodged), the Respondent removed this service from his website.
 - (6) The Respondent's website allows fans of Scooby-Doo to sign up to a webmail address of name@mailbox.scoobydoo.co.uk. The Respondent makes no profit from this.
 - (7) When anyone accesses the Respondent's website, there is a clear disclaimer that it is an unofficial fan site. There is a link to the Respondent's main site so that users have to consciously click on the link to the unofficial site. There is also a direct link to the official .com site.
 - (8) If no agreement can be reached with the Complainant, the Respondent has no intention of returning the merchandise store facility to his website.
 - (9) The Complainant's references to without prejudice communications should not be taken into account.

- (10) The Respondent has spent three years working on his website and developing a loyal user base. His costs include hosting costs for the site. If the Complainant wishes to take over the domain, it will have to pay the costs incurred, which also include the Respondent's time and work over the past three years. £3,000 was the price put on this by the Respondent. The Complainant is free to accept this estimate of costs incurred, or not. The Respondent has never sought out or intended to seek out the Complainant to sell his site.

6. Discussion and Findings:

General

Paragraph 2 of the Policy provides that, to be successful, the Complainant must prove on the balance of probabilities that:

- i it has Rights in respect of a name or mark which is identical or similar to the Domain Name; and
- ii the Domain Name, in the hands of the Respondent, is an Abusive Registration (as defined in paragraph 1 of the Policy).

Complainant's Rights

The Complainant has trade mark registrations for SCOOPY-DOO. It is also clear from the substantial commercial use which it has made of the SCOOPY-DOO name over a significant period of time that the Complainant has established goodwill, and therefore legally protectable unregistered trade mark rights, in that name. I therefore find that it has Rights in the name/mark SCOOPY-DOO.

Disregarding the *.co.uk* suffix, the only difference between the Domain Name and the SCOOPY-DOO mark is that the former is not hyphenated. In my view, the presence or absence of a hyphen is irrelevant and the Domain Name is therefore identical to the SCOOPY-DOO mark.

The Complainant has therefore proven what is required under the first part of paragraph 2 of the Policy. For these purposes, the specifications of goods covered by the Complainant's trade mark registrations is irrelevant; likewise the goods for which the Complainant has used the SCOOPY-DOO mark.

Abusive Registration

Paragraph 1 of 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."

I will take the alternative sections of paragraph 1 in turn. Paragraph 1i requires consideration to be given to the time when the Domain Name was registered or otherwise acquired. In this case, that was in August 1999. The submissions made by the Complainant which are relevant to the time when the Respondent registered the Domain Name are as follows:

- (a) That the registration of the Domain Name by the Respondent is a misrepresentation to persons who consult the Whois database maintained by Nominet that the Respondent is the owner or licensee of the goodwill in the SCOOBY-DOO mark.
- (b) That the Respondent has sought payment from the Claimant in excess of his documented out-of-pocket costs directly associated with acquiring or using the domain name.

In my view, the first of the Complainant's submissions does not succeed. If that were the intent of the Policy, paragraph 2ii of the Policy would be otiose because, where a domain name is registered which is identical or similar to a name or mark in which someone else has rights, it would always be an Abusive Registration. This cannot have been the intention of the Policy.

In passing, and without commenting on the validity of the Complainant's interpretation of the Court of Appeal decision in the *One in a Million* case, I should mention that Nominet's DRS Policy is a standalone policy which needs to be applied by reference to its own particular terms. References to legal authorities in the areas of registered trade mark infringement and passing off must therefore be treated with circumspection and will generally be of no or limited relevance. It is not the purpose of the Policy to decide on whether the registration and/or use of a domain name amounts to registered trade mark infringement (under the Trade Marks Act 1994) or the legal tort of passing off. Those are issues for the Courts. The Policy has its own criteria and these are what need to be considered.

The second of the Complainant's submissions is that the Domain Name is an Abusive Registration because the Respondent has sought excessive payment from the Complainant for its transfer. Paragraph 3a of the Policy sets out a non-exhaustive list of factors which may be evidence that the Domain Name is an Abusive Registration. Here the relevant factor comes under 3aiA, namely:

"Circumstances indicating that the Respondent has registered or otherwise acquired the Domain Name primarily for the purposes of selling ... 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;"

On this, the Complainant seeks to rely on without prejudice communications between the parties and has annexed copies of such communications to its Complaint. The Complainant submits that the without prejudice communications should be taken into account where they disclose evidence of bad faith and where the dispute is not before the Courts. In the Reply, the

Complainant supplements its submissions on this point by referring to legal authority to the effect that a party is not entitled to hide behind the cloak of the without prejudice rule in order to suppress evidence of impropriety; and by arguing that what the Respondent stated in one "without prejudice" communication was not a genuine attempt to settle the dispute and therefore not a true without prejudice communication.

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

In summary, I can see no reason why the without prejudice rule should not apply to DRS proceedings.

Having read the without prejudice communications on which the Complainant seeks to rely, I can see no good reason why they should be taken into account. In my view, they do not contain evidence of impropriety nor can any of the communications properly be characterised as not constituting a genuine attempt to settle the dispute. I have therefore disregarded the without prejudice communications in reaching my decision.

Nevertheless, the Respondent has made some statements in the Response which I have taken into account. Statements which are made as part of a formal submission in DRS proceedings (i.e. the Complaint, the Response and the Reply) are necessarily open (and not without prejudice). The statements of the Respondent which I have therefore taken into account are those which are set out under paragraph 2(10) of the Respondent's submissions set out earlier in this decision - in summary, that the Respondent has offered to sell the Domain Name to the Complainant for £3,000.

It does not, however, follow from the fact that the Respondent has offered to sell the Domain Name to the Complainant, for valuable consideration in excess of his document out-of-pocket costs directly associated with acquiring or using the Domain Name (which the Respondent effectively admits by stating that the figure of £3,000 includes compensation for his time and work over the last three years), that the Domain Name is an Abusive Registration. This can be seen from considering a situation where the owner of a domain name has every right to retain it but, in spite of the complainant having no real case against him, the owner offers to sell the domain name. In such a situation, the mere fact that the owner offers to sell the domain name for more than his out-of-pocket costs does not render the domain name an Abusive Registration within the Policy. Rather, ordinary commerciality comes into play, the domain name owner is entitled to name his price and the complainant is free to decide whether or not to accept it.

A domain name will, however, constitute an Abusive Registration if it can be shown that the owner's primary motive in registering it was to sell it to a relevant third party for more than his documented out-of-pocket costs. In those

circumstances, the owner has no real right to the domain name. It is different from a situation where the owner had no such motive in registering the domain name and only seeks money from a third party at a later stage in order to make a transfer which he would otherwise be under no obligation to make.

In this particular case, the fact that the Respondent offered to sell the Domain Name to the Complainant for £3,000 is not in itself sufficient for a finding that the Domain Name amounts to an Abusive Registration. The correct test is whether the Respondent registered the Domain Name primarily for the purposes of selling it on to the Complainant for more than his out-of-pocket costs. Before deciding on this, I need to deal with the issue of which party has the onus of proof.

The website at www.scoobydoo.co.uk currently operates as a fan site and has done so since at least January 2002 (when the Complainant downloaded a screenshot of the site's home page). The Respondent states that he registered the Domain Name in order to use it for a legitimate fan site. He does not state when the fan site was first operational.

Paragraph 4 of the Policy deals with how the Respondent may demonstrate that the Domain Name is not an Abusive Registration. Paragraph 4(a) sets out a non-exhaustive list of factors which may be evidence that the Domain Name is not an Abusive Registration. One of the factors listed (under 4aiC) is as follows:

"Before being informed of the Complainant's dispute, the Respondent has ... made legitimate non-commercial or fair use of the Domain Name;"

Paragraph 4b then states as follows:

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

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

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

I have already found that the Domain Name is identical to the name in which the Complainant asserts Rights. There is also no cogent evidence that the Respondent obtained the Complainant's authorisation for the site. That being the case, the evidential burden does in this case shift to the Respondent to show that the Domain Name is not an Abusive Registration.

It is clear from paragraph 4b of the Policy that, if someone operates a tribute or criticism site and 4bi and 4bii are satisfied, it does not automatically follow that the Domain Name is an Abusive Registration. If this were the case, there would

be no reason for the Policy to provide that the evidential burden shifts to the domain name owner in such circumstances.

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

Bearing in mind that the evidential burden here is on the Respondent, I am satisfied, on the balance of probabilities, that the Respondent did not register the Domain Name with the primary purpose of selling it to the Complainant. However, I still need to be satisfied that the way in which the Respondent's site is operated does not in some other way take unfair advantage of or cause unfair detriment to the Complainant's Rights.

The way in which the Respondent operates his site has changed over time. Before the Complainant's solicitors first contacted him in February 2002, the Respondent was (amongst other things) selling Scooby-Doo merchandise from his site. Subsequent to that but prior to the Complainant filing its Complaint in these proceedings, the Respondent changed his site so as to remove this merchandise store facility. The site now states:

"The Scoobydoo.co.uk scooby store has been removed due to legal action from HB, it will be restored as soon as possible"

In his response, the Respondent states that, if no agreement can be reached with the Complainant, then he has no intention of returning the store to the site. (On a point of detail, the Complainant states that, when the store facility was previously operational, the Respondent received sales commissions from Amazon. The Respondent admits in the Response that he acted as an Amazon affiliate and does not deny that he received payments from Amazon.)

After first hearing from the Complainant's solicitors and again before the Complaint was filed, the Respondent also changed his website so as to include a statement that it is an unofficial fan site, together with a link to *scoobydoo.com* which is owned by Warner Bros., an affiliated company of the Complainant, and a disclaimer stating that:

"We have NO connection with Warner Bros or Hanna Barbera, and make no implication to the contrary."

It seems to me that, in a case with these facts, I should assess the site at the time when the Complaint was filed. This is because the Domain Name was being used for a fan site before the Respondent first heard from the Complainant's solicitors and that use has continued. It is only the precise manner in which the site is operated which has changed. In such circumstances, it would seem

inequitable to judge the site as it stood before the Respondent was first contacted by the Complainant's solicitors, rather than as it was at the time when the Complaint was filed.

It certainly does not follow that a respondent's actions between first hearing from a complainant and a Complaint being filed should not be considered. It will always be right at least to consider them. The point is that the relevance of such actions will vary according to what they are. For example, if the owner of a domain name had a website whose sole content was a notice offering the domain name for sale for £1 million and then, after initial contact from a complainant, removed that notice and set up what was ostensibly a fan site, the earlier content of the site would be extremely relevant.

However, on the specific facts of this case, although I have given consideration to the earlier form of the site, in my view it is correct to judge the Respondent's website at the time when the Complaint was filed. At that time, the Respondent was no longer selling Scooby-Doo merchandise from his site and had included the wording about the site being unofficial and not connected with the Complainant or Warner Bros. The Complainant submits that the wording on the site clearly suggests that it is only a matter of time before the Respondent starts selling merchandise again from the site. For the purposes of this decision, I am prepared to accept the Respondent's word that he has no intention of recommencing the sale of merchandise from the site unless he can reach agreement on this with the Complainant. I will, however, revert to this issue later in the decision.

There are two other issues regarding the Respondent's site which the Complainant raises in support of its contention that the operation of the Respondent's site is abusive, the first relating to meta-tags and the second regarding an email service offered by the Respondent.

Taking these in turn, the issue regarding meta-tags is as follows. As the Respondent admits, his site uses meta-tags which include SCOOBY, SCOOBYDOO, SCOOBY-DOO, SHAGGY, VELMA, DAPHNE, FRED, SCOOBYGANG and HANNA BARBARA (sic). As a consequence of these meta-tags, if one conducts a search using a search engine such as *google*, the Respondent's site appears high up the list of the search results. There is a dispute between the parties as to how such searches should be formulated, and exactly which search engine should be used, but it is common ground that the meta-tags help the Respondent's site to be returned (to a greater or lesser extent) high up the list of search results. The Complainant submits that the Respondent's use of the meta-tags in question and the benefit which this affords to the Respondent when someone carries out a search on the internet, constitutes unfair disruption of the Complainant's business within the meaning of paragraph 3aiC and/or 3aii of the Policy and/or otherwise takes unfair advantage of and/or is unfairly detrimental to the Complainant's rights.

In response, the Respondent submits that, as a fan site, it is in the very nature of the site that such meta-tags are used. I agree with the Respondent on this and find that, also taking into account the way in which the Respondent's site is currently operated (as at the date when the Complaint was filed), the use of the meta-tags does not take unfair advantage of or cause unfair detriment to the Complainant's rights.

The Complainant secondly relies on the fact that the Respondent's site offers an e-mail service to members of the public utilising the Domain Name. Providing further detail on this, the Respondent states that he allows fans of Scooby-Doo to sign up to a webmail address of *name@mailbox.scoobydoo.co.uk*. The Respondent goes on to state that he makes no profit from this service. As to whether or not this is correct, the Complainant expressly states that it makes no submissions in that regard. In the light of this, and in the absence of any evidence to the contrary, I must accept that the Respondent does not receive any financial benefit for the operation of the e-mail service. Having so accepted, I cannot see any reason why the offering of the e-mail service takes unfair advantage of, or is unfairly detrimental to, the Complainant's rights.

Overall, I therefore conclude that the current operation of the Respondent's fan site does not render the Domain Name an Abusive Registration. I should, however, point out that, if the Respondent were still selling Scooby-Doo merchandise from his site or if the Complainant had been able to prove that the Respondent was making money from the e-mail service from the site, my decision would not necessarily have been the same. If the Respondent recommences selling Scooby-Doo merchandise from his site without reaching agreement on this with the Complainant (or makes any other material changes to the operation of the site), the Complainant would be entitled to file a fresh Complaint and the expert assigned to that case would have to consider that change of circumstances in reaching his/her decision.

7. Decision:

Having found that the Complainant has Rights in respect of a name or mark which is identical to the Domain Name but that the Domain Name, in the hands of the Respondent, is not an Abusive Registration, the Expert directs that no action be taken regarding the Domain Name, *scoobydoo.co.uk*.

Jason Rawkins

10 July 2002