

Nominet UK Dispute Resolution Service

DRS 05054

Abscissa.com Limited v Colin Edwards

Decision of Independent Expert

1. Parties

Complainant: Abscissa.Com Limited
Address: Union House
Kennet Side
Newbury
Berkshire
Postcode: RG14 5PX
Country: GB

Respondent: Colin Edwards T/A FC Domains
Address: 60 Taswell Road
Rainham
Horsham
Kent
Postcode: ME8 8HL
Country: GB

2. Domain Name

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

3. Procedural Background

The complaint was entered into Nominet's system on 12th September 2007. Nominet validated the complaint and informed the Respondent by email and letter dated 13th September 2007, noting that the Dispute Resolution Service had been invoked and that the Respondent had until 5th October 2007 to submit a Response. A Response was received on 5th October 2007; and a Reply from the Complainant was submitted and received on 8th October 2007.

During mid and late October 2007 it seems that the parties participated in a confidential mediation process, but in accordance with Nominet's practice I have not seen any of the mediation materials and do not know what went on, save that it did not result in a mediated settlement of the Complaint.

On 1st November 2007 the Complainant was invited to pay the fee to obtain an Expert Decision pursuant to paragraph 7 of the Nominet UK Dispute Resolution Service Policy Version 2 ("the Policy"). The fee was duly paid on 12th November 2007.

A "non-standard submission", that is to say a document supplemental to the Complaint and Reply, was submitted by the Complainant on 12th November 2007.

On 13th November 2007 Nominet invited me to provide a decision in this case and, following confirmation to Nominet that I knew of no reason why I 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 my independence and/or impartiality, Nominet duly appointed me as Expert with effect from 19th November 2007.

4. Outstanding Formal/Procedural Issues

As recited above, a non-standard submission was submitted by the Complainant on 12th November 2007. This is governed by paragraph 13b of the Nominet DRS Procedure Version 2 ('The Procedure'), which provides as follows:

"Any communication with us intended to be passed to the Expert which is not part of the standard process (e.g. other than a complaint, response, reply, submissions requested by the Expert, appeal notice or appeal notice response) is a 'non-standard submission'. Any non-standard submission must contain as a separate, first paragraph, a brief explanation of why there is an exceptional need for the non-standard submission. We will pass this explanation to the Expert, and the remainder will only be passed to the Expert at his or her sole discretion. If there is no explanation, we may not pass on the document or information."

Having considered the paragraph submitted by the Complainant I requested to be sent the rest of the statement. It was sent to me promptly by Nominet on 20th November 2007.

5. The Facts

The Nominet WHOIS search with which I have been provided shows that the Domain Name, jokers.co.uk, was registered on 13th April 2004. From the Response I note that the Respondent, 'trading as FC Domains', acquired the Domain Name later on that year, on 5th November 2004.

The Complainant is a private limited company incorporated on 25 September 2001. Since 2002 it has carried on business in the UK as an online retailer of fancy dress and Halloween costumes. The Complainant's business uses the trading name "Jokers' Masquerade" and the URL <http://www.joke.co.uk>. Its projected turnover for 2007 is £6.5m. It operates an affiliate program through which affiliates can earn themselves commission by encouraging people to purchase from the joke.co.uk site.

The Complainant owns three UK registered trade marks for JOKE.CO.UK, JOKERS' MASQUERADE and a composite word/device mark including a picture of a stylised jester figure.

The print out of the site accessible under the URL <http://www.jokers.co.uk> with which I have been provided by Nominet essentially depicts cartoonish picture of a jester, the statement "*Sorry Jokers is undergoing site maintenance - In a hurry? Please order from Fancydress.com*" and a hyperlink to fancydress.com which is one of the Complainant's competitors; although the parties are agreed that the use of the URL has evolved in recent weeks and months.

6. The Parties' Contentions

Complaint

In summary the Complainant makes the following submissions in its Complaint:

6.1. The Complainant has a well-established business in the UK as an online retailer of fancy dress and Halloween costumes. It commenced in summer 2002 and is projected to turn over £6.5m in 2007.

6.2. The Complainant's business uses the trading name "Jokers' Masquerade" and the URL <http://www.joke.co.uk>.

6.3. The Complainant employs various devices for driving traffic to the site, including the operation of an affiliate program through a third party called Affiliate Window.

6.4. On 3 September 2007 the Complainant's Managing Director was concerned to discover that significant revenues were being generated on the joke.co.uk site through an affiliate called 'Jokers', which simply used the Domain Name to forward anyone visiting the URL www.jokers.co.uk automatically to the joke.co.uk site through and via the Affiliate Window system.

6.5. Contact between the Complainant and Respondent was made and negotiations commenced concerning use and control of the Domain Name. The Complainant did not like what it regarded as the disingenuity of the bare forwarding arrangement. The Respondent did not like the proposed alternative of an explanatory page with a manual link to joke.co.uk.

6.6 The Complainant considers that a price of £2000 was agreed for the purchase of the Domain Name, but was reneged upon and a new price of £5000 demanded (the email from the Respondent suggests that sales to the value of £1350 were generated through the Domain Name in 2-3 weeks and therefore the price should be negotiated upwards). I should make clear that I am not concerned with the question of whether or not this formally amounted to a breach of contract.

6.7. The Respondent then disabled the forwarding and used the Domain Name instead to point to the jester / site maintenance page referred to in section 5 above. The Complainant considered this damaging for two reasons: firstly on the basis that it suggested that the Complainant's business had been suspended and secondly on the basis that it directed visitors to the Complainant's competitor.

6.8. When a dispute about unpaid affiliate commission arose (which again, I am not concerned with resolving), an employee of Affiliate Window wrote to the Respondent opining that *"Essentially you have been passing off the domain www.jokers.co.uk as the Jokers Masquerade site."* This is an assessment with which the Complainant concurs.

6.9. At around the same time the Respondent notified the Complainant that the Domain Name had been independently valued at £17,000.

6.10. The Complainant was thereafter asked by the Respondent to elect whether to buy the Domain Name for £5000, or to revert to the original webserver redirect arrangement.

6.11. The Complainant does not regard the mere existence of the Domain Name as inherently abusive, but considers that the use of the Domain Name made by the Respondent has been deceptive, unethical and abusive.

Response

In summary the Respondent makes the following submissions in its Response.

6.12. The name Jokers is generic and commonplace in the fancy dress industry. It appears frequently in the Yellow Pages and in websites.

- 6.13. The Respondent has never intended to profit from the Jokers Masquerade name.
- 6.14. The Respondent had no reason to believe that simple webserver redirect arrangements were prohibited or frowned upon by Affiliate Window.
- 6.15. The Respondent felt he was being blackmailed into either changing the webserver redirect or not being paid his affiliate commission.
- 6.16. The Respondent intends to build a substantive Jokers site in the future but has suspended development and optimisation work pending the result of the DRS Complaint. In the meantime he is not getting commission from the Complainant and therefore chose to use a royalty-free jester image and replace the Jokers Masquerade link with a link to FancyDress.com.
- 6.17. The Domain Name changed hands a number of times before 5th November 2004 when the Respondent bought it from Colin Edwards; and the Complainant was aware of this.
- 6.18. The reason the Respondent increased the price was because he reconsidered its true value as a generic domain name.
- 6.19. The Respondent considers that the Complaint is motivated by the Complainant's regret at not having bought the Domain Name earlier in 2000-2004.

The Complainant's Reply

In summary the Complainant makes the following submissions in its Reply:

- 6.20. While the word 'jokers' might be considered generic, the Complainant owns three UK registered trade marks for JOKE.CO.UK, JOKERS' MASQUERADE and a composite word/device mark including a picture of a stylised jester figure.
- 6.21. The Respondent's use of the name and the jester is too similar with the Complainant's use and is leading to customer confusion and actual damage to the business (including two customers who telephoned having believed the Respondent's web site to be the Complainant's).
- 6.22. Mrs Caroline Creasy of Silly Jokes Limited got in touch with the Complainant because she was unhappy about letting the Respondent join her company's affiliate scheme due to the use of the Domain Name and the jester and its 'haunting familiarity'.
- 6.23. The Complainant considers that the conditions of Affiliate Window effectively prohibit deceptive practices with which traders such as the Complainant are unhappy.
- 6.24. The fact that the Complainant has taken no action in relation to the Domain Name in the past does not mean that the Respondent's recent use of the Domain Name is not abusive.

The Complainant's non-standard submission

In its non-standard submission the Complainant represented that the Respondent's use of the Domain Name after commencement of the DRS procedure once again changed: (a) on 12th October 2007 the Domain Name forwarded to an offensive website with an expletive in the title; and (b) around Halloween (a busy period for the Complainant) the Respondent's site featured a picture of a witch, while still linking to fancydress.com.

7. Discussion and Findings:

General

Paragraph 2 of the Policy requires that, in order for the Complainant to succeed, it must prove to the Expert, on the balance of probabilities, both that it has Rights in respect of a name or mark which is identical or similar to the Domain Name; and that 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 must prove on the balance of probabilities that it has Rights in respect of a name or mark which is identical or similar to the Domain Name.

Under paragraph 1 of the Policy, "Rights includes, but is not limited to, rights enforceable under English law. However, a Complainant will be unable to rely on rights in a name or term which is wholly descriptive of the Complainant's business"

Disregarding the .co.uk suffix, the question is therefore whether the Complainant has proven that it has Rights in the word JOKERS.

Despite the lack of any evidence demonstrating how commonly the word JOKERS is used in relation the retail sale of fancy dress costumes and accessories in the UK, I am prepared to accept - as the Complainant does - that this designation has some descriptive connotations in that connection (as well as other connotations e.g. in relation to playing cards). However I am unable to accept the suggestion that it is 'wholly descriptive of the Complainant's business.' Indeed a convenient counter-example is provided in the evidence in this case: the Complainant's competitor FancyDress.com.

The Complainant supports its case with evidence: (i) that through its substantial UK trade it has acquired a degree of distinctiveness in the word such that it is perceived by consumers in the UK as an indication of origin; (ii) that it owns 3 UK registered trade marks, one for JOKE.CO.UK and two of which contain the phrase JOKERS' MASQUERADE; (iii) that the Complainant's customers tend to abbreviate the name of its business to JOKERS; and (iv) a small but significant proportion of website hits originate from searches for 'JOKERS' without reference to 'masquerade'.

In the face of this largely uncontradicted evidence I consider that the Complainant has succeeded in proving on the balance of probabilities that it has Rights in respect of a name or mark which is identical or similar to the Domain Name.

Abusive Registration

Paragraph 1 of the Policy defines "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.

The Complainant candidly accepts that it is not overly concerned by the registration or acquisition of the Domain Name *per se* – its concern is over the way in which the Respondent has used the Domain Name. Accordingly the Complaint stands or falls on limb (ii) of 'Abusive Registration' namely the alleged abusiveness of the use made of the Domain Name made in the latter part of 2007.

A non-exhaustive list of factors, which may be evidence that the Domain Name is an Abusive

Registration are set out under paragraph 3(a) of the Policy. The key sub-paragraph engaged by this Complaint is paragraphs 3(a)(ii) which provides as follows:

“3(a)(ii) Circumstances indicating that the Respondent is using the Domain Name in a way which has confused people or businesses into believing that the Domain Name is registered to, operated or authorised by, or otherwise connected with the Complainant”

A non-exhaustive list of countervailing factors are set out under paragraph 4(a) of the Policy. It seems to me that the sub-paragraphs most likely to be relevant to this Complaint are paragraphs 4(a)(i)(A) and 4(a)(ii). They provide as follows:

“4(a)(i)(A) Before being aware of the Complainant's cause for complaint (not necessarily the 'complaint' under the DRS), the Respondent has used or made demonstrable preparations to use the Domain Name or a Domain Name which is similar to the Domain Name in connection with a genuine offering of goods or services”

“4(a)(ii) The Domain Name is generic or descriptive and the Respondent is making fair use of it”

I am satisfied that the Respondent has made use of the Domain Name in at least two ways:

- (a) as an automatic webserver redirect to the Complainant's site via Affiliate Window;
- (b) as a 'site maintenance' page with a link to the Complainant's competitor.

I regard both of these modes of use as indicative of Abusive Registration, for the following reasons.

The first mode of use is regarded as dubious and/or unethical by the Complainant; that was the genesis of this dispute. However the Complainant is not alone in this view. It was also deprecated by Affiliate Window (who regarded it, no doubt from a layman's perspective, as 'passing off') and even the Complainant's competitor Mrs Caroline Creasy of Silly Jokes Limited felt distinctly uneasy about it. But it doesn't stop there. On analogous facts, the English High Court has also concluded that this conduct is unacceptable. In Tesco Stores Limited -v- Elogicom Limited and Robert Ray [2006] EWHC 403 (Ch); [2007] F.S.R. 4. In that case, which also involved domains used as automatic affiliate redirects, the Deputy Judge held that:

"33 ... the use of internet domain names is itself a service offered to the public, whereby the entry of such a name in the address bar of the computer of an individual browsing the internet will take them to a website. In my view, by registering and making its "tesco" related domain names available as pathways on the internet to Tesco websites with a view to generating income for itself in the form of commission, Elogicom did use in the course of trade a series of signs (those domain names) which were each similar to the trade marks registered by Tesco and were each used in relation to services (the provision of internet access to Tesco websites) identical with or similar to those for which the trade marks were registered, and in circumstances where there existed a likelihood of confusion on the part of the public, including the likelihood of association of Elogicom's service (the provision of internet access to Tesco websites) with the trade marks.

...

38. ... in my judgment, the use by Elogicom of the "tesco" related domain names was not in accordance with honest practices in commercial matters and (as set out in the context of section 10(3) above) without due cause took unfair advantage of the distinctive character or repute of Tesco's trade marks."

The Defendants in that case were held to have no arguable defence to the claim for trade mark infringement and passing off; and summary judgment was awarded against them.

While the Nominet DRS is not concerned directly with questions of trade mark infringement or

passing off, and the decisions of the Courts in such cases are not formally binding in DRS Decisions, the reasoning in High Court judgments are often drawn upon because of the obvious consonance between the language of the Trade Marks Act 1994 and paragraph 1 of the Policy, which defines "Abusive Registration" in terms of "unfair advantage" and "unfair detriment" to the Complainant's Rights. In this case I am entitled to draw support from the Deputy Judge's conclusion that the use of similar domain names for automatic affiliate redirection takes unfair advantage of traders' Rights. I would not go so far as to say that this will be an absolute rule in all factual situations, but in my view the manner in which it was done in the present case took unfair advantage of the Complainant's Rights.

Moving on to the second way in which the Respondent used the Domain Name, I need hardly cite precedent for my conclusion that the second mode of use is abusive. The combination of textual and pictorial mimicry, the suggestion of cessation of trading, and linking through to the Complainant's competitor are each classic unfairly detrimental practices. I am not surprised that two of the Respondent's customers were moved to telephone the Complainant in a state of confusion; and I regard as eminently credible the Complainant's fears that its business is being damaged as a result. In this connection it is pertinent to note the Respondent's claim in his email dated 4 September 2007: "*Within 2-3 weeks £1350 worth of [joke.co.uk] sales have been generated [through jokers.co.uk]*". This level of throughput seems to have surprised even the Respondent and is in my view attributable to a significant level of confusion.

For completeness I should note that the Complainant's non-standard submission refers to a third mode of use - namely redirecting to offensive material - but in the light of my findings above I do not need to consider it and in any event I would not have placed any great reliance on it in circumstances where I have not heard the Respondent's side of the story.

As against this, there is little to be weighed in the balance under paragraph 4 of the Policy. Had the Respondent been operating a wholly independent site containing an archive of jokes, or jocular e-cards, or even physical playing cards; the situation might have been quite different. But as matters stand, all of the use which he has made has all been inextricably linked, whether positively or negatively, with the Complainant.

I bear in mind that the considerations in paragraphs 3 and 4 of the Policy are illustrative and non-exhaustive. The ultimate question for my consideration is whether, on the evidence as a whole, the Complainant has discharged the burden of proving that the Domain Name has since around August 2007 been used in a manner which takes unfair advantage of or is unfairly detrimental to the Complainant's Rights. For the reasons I have set out above, I am satisfied that the Complainant has discharged that burden and I have concluded on the evidence before me that the Domain Name, in the hands of the Respondent, is an Abusive Registration.

8. Decision

Having concluded that the Domain Name is an Abusive Registration, the Expert determines that the Domain Name, jokers.co.uk should be transferred to the Complainant.

Philip Roberts

December 1st 2007

Date

