

**DISPUTE RESOLUTION SERVICE**

**DRS08820**

**Decision of Independent Expert**

Crytek GmbH

and

Mr Oliver Nanninga

**1. The Parties**

Complainant: Crytek GmbH  
Address: Hanauer Landstr. 523  
D-60386  
Frankfurt am Main  
Country: Germany

Respondent: Mr Oliver Nanninga  
Address: Valkestein 1005  
Ede  
Gelderland  
6714BC  
Country: Netherlands

**2. The Domain Name**

crytek.co.uk (“the Domain Name”)

**3. Procedural History**

- 3.1 On 4 August 2010 the complaint was received, validated and notification of it sent to the parties. On 23 August 2010 the response was received and notification of it was sent to the parties. On 31 August 2010 the reply was received. On 3 September 2010 notification of the reply was sent to the parties and a mediator appointed. On 17 September 2010 the mediation failed and on 24 September 2010 the expert decision payment was received.
- 3.2 On 24 September 2010 Patricia Jones (“the Expert”) confirmed to Nominet that she knew of no reason why she could not properly accept the invitation to act as expert in DRS 08820 and further confirmed that she knew of no matters which ought to be drawn to the attention of the parties which might call into question her independence and/or impartiality.

#### 4. Factual Background

- 4.1 The Complainant is an interactive entertainment development company which was founded in 1999. It has associated companies and development studios in Hungary, Ukraine, Bulgaria, South Korea and the UK. It employs about 600 people, including nearly 300 game development professionals from more than 36 nations.
- 4.2 The Complainant creates video games for PC and next generation consoles and real-time 3D technologies. The Complainant also licenses its technology to other developers to create games and movies. The computer and video games created by the Complainant include "Far Cry", "Crysis" and "Crysis Warhead".
- 4.3 The Complainant's mark "Crytek" appears on the packaging and branding materials for its games. The Complainant also owns a Community Trade Mark for Crytek which was registered on 30 April 2002 in classes 9, 16, 28 and 41 ("the CTM").
- 4.4 The Respondent is a Microsoft engineer based in the Netherlands. He was a UK citizen at the time he registered the Domain Name on 12 May 2007.
- 4.5 The Complainant became aware of the registration of the Domain Name by the Respondent in the following circumstances:
- (a) On 12 March 2010 Mr Brent Allard of Electronic Arts Limited sent an e-mail to James Dennett of the Complainant using the address james@crytek.co.uk. On 9 April 2010 Mr Chris Carter of Electronic Arts Limited sent a further e-mail to this address chasing a reply.
  - (b) On 9 April 2010 the Respondent sent an e-mail to Mr Carter as follows  
*"Chris, hence the domain name .co.uk. I believe this e-mail should not be sent to me."*
  - (c) On 9 April 2010 Mr Carter replied to the Respondent stating that his e-mail had not been sent to the Respondent but to James Dennett using the e-mail address james@crytek.co.uk. He added that it must be a problem with the Respondent's mail server or that Mr Dennett had his e-mails routed through to the Respondent.
  - (d) On 10 April 2010 the Respondent e-mailed Mr Dennett as follows:  
  
*"People seem to think that the domain name crytek.co.uk is owned by crytek as we know it in the gaming industry. Thats not the case. It means that emails sent to @crytek.co.uk are sent to me. I work in the netherlands and am not associated with crytek in any way. I just registred (sic) the name a few years ago. Please contact crytek and check the domainname with them. Its proberbly (sic) @crytek.com or @crytek.de.*  
  
*Because i work as an microsoft system engineer, i feel obligated to give you a heads up, before sensitive emails are sent to people with less good intensions (sic)...."*

4.6 On 14 April 2010 this e-mail exchange was sent to Mr James Dennett, a Senior IT Manager with the Complainant based in the UK. Following this there was an e-mail exchange between Mr Dennett and the Respondent as follows:

- (a) Mr Dennett enquired of the Respondent whether anyone had been in touch with him from the Complainant about the purchase of the Domain Name. Mr Dennett said he would be very interested in closing this security issue which the Respondent had raised and wondered if there was any scope for it.
- (b) The Respondent stated that he had not been contacted and understood the Complainant's concerns about security. He said VPN details and flight reservations are not the details that the Complainant would want sent to strangers. He said he would be willing to sell the Domain Name if the Complainant was interested.
- (c) Mr Dennett responded that he had been in touch with the company lawyer and due to the CTM which overrules the UK domain, technically the trade mark is pirated. He said that he would prefer not to have conflict and appreciated the Respondent's support, but the Domain Name needed to be transferred free of charge as soon as possible.
- (d) The Respondent replied that he knew what his rights are in this field. He had never contacted or been contacted by the Complainant or anyone else in relation to the sale of the Domain Name, showed an interest to buy or filed a complaint. Neither is the Domain Name used for commercial goals. The Domain Name had been registered by the Respondent for years. The Complainant had asked the Respondent if the Domain Name was for sale and the answer is yes for the moment.
- (e) Mr Dennett said that the Complainant was interested in purchasing the Domain Name and asked the Respondent for a price.
- (f) The Respondent requested €10,000 for the Domain Name.
- (g) Mr Dennett replied that his lawyers had been in touch with Nominet and due to the CTM the Domain Name is rightfully the Complainant's. The Complainant should, as a gesture, cover the costs of the transfer and registration, which was considered to be around £100. Mr Dennett said that after discussion with the Complainant's lawyers, he could offer £1000, with the Respondent arranging and paying for the transfer and keeping the rest of the cash. Mr Dennett made it clear that this was a final offer and that failing acceptance the next communication would be from Nominet and the Complainant's lawyers.
- (h) The Respondent replied that he was willing to settle at £3500 and no less. He stated that if the Complainant used the Nominet Dispute Service and/or took other legal steps he would regard this as an attempt at a reverse domain name hijack and the offer would no longer be valid. The Respondent said in his opinion this was a very good deal having read that the Complainant had recently bought Free Radical Designs Limited in the UK which was renamed to Crytek.uk.

4.7 On 29 April 2010, the Complainant's lawyers, Osborne Clarke, wrote to the Respondent alleging trade mark infringement, passing off and abusive registration of the Domain Name. Osborne Clarke sought various undertakings from the Respondent, including transfer of the Domain Name. No response was received to this letter.

## **5. Parties' Contentions**

5.1 The Parties contentions are as set out below.

### **The Complainant's complaint**

5.2 The Complainant has rights in respect of a name and mark which is identical or similar to the Domain Name as follows:

- (a) The Complainant is the registered proprietor of the CTM which is identical or similar to the Domain Name.
- (b) The CTM has a reputation within the European Community. The use by the Respondent of the Domain Name which is identical to the CTM without the Complainant's consent is without due cause and takes unfair advantage of, or is detrimental to, the distinctive character or repute of the CTM, contrary to Article 9.1(c) of the Community Trade Mark Regulation (formerly 40/94/EC but replaced by consolidated regulation 207/2009/EC).
- (c) The Respondent has registered the Domain Name incorporating the CTM to take advantage of the distinctive character and reputation of the CTM and with the intention of extracting money from the Complainant. The Complainant relies on the facts and circumstances referred to at paragraphs 5.3 (b) and (c) below and on the decision in Marks & Spencer and others v One in a Million Ltd and others [1998] EWCA Civ 1272 ("the Case").
- (d) Accordingly, the Complainant has a claim against the Respondent for infringement of the CTM.
- (e) The Complainant has built up considerable reputation and goodwill in the "Crytek" name worldwide, including in the UK and the European Community. The Complainant has:
  - a. used the Crytek name since the company was founded in 1999;
  - b. released a number of computer and video games containing the Crytek name within the packaging and branding materials;
  - c. used the Crytek name at all of its development studios in Hungary, Ukraine, Bulgaria, South Korea and United Kingdom;
  - d. won in the Crytek name several best PC game awards from recognised computer games industry bodies;

- e. licensed its Crytek name branded technology to many companies; and
  - f. issued numerous press releases in the Crytek name since formation.
- (f) The Respondent's use of the Domain Name is likely to deceive the public into thinking that the Respondent is in some way connected with, authorised or endorsed by the Complainant when this is not the case, thereby causing damage to the Complainant. The Complainant relies on the facts and circumstances in paragraph 5.3 (c) below.
- (g) The placing of the Domain Name on the WHOIS register suggests that the Respondent is connected or associated with Crytek and thus the owner of the goodwill in the Crytek name. That amounts to a false representation which constitutes passing off.
- (h) The registration of the Domain Name incorporating the Crytek name is an erosion of the exclusive goodwill in the Crytek name which damages or is likely to damage the Complainant.
- (i) As established in the Case these activities amount to passing off and the Complainant has a claim against the Respondent in passing off.

5.3 The registration of the Domain Name by the Respondent is an Abusive Registration:

- (a) The Domain Name was registered more than 5 years after the CTM was registered and nearly 6 years after the CTM was filed.
- (b) Circumstances indicate that the Respondent registered the Domain Name primarily for the purpose of selling or otherwise transferring the Domain Name to the Complainant for a sum considerably greater than what the Respondent's out-of-pocket costs directly associated with registering or using the Domain Name have been or could have been. This is evidenced by:
- a. The Respondent's offers to sell or otherwise transfer the Domain Name to the Complainant, initially, for €10,000 and, later, for £3,500.
  - b. The Respondent's failure to make any preparation to trade under the Domain Name, his failure to use the Domain Name for the purposes of genuinely offering goods and services and his failure to make any legitimate non-commercial or fair use of the Domain Name.
- (c) Circumstances indicate that the Respondent is using the Domain Name in a way which has confused or is likely to confuse people or businesses into believing that the Domain Name is registered to, operated or authorised by, or otherwise connected with the Complainant. This is evidenced by:
- a. On 12 March 2010, Brent Allard from Electronic Arts Ltd sent an e-mail to the Domain Name intending to send it to a recipient at the Complainant.

- b. On 9 April 2010, Chris Carter from Electronic Arts Ltd also sent an e-mail to the Domain Name with the same intention.
- c. On 9 April 2010, the Respondent sent an e-mail to Mr Carter stating his belief that the e-mail from Mr Carter was not intended for him.
- d. On 10 April 2010, the Respondent sent an e-mail to Mr Carter admitting that people seem to think that the Domain Name is owned by the Complainant and that he is not associated with the Complainant in any way.
- e. The e-mails sent by Mr Allard and Mr Carter were received, in the first instance, by the Respondent, and not by the intended recipient at the Complainant.

### **The Respondent's response**

5.4 The Respondent contends that the complaint should not succeed because the Complainant is misusing the Nominet system to gain ownership of the Domain Name after a failed attempt to buy it. The Respondent relies on the following:

- (a) Mr James Dennett from the Complainant asked the Respondent if he would be interested in selling the Domain Name.
- (b) After the Complainant and the Respondent could not agree over the final selling price the Respondent received a letter from the law firm, Osborne Clark, acting on behalf of the Complainant claiming trade mark rights which he did not respond to.
- (c) The Respondent was a UK citizen at the time he registered the Domain Name on the "first come, first served basis" of domain registration. The Respondent considers the Complainant's behaviour is an attempt to "Reverse Hijack" the Domain Name by making false claims against the Domain Name's rightful owner.
- (d) It was Mr Dennett of the Complainant who initiated "the buy/selling route" to which the Respondent simply responded. The Respondent stated to Mr Dennett:

*"I never contacted or have been contacted by Crytek or anyone else that the domain name is for sale, showed an interest to buy, or filed a complaint. Neither is it used for commercial goals. It is registered by me for years. You asked me if the domain is for sale and my answer is yes for the moment!"•*

- (e) The Complainant only took an interest in the Domain Name (3 years after registration of the Domain Name by the Respondent) after Mr Carter forwarded his email exchange with the Respondent to Mr Dennett. This was only after the Respondent made Mr Carter aware of the incorrect FQDN name being used which resulted in the email being delivered to the wrong recipient.

- (f) The Respondent believes that he acted solely in good faith and that the Complainant should not be rewarded for abusing the Nominet system for a dispute about the selling price. The Respondent states that the “out of pocket expenses”• which the Complainant refers to is a matter of interpretation and the Complainant cannot foresee the damage that would be incurred to the Respondent if the Domain Name is transferred.

### **The Complainant’s Reply**

- 5.5 For those reasons set out in the complaint, it is denied that:
  - (a) by lodging the complaint, the Complainant is misusing the Nominet Dispute Resolution System;
  - (b) the Complainant is attempting to Reverse Hijack the Domain Name; and
  - (c) the claims made by the Complainant against the Respondent are false.
- 5.6 The Complainant denies that the Respondent will suffer any damage as a result of the transfer of the Domain Name to the Complainant. The Complainant states that the Respondent’s out of pocket expenses with regards to the transfer of the Domain Name are likely to be minimal and, prior to lodging the complaint, the Complainant offered to pay these. In any event, the Respondent has not provided any evidence or details of the claimed damage.
- 5.7 The Complainant was unaware that the Domain Name had been registered to another party prior to receiving the e-mail exchange between the Respondent and Electronic Arts Limited in April 2010. As soon as the Complainant became aware of the issue it took steps to try and resolve the situation.
- 5.8 The Respondent has failed to argue his case in line with the Nominet Dispute Resolution Policy and guidance and specifically has not responded to the Complainant’s arguments that the Complainant has rights in respect of a name that is identical or similar to the Domain Name and that registration of the Domain Name by the Respondent is an Abusive Registration.

### **6. Discussions and Findings**

- 6.1 The Complainant has set out in its complaint the basis upon which it considers the Respondent is liable to it in trade mark infringement and passing off in relation to the Respondent’s registration of the Domain Name. It has also cited legislation and case law to support its case. It is worth emphasising at the outset that the Nominet Dispute Resolution Service Policy (“Policy”) sets out the basis for determining disputes under Nominet’s Dispute Resolution service. Accordingly, this decision is based on the Policy rather than on issues of trade mark infringement and passing off.
- 6.2 Paragraph 2 of the Policy sets out that for a Complainant's complaint to succeed it must prove to the Expert on the balance of probabilities that:
  - i. The Complainant 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.
- 6.3 The Complainant is required to prove to the Expert that both elements are present on the balance of probabilities.

### **Complainant's Rights**

- 6.4 Under Paragraph 1 of the Policy, Rights is defined as “rights enforceable by the Complainant, whether under English law or otherwise, and may include rights in descriptive terms which have acquired a secondary meaning.” It is well accepted that the question of Rights falls to be considered at the time the Complainant makes its complaint.
- 6.5 The Complainant is the owner of the CTM for Crytek which has been registered since 2002. The Complainant has also adduced extensive evidence of its use of the Crytek name and that the Crytek name is recognised by the public as indicating the Complainant’s products. This evidence includes use of Crytek on the packaging of the Complainant’s products, details of an extensive number of awards for the Complainant’s products and numerous press-releases in relation to the Complainant’s products and awards. Accordingly I am satisfied that the Complainant has established its use of the Crytek name and that it is the owner of goodwill and reputation in the Crytek name by reason of such use.
- 6.6 On the basis of the Complaint’s CTM and the Complainant’s evidence of goodwill and reputation in the Crytek name, I find that the Complainant has Rights in a name or mark which is identical or similar to the Domain Name.

### **Abusive Registration**

- 6.7 It therefore has to be considered whether the Domain Name, in the hands of the Respondent, is an 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 took place, took unfair advantage of or was unfairly detrimental to the Complainant's Rights; or
  - ii. has been used in a manner which has taken unfair advantage of or has been unfairly detrimental to the Complainant's Rights.
- 6.8 It is sufficient to satisfy either of the limbs for there to be a finding of an Abusive Registration.

### **Abusive Registration under Paragraph 1(i) of the Policy**

- 6.9 Paragraph 3(a) of the Policy sets out a non-exhaustive list of factors which may be evidence that the Domain Name is an Abusive Registration under Paragraph 1(i) of the Policy as follows:
- i. Circumstances indicating that the Respondent has registered or otherwise acquired the Domain Name primarily:



- A. for the purposes of selling, renting or otherwise transferring the Domain Name to the Complainant or to a competitor of the Complainant, for valuable consideration in excess of the Respondent's documented out-of-pocket costs directly associated with acquiring or using the Domain Name;
- B. as a blocking registration against a name or mark in which the Complainant has Rights; or
- C. for the purpose of unfairly disrupting the business of the Complainant.

6.10 The Complainant relies on Paragraph 3(a)(i)A of the Policy as set out above in its complaint and in particular, the Respondent's offers to sell the Domain Name to the Complainant for €10,000 and then £3,500. The Complainant also relies on the fact that the Domain Name is not being used. The Complainant alleges that the Respondent's failure to make any preparations to trade under the Domain Name, his failure to use the Domain Name for the purposes of genuinely offering goods and services and his failure to make any legitimate non-commercial or fair use of the Domain Name is indicative that the Respondent registered the Domain Name for the purpose 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.

6.11 In considering Paragraph 3(a)(i) of the Policy it is important to bear in mind that it relates to the Respondent's motives at the time of registration of the Domain Name. That the Respondent offered to sell the Domain Name after the Complainant contacted him does not of itself mean that there was an Abusive Registration under paragraph 1(i) of the Policy. Instead, the Respondent's intent at the time of registration of the Domain Name has to be considered and whether the Respondent registered the Domain Name with the intent of selling it to the Complainant for a profit or as a blocking registration or for the purposes of unfairly disrupting the business of the Complainant.

6.12 In this respect for there to be an Abusive Registration under paragraph 1(i) of the Policy, it must be established that the Respondent had knowledge of the Complainant and/or its rights at the time of registration of the Domain Name.

6.13 It is relevant to consider the Complainant's activities at the time the Domain Name was registered on 12 May 2007:

(a) The Complainant had been in existence for about eight years. The Complainant's associated Crytek company in Hungary had just been formed (on 17 January 2007). However, the Crytek companies in Bulgaria, Ukraine, Korea and the UK were still to be established.

(b) The Complainant had created the Far Cry game which had been launched in March 2004. Far Cry had received awards and recognition prior to launch, including best PC Game at the ECTS Show in September 2003 and most popular game at gamespot.com in January 2004. After launch of Far Cry, the Complainant was runner up for Best PC game at the European Development Award in July 2004 and won 3 industry excellence awards in London in

September 2004 including “Best New PC IP –Far Cry”. In November 2004 the Complainant also won a German Developer Award for Best Game Design. Far Cry also received an award by Gamers Depot in January 2005.

- (c) In January 2006, the Complainant announced the development of Crysis, an original first person shooter with a new kind of gameplay challenge requiring adaptive tactics.
- (d) In January 2007 the Complainant made its first public demonstration of its CryEngine 2 technology. In March 2007 the Complainant announced that the CryEngine2 technology had been licensed by Avatar Reality Inc. In April 2007 the Complainant announced that the CryEngine technology had been licensed by WeMade Entertainment.
- (e) In April 2007, the Complainant publicised that due to popular interest, Crytek had made their CryEngine 2 technology demonstration video publicly available through a number of gaming news and community fan sites.
- (f) On 11 May 2007 the Complainant announced that its satellite studio in Kiev had been upgraded to a full development studio, giving the company its second development studio.

- 6.14 It is for the Complainant to prove on the balance of probabilities that there was an Abusive Registration under Paragraph 3(a)(i) of the Policy, including that the Respondent was aware of the Complainant at the time of registration of the Domain Name.
- 6.15 In this case, I am satisfied on the basis of the evidence set out above that the Complainant has established that its Crytek name was well known in relation to gaming products and technology, in particular through its Far Cry game, at the time of registration of the Domain Name.
- 6.16 The Respondent is a Microsoft systems engineer. I consider that given his occupation there would be a reasonable expectation that the Respondent would be aware of gaming products and technology. There is also an indication in the Respondent’s e-mail of 10 April 2010 to Mr Carter that he is involved in the gaming industry: “People seem to think that the domain name crytek.co.uk is owned by crytek **as we know it in the gaming industry** (my emphasis)”. Accordingly, given my finding that the Crytek name was well known in relation to gaming products and technology at the time of registration of the Domain Name, I consider that the evidence is strongly supportive of the Respondent being aware of the Complainant at this time.
- 6.17 What does the Respondent say to this? The Respondent has provided no explanation as to why he registered the Domain Name. He has set up e-mail addresses at the Domain Name (see paragraph 6.22) but otherwise is making no use of the Domain Name and has not indicated any future use of the Domain Name. Whilst it is not for the Respondent to prove anything under the Policy, I am entitled to take this lack of explanation into account when weighing the evidence as to whether the Complainant has, on the balance of probabilities, established an Abusive Registration under Paragraph 3(i) of the Policy.

- 6.18 In this case I also consider this lack of explanation to be relevant given that “Crytek” is not a mark which is descriptive of any products or services. The distinctive nature of Crytek suggests that there was no obvious justification for the Respondent having registered this Domain Name and that the Respondent had the Complainant in mind when he registered the Domain Name.
- 6.19 Accordingly, in the circumstances I am satisfied having weighed all the evidence that the Complainant has proved on the balance of probabilities, that the Respondent was aware of the Complainant at the time of registration of the Domain Name and that the Respondent registered the Domain Name with the intent of selling it at a profit to the Complainant or as a blocking registration or for the purposes of unfairly disrupting the business of the Complainant.
- 6.20 I therefore consider that the Complainant has established that there is an Abusive Registration under Paragraph 1(i) of the Policy.

#### **Abusive Registration under Paragraph 1(ii) of the Policy**

- 6.21 There is a non-exhaustive list of factors under the Policy which may be evidence that the Domain Name is an Abusive Registration including:
- Paragraph 3(a)(ii): Circumstances indicating that the Respondent is using or threatening to use the Domain Name in a way which has confused or is likely to confuse people or businesses into believing that the Domain Name is registered to, operated or authorised by or otherwise connected with the Complainant.
- 6.22 The Complainant has provided evidence of e-mails sent to james@crytek.co.uk being received by the Respondent. It is noteworthy that a non-deliverable message was not generated when the e-mails were sent. The Respondent has therefore intentionally set up e-mail addresses at the Domain Name whilst having knowledge of the Complainant.
- 6.23 On 10 April 2010 prior to the negotiations for the sale of the Domain Name taking place, the Respondent stated to Mr Carter *“because i work as an microsoft system engineer, i feel obligated to give you a heads up, before sensitive emails are sent to people with less good intensions (sic)...”* In my view the Respondent was pointing out the risk of the Complainant’s e-mails being sent to a third party *“with less good intentions”*, such as a competitor.
- 6.24 Further, the Respondent admits in his e-mail of 24 April 2010 that he was aware that the Complainant had purchased Free Radical Design, a British video company and had renamed it Crytek.uk. Indeed in his e-mail he suggests that his offer to sell the Domain Name for £3500 (following his earlier offer of €10,000) is *“a very good deal”* in light of this. The Respondent’s implicit threat is that the mis-directed e-mails would only increase thereby causing detrimental confusion if the Complainant did not buy the Domain Name at the Respondent’s price, a sum in excess of the Respondent’s costs for acquiring the Domain Name.
- 6.25 In my view in such circumstances the Respondent’s use of the Domain Name has taken advantage of or has been unfairly detrimental to the Complainant’s Rights and the Domain Name, in the hands of the Respondent, is an Abusive Registration under paragraph 1(ii) of the Policy.

**7. Decision**

- 7.1 I find that the Complainant has Rights in a name or mark which is identical or similar to the Domain Name.
- 7.2 For the reasons set out above I find that the Domain Name in the hands of the Respondent is an Abusive Registration.
- 7.3 I direct that the Domain Name be transferred to the Complainant.

**Dr Patricia Jones**

**Dated 26 October 2010**