

DISPUTE RESOLUTION SERVICE

D00013248

Decision of Independent Expert

Palm Green Capital Limited

and

GEECOM

1. The Parties:

Lead Complainant: Palm Green Capital Limited
Nemours Chambers
Road Town
Tortola
British Virgin Islands

Complainant: HMV Retail Limited
7 River Court
Brighthouse Business Village
Brighthouse Road
Middlesbrough
TS2 1RT
United Kingdom

Respondent: GEECOM
23-25 Baldwin St
Bristol
Avon
BS1 1NA
United Kingdom

2. The Domain Names:

<hmv-go-online.co.uk> and <hmv-shop.co.uk> ("the Domain Names")

3. Procedural History:

The Complaint was filed with Nominet on 30 August 2013. Nominet validated the Complaint on 2 September 2013 and notified the Respondent by post and by email stating that the Response had to be received on or before 23 September 2013. The Respondent filed a Response on 2 September 2013 and Nominet notified the Complainants that a Reply had to be received on or before 12 September 2013. The Complainants submitted a Reply on 9 September 2013.

The informal Mediation procedure failed to produce an acceptable solution for the parties and so on 11 September 2013 Nominet informed the Complainants that they had until 25 September 2013 to pay the fee for the decision of an Expert pursuant to paragraph 7 of the Nominet Dispute Resolution Service Policy ("the Policy"). On 20 September 2013 the Complainants paid Nominet the required fee.

On 25 September 2013, the undersigned, David Taylor ("the Expert") 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. The Expert was appointed on 03 October 2013.

4. Factual Background

The Lead Complainant, Palm Green Capital Limited, is a holding company based in the British Virgin Islands. The Lead Complainant acquired the HMV brand, including the trade marks and the goodwill, after HMV Group plc, a UK entertainment company, entered into administration on 15 January 2013. The Complainant, HMV Retail Limited, is a licensee of the Lead Complainant and has been using the HMV brand in the UK since April 2013. The Lead Complainant and the Complainant are hereinafter referred to collectively as "the Complainants".

HMV Retail Limited is a retailer of music, DVDs, videos, computer and video games and other related products. The original HMV store was founded in London in 1921. Since then, the business has grown significantly to over 200 stores in the UK and Ireland. In 1992, HMV launched HMV Direct, HMV's mail order operation, and since 1997 HMV has operated its own website at www.hmv.com.

The Respondent is GEECOM, an entity based in the UK. No other details are known about the Respondent.

The Domain Names were registered by the Respondent on 15 January 2013. The domain name <hmv-go-online.co.uk> resolves to a website offering music for sale via third party websites, including the Complainants' competitors. In addition, it displays advertising banners for other products and services. The domain name <hmv-shop.co.uk> resolves to a website offering e-marketing services, in particular it offers to increase the online presence of a business by obtaining Facebook "Likes" or Google+ "Followers". In addition, it offers website design and build services.

5. Parties' Contentions

The Complainants

Complainants' Rights

The Lead Complainant asserts that it has Rights as defined in the Policy in the name HMV. In particular, the Lead Complainant asserts that it has both registered and unregistered Rights.

Registered Rights

The Lead Complainant asserts that it has registered rights in the term HMV. In this respect, it is the owner of numerous trade mark registrations in the term HMV, for goods and services used in connection with CDs, music recordings, downloadable music, enabling consumers to purchase music in a retail outlet or on an internet website. Such trade mark registrations include the following:

- UK Trade Mark number 2020226, HMV, registered on 9 February 1996;
- UK Trade Mark number 2381661, HMV (stylised), registered on 10 June 2005;
- UK Trade Mark number 2460933 HMV (stylised), registered on 14 December 2007;
- Community Trade Mark number 3051489, HMV, registered on 28 January 2005;
- Community Trade Mark number 8741522, HMV (stylised), registered on 15 June 2010.

Unregistered Rights

The Lead Complainant also asserts unregistered rights in the term HMV as a result of the continued and extensive use of the HMV brand in the UK for many years and the very substantial goodwill and reputation acquired since its creation.

Identity or similarity to the Domain Names

The Complainants argue that they have Rights in a mark that is similar to the Domain Names. According to the Complainants, leaving aside the generic suffix .CO.UK, the Domain Names are similar to the Complainants' trade mark. The Complainants argue that the Domain Names comprise the word HMV with the addition of the generic or descriptive words "go online" and "shop", which makes little difference to the overall impression of the Domain Names. In this regard, the Complainants cite the Nominet decision DRS 04196 (<scaniaparts.co.uk>).

Abusive registration

The Complainants assert that the Respondent is using the Domain Names in a way which is likely to confuse people or businesses into believing that the Domain Names are registered to, operated or authorised by, or otherwise connected with the Complainants, in accordance with paragraph 3(a)(ii) of the Policy. The

Complainants argue that the registration of the Domain Names takes unfair advantage of, and is unfairly detrimental to, the Complainants' trade mark rights.

The Complainants point out that the Domain Names were both registered by the Respondent on 15 January 2013, which is exactly the same date as the date on which it was announced that HMV Group plc entered into administration, as evidenced by news articles. The Complainants thus argue that the Respondent registered the Domain Names seeking to take advantage of the reputation of the HMV brand, which the Respondent seemed to believe had ceased to exist following the administration.

The Complainants assert that the Domain Names were registered by the Respondent without the authority of the Complainants.

According to the Complainants, the Domain Names incorporate the name and trade mark of the Complainants, which cannot sensibly refer to anyone else. There is therefore a severe risk that a search engine, when asked for the Complainants, will produce the URL for the websites connected to the Domain Names high up the list.

The Complainants further submit that since the Respondent has added highly generic terms to the Complainants' brand, there is a risk that Internet users guessing the URL for a website owned by the Complainants will use the Domain Names for that purpose. Speculative visitors to the Respondent's websites will expect that the websites associated with the Domain Names are operated or authorised by, or otherwise connected to, the Complainants.

The Complainants further assert that the confusion created by the domain name <hmv-go-online.co.uk> is compounded by the content of the website to which the domain name resolves. In particular, the Complainants state that said domain name resolves to a website that not only reproduces the Complainants' HMV trade mark, including the exact same colour and font, but also offers services which are identical or highly similar to those provided by the Complainants and which are covered by the Complainants' trade mark registrations. The Complainants assert that the website associated with said domain name allows users to purchase songs through iTunes or purchase albums through the online retailer Amazon and that this is highly similar to the HMV website, which offers users information on music which is available for purchase in-store. Thus, the Complainants are of the opinion that the use of the domain name <hmv-go-online.co.uk> gives the false impression that it is a website that is approved or sponsored by the Complainants.

In addition, the website associated with the domain name <hmv-go-online.co.uk> contains links to a wide range of third party websites, such as www.superbreak.com, www.opodo.co.uk, www.hive.co.uk. Thus, in the Complainants' opinion, it is clear that the Respondent is taking advantage of the reputation of the Complainants' trade mark to attract users to its website, where visitors are then redirected to third party websites, including the Complainants' competitors. The Complainants further assert that it is most likely that the Respondent is obtaining income by means of pay-per-click advertisements.

The Complainants are also of the opinion that the Respondent is taking advantage of the reputation of the Complainants' HMV trade mark to attract users to the website associated with the domain name <hmv-shop.co.uk>, where the Respondent offers packages which promise to expand the online presence of a business by obtaining Facebook "Likes" or Google+ "Followers" for that business.

The Respondent

The Respondent asserts that the bulk of the domain name <hmv-go-online.co.uk> is the "go-online" part and that the disputed "hmv" part is "only at the start and is only a part of my domain".

The Respondent questions why it took the Complainants over 8 months to take action before Nominet if they considered that the Domain Names were causing a problem. The Respondent further contends that if it were illegal to register these Domain Names, then its domain name provider would have not allowed the Respondent to register the Domain Names.

The Respondent asserts that it has invested a lot of time and effort in the subsequent months after registration of the Domain Names to build the websites and garner its own online reputation and adds that "I now have a client base and a loyal following that will eventually support these websites in being productive".

The Respondent is of the opinion that if the Complainants were genuine, they would have taken action sooner and would have not waited many months to take action, when "a lot of my hard work, expenditure and diligence was and has been employed in getting these 2 websites to where they are today".

The Respondent further states that it would only consider some kind of remuneration equivalent to the man hours spent and expenditures incurred in developing both websites in return for the transfer of the Domain Names.

The Respondent also asserts that the fact that it registered the Domain Names on the very day the Complainants' business entered into administration was "purely coincidental". In any event, the Respondent argues that the HMV brand was no longer in an "active phase" and thus there could not be any trade mark infringement as the business no longer existed. In this regard, the Respondent has submitted various links to online news articles covering the administration of the HMV Group plc.

Finally, the Respondent argues that the only reason why the Complainants are attempting to recover the Domain Names is because they have announced that they are back in business and consider that the Domain Names may have an impact on their business. In this regard, the Respondent points out that if it would have known that the Complainants were going to return to business, then the Respondent would not have chosen the letters HMV. The Respondent concluded by inviting the Complainants to negotiate.

The Complainants' Reply

In response to the Respondent's contention that "the bulk of the domain hmv-go-online is the go-online bit" and that "the disputed hmv is only at the start and is only a part of my domain", the Complainants assert that the only distinctive element of the Domain Names is "hmv" and that it is well accepted that the addition of generic, descriptive words such as "go online" makes little difference to the overall impression of the Domain Names.

Concerning the issue of delay raised by the Respondent, the Complainants refer to the Nominet decision *Emirates v. Michael Toth*, DRS Case No. D8634, in which the Appeal Panel stated that "*The generally held view amongst Nominet experts (and UDRP panellists) is that delay alone is not a ground on which a Complaint may be denied*". Further, the Appeal Panel also held that there may be a case for delay or acquiescence to a complaint amounting to a defence under the Policy, for example, where the delay was such as to prejudice the proper consideration of the issues. In this regard, the Complainants assert that they took action a mere eight months after registration of the Domain Names and that this delay would not prejudice the proper consideration of the issues. In addition, the Complainants underline that the Respondent did not allege such prejudice.

As for the Respondent's contention that its domain name service provider would have not allowed the registration or use of the Domain Names if they were Abusive Registrations, the Complainants assert that providers do not perform any form of check on the content of domain names, which is why it is necessary to have dispute resolution mechanisms such as the Nominet Dispute Resolution Service in place.

In response to the Respondent's statement that it has now developed a client base and a loyal following, the Complainants argue that the only reason why the Respondent was able to achieve this was because it is using the Domain Names in a way which is likely to confuse people or businesses into believing that the Domain Names are registered to, operated or authorised by, or otherwise connected with the Complainants, within the meaning of paragraph 3(a)(ii) of the Policy.

Furthermore, the Complainants deny the Respondent's claim that its registration of the Domain Names on the date HMV Group plc entered administration is "purely coincidental" and hold that it suggests that the Respondent was seeking to take advantage of the reputation of the HMV brand.

Furthermore, the Complainants point out that the Respondent's claim that the HMV brand ceased to exist when HMV Group plc entered administration is incorrect. In this regard, the Complainants stress that a large number of HMV stores continued to operate in the UK throughout the administration and that the Respondent would have been well aware of this due to the substantial press coverage at the time, as demonstrated by the evidence submitted. Furthermore, the Complainants point out that two HMV stores operate in Bristol, where the Respondent resides, including one located only 0.7 miles (approximately a ten minute walk) from the Respondent's address. In light of this, the Complainants

are of the opinion that it is inconceivable that the Respondent was not aware of the continued operation of the HMV business during the administration.

Finally, the Complainants conclude that they will not pay the Respondent any remuneration in connection with the transfer of the Domain Names.

6. Discussions and Findings

General

Under paragraph 2(a) of the Policy, in order to obtain the transfer of the Domain Names, the Complainants are required to demonstrate, on the balance of probabilities, both of the following elements:

"(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."

Complainants' Rights

As regards to paragraph 2(a)(i), paragraph 1 of the Policy defines "Rights" as follows:

"Rights means rights enforceable by the Complainant, whether under English law or otherwise, and may include rights in descriptive terms which have acquired a secondary meaning."

The Complainants have adduced evidence demonstrating that the Lead Complainant is the registered owner of various UK and Community Trade Mark registrations in the term HMV. For the sake of completeness, the Expert notes that the fact that the Lead Complainant acquired its Rights as a result of the administration is of no relevance.

In view of the fact that the Lead Complainant's registered trade mark rights are sufficient to establish Rights, the Expert finds that it is not necessary to determine whether the Complainants have also acquired unregistered trade mark rights in the term HMV.

The Expert is therefore satisfied that the Complainants have Rights for the purpose of the Policy.

The Policy further requires that the name or mark in which the Complainants have Rights is identical or similar to the Domain Names. It is accepted practice to discount the .CO.UK suffix for the purpose of assessing identity or similarity to the Domain Names. Furthermore, the addition of descriptive or generic terms, such as "go online" or "shop", does nothing to distinguish the Domain Names from the Complainants' HMV trade mark and so the only distinctive element of the Domain Names is the HMV trade mark.

The Expert therefore finds that the Complainants' trade mark and the Domain Names are similar.

In view of the above, the Expert finds that the Complainants have Rights in respect of a name or mark which is similar to the Domain Names, within the meaning of paragraph 2(a)(i) of the Policy.

Abusive Registration

Paragraph 2(a)(ii) of the Policy requires the Complainants to prove that the Domain Names are 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 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 has taken unfair advantage of or has been unfairly detrimental to the Complainant's Rights".

A complainant must prove one or both of these on the balance of probabilities. In the present case, the Expert finds the Domain Names were both registered and used in a manner which takes advantage of, or is unfairly detrimental to, the Complainants' Rights.

(i) Abuse at the time of registration

As regards (i), the Expert is convinced that the Respondent had knowledge of the Complainants' Rights and thus registered the Domain Names with the intention of taking unfair advantage of such Rights. The fact that the Respondent registered the Domain Names on the very same day it was announced by the media that the HMV Group plc entered into administration (i.e. 15 January 2013), as demonstrated by the evidence submitted by both parties, is a strong indication that the Respondent, upon learning of the administration of HMV Group plc, saw an opportunity to acquire the Domain Names in order to appropriate for himself the goodwill attached to the HMV brand. Thus the Expert is not persuaded by the Respondent's claim that this was "purely coincidental". On the contrary, it is apparent to the Expert that the Respondent's registration of the Domain Names was simply motivated by the Respondent's mistaken belief that intangible assets, such as trade mark rights, cease to exist upon entry into administration of a business. The Respondent's incorrect assumption is - as pointed out by the Complainants - directly contradicted by its own evidence, consisting of links to numerous online news articles which refer to the continued operation of HMV stores throughout the administration.

Finally, the Expert finds that the Respondent's subsequent use of the Domain Names further supports the finding that the Respondent deliberately registered

the Domain Names to take unfair advantage of the Complainants' Rights, as discussed in more detail below.

(ii) Abusive use

In respect of abusive use of the Domain Names, the Complainants expressly rely on paragraph 3(a)(ii) of the Policy, which provides that the following may be indicative of an Abusive Registration:

"(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."

As far as the website associated with the domain name <hmv-go-online.co.uk> is concerned, the evidence demonstrates that the Respondent has reproduced the Complainants' HMV trade mark, including the same colour and font. Furthermore, the website associated with the domain name <hmv-go-online.co.uk> provides services which are identical or very similar to those of the Complainants (offering for sale songs and albums through third party websites, many of which are competitors of the Complainants), thereby giving internet users the false impression that the Respondent's website is operated or authorised by, or otherwise connected with the Complainants. In the Expert's opinion, such use of the <hmv-go-online.co.uk> domain name suggests that the Respondent is attempting to profit from the confusion with the Complainants.

As regards the domain name <hmv-shop.co.uk>, the Expert is of the view that the Respondent is also using the domain name to take advantage of the reputation of the Complainants' Rights in order to attract internet users to its website. Whilst the website associated with the domain name <hmv-shop.co.uk> offers services (e-marketing, such as increasing Facebook "Likes" and Google + "Followers") unrelated to those of the Complainants, there is a danger that internet users searching for the Complainants will suffer from "initial interest confusion". Whilst internet users may almost immediately realise that the Respondent's website has nothing to do with the Complainants, they may likely do business with the Respondent, thereby resulting in an unfair advantage for the Respondent and/or unfair detriment to the Complainants' Rights. Indeed, the Expert accepts the Complainants' contention that if the Respondent was able to achieve "a client base and a loyal following", this has been a direct consequence of the confusion caused by the Respondent's Abusive Registration of the Domain Names.

The Policy also provides a non-exhaustive list of factors which may be invoked by a respondent that may evidence that a domain name is not an Abusive Registration, as set out in paragraph 4(a) of the Policy. Whilst the Respondent has not invoked any of those factors, none of them would seem to assist its case.

For the sake of completeness, the Expert notes that the Respondent claims that the fact that it was allowed by its domain name service provider to register the Domain Names is an indication that the Domain Names are not Abusive Registrations. The Expert accepts the Complainants' contention that neither the Registry nor the registrars monitor infringing registrations or uses of .UK domain

names and nor do they have a duty to do so. It is the Respondent who, by virtue of its Registration Agreement with Nominet, has a duty to ensure that the registration of the Domain Names does not infringe third party rights. In this regard, the Respondent promised in clause 7.4 of the Terms and Conditions of Domain Name Registration that "*by registering or using the domain name in any way, you will not infringe the intellectual property rights (for example, trademarks) of anyone else*". The Expert therefore rejects the Respondent's claim in this regard.

Finally, the Respondent would seem to have invoked the doctrine of laches which prevents a complainant from bringing a complaint for unreasonable delay. In this regard, the generally held view amongst Nominet experts is that the delay alone is not a ground on which a complaint may be denied (see *Emirates v. Michael Toth*, DRS 8634, cited by the Complainants). However, although this decision acknowledged that there may be circumstances in which a delay may amount to a defence under the Policy, in the present instance, the Expert accepts the Complainants' contention that a mere eight months following the registration of the Domain Names does not constitute an unreasonable delay that may prejudice the proper consideration of the issues at hand. The Expert therefore does not accept the Respondent's defence that the Complainants' alleged delay should bar the Complainants from succeeding.

In conclusion, the Expert has considered the admissibility, relevance, materiality and weight of the evidence as a whole and is satisfied that the Complainants have succeeded in proving, on the balance of probabilities, that the Domain Names are an Abusive Registration in accordance with paragraph 2(a)(ii) of the Policy.

7. Decision

In light of the foregoing findings, namely that the Lead Complainant has Rights in respect of a name or mark which is similar to the Domain Names and that the Domain Names, in the hands of the Respondent, are an Abusive Registration, the Expert directs that the Domain Names be transferred to the Lead Complainant.

Signed: David Taylor

Dated: 9 October 2013