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NOMINET DISPUTES - APPEAL DECISIONS

November 2002

There have now been three appeals against Decisions issued under Nominet's revised Dispute Resolution Service. Whilst initial Decisions are made by an Independent Expert, Appeals are decided by a Panel of three, and the majority view is taken. Below is a brief summary of these decisions, which are of general interest.

1. Seiko UK Limited - v - Designer Time / Wanderweb

The first appeal involves the domain names seiko-shop.co.uk and spoonwatchshop.co.uk registered by Designer Time/Wanderweb. The complaint was brought by Seiko UK, a subsidiary of the owner of the SEIKO and SPOON UK trade mark registrations. Both marks cover watches and clocks. DesignerTime/Wanderweb is a retailer of goods including watches, and is authorised by Seiko to sell its goods in the UK. Designer Time sold SEIKO and SPOON watches via the seiko-shop.co.uk and spoonwatchshop.co.uk websites respectively, and but did not market other brands of watches on those sites.

Nominet's Appeal Panel upheld the initial Decision of the Independent Expert to transfer both domain names to Seiko. It held that the domain names are liable to be perceived as making the representation that the seiko-shop.co.uk and spoonwatchshop.co.uk websites are approved by Seiko or were "official", and that this constituted unfair detriment to Seiko and/or unfair advantage being taken by Wanderweb. In coming to this decision, reliance was placed on evidence of confusion submitted by Seiko which, although not great, was held to be sufficient to lead to the conclusion that the relevant unfair advantage or detriment would arise.

2. Hanna-Barbera Productions, Inc - v - Graeme Hay

The second appeal involves the domain name scoobydoo.co.uk, registered by Graeme Hay. SCOOPY-DOO is a registered trade mark of Hanna-Barbera Productions, Inc.

Mr Hay operated a fan site from the scoobydoo.co.uk website but had also sold

official merchandise from it and offered a free email service utilising the domain name. Sale of the merchandise ceased before the complaint was brought, although after the initial notification of the Complainant's rights to Mr Hay. Disclaimers were also added to the scoobydoo.co.uk homepage as a result of correspondence with the Complainant's solicitor (e.g. "We have NO connection with Warner Bros. or Hanna-Barbera and make no implication to the contrary") and a link to the "official" website was set up ("The official American scoobydoo site can be found here... scoobydoo.com")

At first instance, the Independent Expert found that the scoobydoo.co.uk website was a site "operated solely in tribute or criticism of a person or business" (i.e. it was a 'fan site'). Although operation of such websites can constitute an 'abusive registration', the Independent Expert could not see that this was the case here. In coming to this conclusion, he assessed the use of the site at the time the complaint was filed (i.e. after Mr Hay had stopped selling SCOOPY DOO merchandise and once the disclaimers had been added to the homepage) as to do otherwise was judged to be 'inequitable' on the facts of the case.

This Decision was, however, reversed on Appeal, and the domain name was transferred to the Complainant. The Panel was of the view that all use of the domain name should be taken into account, including the use that had been made of it before the Complainant's solicitors contacted Mr Hay. Although the site was seen 'solely as a tribute site' (because sale of merchandise and operation of the 'scoobydoo' email service was seen to be compatible with running a fan site) the domain name was nevertheless held to take unfair advantage of the Complainant's rights.



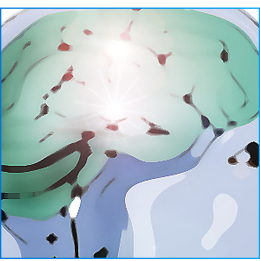
In this regard, it was held that users visiting the site might expect it to be an official site of the Complainant, and that Mr Hay gained a business opportunity that he would not otherwise have had through use of the SCOOPY-DOO trade mark. Further, the fact that the use of the respondents trade mark was outside of their control (because it was used both by Mr Hay and his network of email users) could bring it into disrepute and could also dilute the distinctiveness of the mark. Accordingly, it was held that the domain name was used in a manner that took unfair advantage of the Complainant's rights, notwithstanding the fact that this was not Mr Hay's intention.

3. Consorzio del Prosciutto di Parma - v - Vital Domains Limited

The Complainant, Consorzio del Prosciutto di Parma is a non-profit making association of ham producers in the Parma region of Italy. Under Italian law, it has supervisory roles in the production of Parma ham in the traditional manner and in the use of the name "Prosciutto di Parma" and the "Parma" stamp. "Prosciutto di Parma" is registered as a "protected designation of origin" under EU law, and the Complainant is also the proprietor of the UK certification marks and Community collective marks PROSCIUTTO DI PARMA and PARMA.

continued overleaf...

GETTING ALL EMOTIONAL - BRANDS IN A CLASS OF THEIR OWN



The power of trademarks to communicate associations and ideas is confirmed by research reported by NewScientist.com. It seems that research at UCLA suggests that the human brain may process trademarks in a different way to the way it processes other words.

In particular experiments suggest that trademarks are interpreted using the "emotional" right-hand side of the brain whereas other nouns are identified by the left-hand side of the brain: putting trademarks into a "brain-power" category of their own.

For further details see: Brand Names Bring Special Brain Buzz - www.NewScientist.com

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Vital Domains Limited is in the business of buying and selling domain names and has registered over 2000, including parmaham.co.uk and parma-ham.co.uk. The Complainant sought the transfer of these two domain names to itself.

Both the Independent Expert and Appeal Panel held that the registration of parmaham.co.uk and parma-ham.co.uk by Vital Domains was not abusive. The respondent did not register the domain names to sell to the Complainant, but to make them available to the world at large. In this regard, the Panel was satisfied that the Respondent believed Parma ham to be a generic or descriptive term, and it was commented that there is no reason for a lay person to believe that a body such as the Complainant would exist.

Vital Domains had not registered the domain names with a view to selling them to the Complainant or a competitor of the Complainant, as blocking registrations or for the purpose of disrupting the Complainant's business. Although four further domain names containing registered trade marks had been registered by Vital Domains, it was not clear that these would be seen as trade marks by the lay person, and it was held that the Respondent believed these to be generic also. Accordingly, it had not entered into a pattern of making abusive registrations.

It was held that, having acquired the domain names fairly, the respondent did what would be expected of a domain name dealer and offered them for sale. That such a sale could result in disadvantage or detriment to the Complainant might be unfortunate, but is not unfair. Accordingly, no action was taken to transfer the domain names.

PROPOSED ABOLITION OF EXAMINATION FOR CONFLICTS BY THE UK REGISTRY

The United Kingdom Trade Mark Registry has a comprehensive approach to the examination of trade marks. They not only assess trade marks on "absolute grounds" (i.e. is the mark itself distinctive?) but also will object to later applications for marks they perceive as conflicting with existing earlier marks. This "relative" examination affords the registered trade mark owner a degree of protection by preventing third parties from registering identical or confusingly similar marks.

Under the Community Trade Marks system, OHIM only applies "absolute grounds" for refusal of the mark. Consideration of "relative grounds" will only be made by OHIM if opposition is filed by an interested third party. The effect of this is to allow marks onto the Community Register, which have not been subjected to the more stringent conflict examination applied to UK marks.

The UK has recently discussed the possibility of changing to an examination system in line with the CTM, as it is felt that the more stringent UK examination process makes it increasingly difficult to obtain a UK registration. Our counterparts in Europe, such as France, Germany and Italy, have long since examined only on "absolute grounds". Denmark recently abolished "relative grounds" of examination, and the Spanish Parliament has now approved a new Spanish trade mark act, which introduces a number of changes, including the abolition of "relative grounds" of examination.

The emerging trend seems to indicate that the UK may also, in time, change to an examination process that does not raise earlier marks as a reason for refusal. The importance of this to the trade mark owner is that they can no longer rely upon later filed marks being rejected *ex officio* in light of their existing rights. There is therefore an ever increasing need for trade mark owners to actively police their own trade marks. This can be achieved by using a watching service, which will alert the trade mark owner to later published applications. They can then take action against any conflicting marks, before they are entered onto the official Registers.

We have advised many of our clients on use of various watching services, which can be individually tailored to meet their requirements. These include "competitor watches", providing details of recent filings by direct competitors. For further information, please do not hesitate to contact us.

STOP PRESS! – COURT OF APPEAL DECISION ISSUES IN BUDWEISER BUDBRAU - SECTION 46(2) REVOCATION

Readers of this Newsletter will recall that we previously reported in our January 2002 Newsletter on the High Court decision involving this trade mark.

In summary, the Deputy High Court Judge overturned the initial decision of the Hearing Officer on what constituted use of a variant mark under Section 46(2) of the Trade Marks Act. The Deputy High Court Judge had suggested that the test applied by the Hearing Officer was too liberal and did not take proper account of the elements which made the registered mark distinctive.

However, the Court of Appeal has now reversed the Deputy High Court Judge's decision, holding that the conclusion reached by the Hearing Officer, although "surprising" according to the Court of Appeal Judges, was nevertheless one which was reasonable. Since the "REEF" case (also Court of Appeal) had decided that any appeal from the Registrar was only by way of review and not re-hearing, the Court of Appeal concluded that the Deputy High Court Judge was wrong to substitute his assessment for that of the Hearing Officer.

A full commentary on this decision will appear in the next issue of this Newsletter.

MEET THE D YOUNG & CO TEAM - we will be attending the following events over the coming months:

INTA Mid Year Meeting in Scottsdale, Arizona, USA, 12-16 November 2002 - Jeremy Pennant, Partner

Community Trade Mark Forum, Alicante, Spain, 4-5 December 2002 - Gillian Deas, Associate, Katie Hunt, Associate

For more information about these events please visit our website: www.dyoung.com



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