



DOMAIN NAME ABUSE - APPEAL DECISION BY NOMINET

Over the past three years only a handful of decisions in domain name disputes lodged with Nominet have been appealed. The Panel which decides such appeals has now provided a useful reminder regarding the grounds for seeking the removal or transfer of an abusive domain name.

The case in question concerned the complaint by Guide Star UK against Wilmington Business Information Limited who had registered the domain name www.guidestar.co.uk.

By way of background the complainant was incorporated as a UK company limited by guarantee in 2002 and was registered as a charity in early 2003. The complainant was apparently set up to emulate the success of GUIDESTAR, an established charity in the United States of America but which had yet to launch its service in the UK.

The respondent registered the domain name on 22 February 2004. From June to August 2004 visitors to the website connected with the domain name were redirected to the respondent's site at www.charitychoice.co.uk. Since that time the respondent operated what it described as a protest site at www.guidestar.co.uk. The respondent's principal concern was that Guide Star UK had successfully obtained government funding and thus, an illegitimate advantage over competitors in the same sector (as it saw it).

The complainant contended that it had already built up a substantial reputation and goodwill in the name GUIDESTAR and that the registration of the domain name by the respondent prevented them from protecting the domain name for their own legitimate purposes. The complainant went on to argue that the respondent's original use of the contested domain name to redirect visitors to their own website provided them with a stream of visitors and business which they would not otherwise have obtained.

In reply, the respondent contended that the domain name was registered for a legitimate purpose, namely protest or complaint, and that it had been used as such. The expert upheld this argument at first instance, and refused to cancel or transfer the domain name to the complainant, who then appealed.

The Appeal Panel were rather dismissive of the original decision stating that the Expert completely misunderstood the sequence of events and drew inferences which were utterly misconceived. Accordingly, the Panel decided to review the case afresh.

In a clear and well reasoned decision the Panel outlined what needs to be proved in such cases, namely that:

1. The complainant has rights in respect of a name or mark which is identical or similar to the domain name; and,
2. The domain name in the hands of the respondent is an Abusive Registration.

The Appeal Panel was in no doubt that the complainant has sufficient rights to bring a Passing Off action against any third party from using GUIDESTAR in the charity sector, as a result of the reputation and goodwill in the name GUIDESTAR accrued through their existence in this country and following significant media exposure. Accordingly, the complainant had no trouble in overcoming the first hurdle.

With regard to the question of whether, in the hands of the respondent, guidestar.co.uk was an Abusive Registration, the Panel had to decide whether its use took unfair advantage of or was unfairly detrimental to the complainant's rights. Fair use of a domain name is one factor which may be evidence that a domain name is not an Abusive Registration. Indeed, fair use may be perfectly legitimate and includes sites operated solely in tribute or in criticism of a person or business.

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Following the reasoning in the previous cases concerning *scoobydoo.co.uk* and *harmankardon.co.uk* the Appeal Panel noted that the webpage set up by the respondent featured links to their own operating website. In addition to this the re-direction of visitors during the period of June to August 2004 to *www.charitychoice.co.uk* was not explained in any way to users of the Internet. The re-direction was only terminated following a complaint by the complainant. Accordingly, the Appeal Panel concluded that all use of the domain name since the initial registration had been abusive.

The re-direction of visitors to a competing site of the respondent was clearly unacceptable, was calculated to cause confusion and manifestly involved taking an unfair advantage of the complainant's rights. The Panel noted that no evidence of actual confusion was necessary. In consequence, the Panel found that the domain name, in the hands of the respondent, was an Abusive Registration. Accordingly, the name *guidestar.co.uk* was transferred to the complainant.

It is surprising that the initial complaint was not successful and that the independent expert initially found in favour of the respondent; however, the outcome before the Appeal Panel is not surprising and follows other notable cases including the case concerning *scoobydoo.co.uk* referred to in the Panel's decision. Had the respondent not used the domain name in such a way as to re-direct traffic to their own website and if the website had only been used as a legitimate protest site then this case may well have been much more difficult to decide.

Domain names are likely to become news again during the last few months of 2005 with the imminent introduction of the .eu top level domain (see right).

OHIM v. GERMANY

Conflicting views on the likelihood of confusion between "SIR" and "ZIRH"

The Hamburg District Court recently decided that there is a likelihood of confusion between the trademarks "SIR" and "ZIRH". The German perfume company Mülhens GmbH & Co. KG, owner of a CTM registration of a figurative mark containing the word "SIR" for perfumes, essential oils, beauty and body care, soaps and hair tonic sued ZIRH International Corp. who sold soaps, perfumes and products for beauty and body care in Germany under the trademark "ZIRH" (File No. 315 O 168/03).

The German Court ordered ZIRH International Corp. to refrain from using the logo "ZIRH" for the goods in question in the European Union.

It pointed out that the impression made by the sound of a trademark forms such a fundamental part of its scope of protection that it is not impossible that the phonetic similarity of the trademarks alone may evoke a risk of confusion. The court found that the scope of protection of Mülhens' trademark was such as to include the impression made by its sound. The fact that the respective marks had different meanings and different visual appearance would not be apparent when the marks were discussed orally and that the phonetic similarity could not be neutralized by the existence of such differences. As a consequence the court decided that there was likelihood of confusion and that Mülhens' trademark was infringed.

This judgment is in direct contrast to a decision by the European Court of First Instance in an opposition proceeding between the same marks. On appeal from an OHIM decision, the Court of First Instance upheld OHIM's decision that there was no likelihood of confusion between the trademarks "SIR" & device and "ZIRH" (Case T-335/02 of 3 March 2004).

Although the Court of First Instance acknowledged that the trademarks would be phonetically similar in certain countries, it considered that phonetic similarities may be counteracted by the conceptual differences between the trademarks. The Court of First Instance found that the public would immediately grasp the meaning of the verbal element of the "SIR" mark. It further argued that the phonetic similarity between the marks is of less importance in the case of goods which are marketed in a way that the relevant public also perceives visually the mark designating the goods. As a result, the Court of First Instance held that OHIM was correct in its finding that there was no likelihood of confusion.

From a German law perspective, however, the decision of the Hamburg District Court appears better founded. It is not evident that the German consumers would immediately recognize the English meaning of "SIR". Due to the clear phonetic similarity between "SIR" and "ZIRH", the Hamburg District Court was right in stating that the use of the trademark "ZIRH" was an infringement of Mülhens' trademark rights.

This contribution comes from Carolin Brand, LL.M and Kay-Uwe Jonas of Linklaters Oppenhoff & Radler in Cologne, and we acknowledge with thanks their assistance in preparing this commentary.



PROTECTION FOR THE NEW ".EU" TOP-LEVEL DOMAIN NAME

Many holders of registered Community Trade Marks may have received advance publicity from businesses seeking to persuade them to file for protection of the new ".eu" top-level domain. Some of these businesses have been accredited as official registrars for the new TLD.

It should be remembered that in order to secure such registrations, the proprietor must be a "qualifying entity", and that individuals or businesses who are not incorporated in one of the EU member states (or do not have EU nationality) do not qualify.

Some official registrars have suggested that proprietors of registered trade marks in the EU who are **not** qualifying entities should licence the rights to legal entities who are so qualified. This may be worth considering if

commercial circumstances allow; however, simply entering such a licence arrangement in order to protect the ".eu" domain name, may be overkill.

Owners of trade mark rights within the EU can still challenge the subsequent registration of an ".eu" top-level domain incorporating their trade mark, even if they did not register it themselves.

Where such registration is obtained without consent and is demonstrated to be abusive, the legitimate trade mark owner will have grounds for complaint.

For further information or advice on this topic, please contact one of the members of D Young's trade marks team.



RESTRICTIONS ON TOBACCO ADVERTISING – IMPACT ON TRADE MARKS

On 31 July 2005, the Tobacco Advertising and Promotion (Brand Sharing) Regulation 2004 came into force in the UK.

This prohibits (inter alia) use in the course of a business in the UK of a feature (such as a trade mark) which is the same as/similar to a feature connected with a tobacco product, where the purpose or effect of that use promotes the tobacco product.

Clearly, use of a trade mark which is already associated with tobacco products for completely different goods or services could be struck down by this provision, although the Regulation does contain some exceptions, in particular where the user could not reasonably have foreseen that the use would have that effect (and there is no direct or indirect economic connection with the tobacco producer or promoter owning the established trade mark).

The UK Trade Mark Registry has announced some revisions to its examination practice following the entry into force of this Regulation; nevertheless mere registration of the same or similar trade marks for tobacco products and non-tobacco products or services by different companies will not trigger a challenge in all cases.

The Registrar has stated that new applications for marks in certain categories which have historical links with the promotion or advertising

of tobacco goods (e.g. luxury goods, sporting promotions or events) may trigger a letter drawing the new applicant's attention to the prohibitions in the Brand Sharing Regulation. The Registrar will not usually object to registration of the later application, except where the claim includes tobacco products in addition to non-tobacco goods or services.

Where an application covers both tobacco and non-tobacco products and services, there will be an objection and it will be for the applicant to demonstrate that there is no intention to promote tobacco products through brand sharing in such circumstances, **and** that this will not be the effect of the use of the mark on the non-tobacco products/services.

It will not be possible for a new applicant to escape the effect of the brand sharing prohibition by filing separate but simultaneous applications for the same mark in respect of tobacco products (in one case) and non-tobacco products/services (in the other).

From a practical perspective, it is now advisable for brand owners (when adopting new trade marks), to ensure that clearance searches cover the tobacco classes in all cases, even if they intend to use the new mark on completely unconnected goods/services. Many tobacco brands are already registered for luxury goods or sporting services and, in such cases, the proposed mark would be blocked in any case. However, the Brand Sharing Regulation adds an additional factor to be considered in the general assessment as to the new brand's availability for use and registration.

TRADE MARK PROTECTION FOR RETAIL SERVICES

Does retail trade in goods constitute a separate service for which trade mark registration is possible?

This question was previously debated in 2000 before OHIM and, following the Board of Appeal's decision in the GIACOMELLI case, the OHIM examination guidelines were revised to permit limited protection for retail services at Community level. Whilst stating that "the activity of retail trading in goods is not, as such, a service", CTM applicants can file in class 35 to cover "the bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods".

This issue has now been revisited by the European Court of Justice in case number C-418/02, an appeal from the Federal Patents Court in Germany.

In the case, the applicant, Praktiker Markte, had filed in Germany to register PRAKTIKER in relation to "retail trade in building, home improvement and gardening goods for the Do It Yourself sector". At First Instance, the German Trade Mark Office rejected the claim on the basis that "retail trade" did not denote any independent service having autonomous economic significance. Essentially, the applicant was considered to be seeking protection for distribution of goods.

The official line was that the appropriate way of securing registered trade mark protection would be to file for those goods.

Following an appeal to the Federal Patents Court in Germany, the question was referred to the ECJ on the basis that the refusal by the National Trade Mark Office in Germany to accept protection for retail services was in conflict with current OHIM practice, and that which applied in the majority of other EU member states.

In their decision, the ECJ confirmed that retail trade in goods could constitute a service within the meaning of Article 2 of the Directive (which provides for harmonisation of trade mark laws at national level within the EU).

The ECJ recognised that the objective of retail trade is the sale of goods to consumers, but that this trade could include all activity carried out by the trader for the purpose of encouraging the conclusion of a sales transaction. This often covers selecting an assortment of goods and offering services aimed at inducing the customer to conclude the transaction at the retailer's store, rather than that of a competitor.

Before deciding to purchase, the consumer is influenced not only by the availability

and price of the product, but also by many other factors, including the selection, variety and assortment of goods available, their presentation and the service provided by the sales staff, as well as the image created for the store by its advertising, location or general appearance. All of these trading activities constituted a retail service in its own right, which deserved protection according to the ECJ.

Although deciding that registration could be obtained for retail services, the Court did indicate that specific details must be provided with regard to the goods or types of goods to which the services relate.

Accordingly, in the instant case, the applicant's claim for protection in respect of "retail trade in building, home improvement and gardening tools for the Do It Yourself sector" was sufficiently precise and should have qualified for acceptance by the German Trade Mark Office.

This ruling should assist in bringing national practice on retail services throughout the EU completely into line. It is nevertheless anticipated that the UK Trade Mark Registry may require more specific details as to the nature and type of the goods with which retail services are associated when examining new applications in class 35 in future.



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CONGRATULATIONS ECJ – HAVE A KIT KAT!

At last, after more than 10 years, the European Court of Justice (ECJ) has finally brought some sense to the proceedings between Mars and Nestlé regarding the trade mark, HAVE A BREAK.

Early in 1995, Nestlé applied to register HAVE A BREAK as a trade mark in the United Kingdom. Top marks to the original Examiner who saw no problem with the mark and allowed it to proceed to acceptance and publication for opposition purposes. Mars then opposed the application and, in proceedings which were not decided until 2002, were successful in objecting to the registration on the grounds that it was devoid of any distinctive character. Nestlé appealed to the High Court in London who dismissed their appeal. Nestlé then appealed that decision to the UK Court of Appeal who took the preliminary view that the mark was indeed devoid of any distinctive character and would only be allowed to proceed if Nestlé could claim a distinctive character acquired through use under Art.3(3) of the EC Directive.

Mars, who must have been delighted by their earlier success, were able to persuade both the Trade Mark Office and the High Court that acquired distinctiveness through use was not applicable in cases where the mark applied for was part of a composite mark. Nestlé argued that this issue was not clear cut. Accordingly, the Court of Appeal referred to the ECJ the question whether acquired distinctiveness could apply to use of a mark which is part of, or used in conjunction with another mark.

Unsurprisingly, Nestlé submitted that merely because HAVE A BREAK was part of their better known phrase and registered trade mark, HAVE A BREAK ... HAVE A KIT KAT, was no reason to preclude HAVE A BREAK from having acquired distinctiveness as a separate "sign". In this they were supported by the

Irish Government. On the other side, Mars, the United Kingdom Government and the representative from the Commission of the European Communities, took the opposite view.

In a judgement handed down on 7 July 2005, the ECJ held that in relation to the acquisition of distinctive character through use, the distinctiveness must be as a result of use of the mark as a trade mark. They went on to state, however, the mark in respect of which registration is sought "need not necessarily have been used independently". They pointed out that Art.3(3) of the Directive contained no restriction in that regard, referring solely to the use of the expression "use of the mark as a trade mark". The ECJ therefore confirmed that acquisition of distinctive character may be as a result of both the use as part of a registered trade mark (as a component thereof) and use as a separate mark, or in conjunction with another registered trade mark.

The consequence of this judgement will be that HAVE A BREAK should now be allowed onto the UK Register of Trade Marks (whereupon it will immediately become due for renewal). More broadly, the ECJ decision is a clear direction for national Offices within the European Union to accept slogans or elements of composite marks on the basis of acquired distinctiveness through use. This will be on condition that the applicant can show that the particular element or slogan is perceived as a trade mark by the relevant purchasing public.

The judgement is to be welcomed and at last brings Nestlé the outcome they rightly deserved, together with some common sense decision making in a case that should never have got this far. Readers will, however, be aware that this is not the first time Nestlé and Mars have crossed swords in a trade mark dispute. It is unlikely to be the last.

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We are pleased to announce the expansion of the D Young & Co Trade Mark Group as Vivienne Coleman joins our London office. Vivienne brings substantial experience of trade mark attorney work, specialising in UK and CTM oppositions, trade mark portfolio management, worldwide assignment programmes and securing trade mark rights for exploitation through licensing/merchandising. With over 13 years experience in private practice, Vivienne has worked for a range of clients including individuals, SMEs and multinationals in various sectors - most recently with an emphasis on fashion, media, communications and entertainment. Vivienne's full profile can be found at www.dyoung.com/people/staff/viviennecoleman.htm.

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