

Nominet UK Dispute Resolution Service

DRS 4479

Comité Interprofessionnel du Vin de Champagne v Steven Terence Jackson

Decision of Appeal Panel

1. Parties

Complainant/Appellant:

Comité Interprofessionnel du Vin de Champagne
5, rue Henri Martin
Épernay
51200
France

Respondent:

Steven Terence Jackson
PO Box 911
Longton
Preston
Lancashire
PR1 1RY
UK

2. Domain Name

<champagne.co.uk>

3. Procedural Background

A Complaint in respect of <champagne.co.uk> (the "Domain Name") under Nominet UK's Dispute Resolution Service Policy ("the Policy") was received from the Complainant and forwarded to the Respondent by Nominet on 21 February 2007. A Response was received from the Respondent on 13 March 2007 and the Complainant lodged a Reply on 23 March 2007.

On 27 April 2007 Claire Milne was appointed as Independent Expert to determine the dispute in accordance with Nominet's Procedure for the conduct of proceedings under the Dispute Resolution Service (the "Procedure"). She confirmed to Nominet that she was independent of the parties and knew of no facts or circumstances that might call into question her independence in the eyes of the parties.

The Expert agreed to consider a non-standard submission that had been sent to Nominet by the Complainant on 28 March 2007 on the basis of a short statement given by the Complainant in accordance with paragraph 13(b) of the Procedure. The Respondent was invited to comment on the Complainant's non-standard submission and did so on 18 May 2007.

By her decision dated 15 May 2007 the Expert found that the Complainant had Rights (as defined in the Policy) in a name or mark that was identical or similar to the Domain Name; but that in the hands of the Respondent the Domain Name was not an Abusive Registration (as so defined). Accordingly she dismissed the Complaint and thereby directed that no action be taken in respect of the Complaint.

A Statement of the Complainant's Intention to Appeal was received by Nominet on 1 June 2007. The Appeal Notice was received by Nominet and forwarded to the Respondent on 22 June 2007. An Appeal Notice Response was lodged by the Respondent on 5 July 2007.

On 11 July 2007 an Appeal Panel of three Experts (the "Panel") was appointed to determine the Appeal, comprising Ian Lowe as Chairman together with Matthew Harris and Mark de Brunner. All three Experts confirmed that they were independent of the parties and knew of no facts or circumstances that might call into question their independence in the eyes of the parties.

Paragraph 10a of the Policy provides that "The appeal panel will consider appeals on the basis of a full review of the matter and may review procedural matters". We have therefore approached this Appeal as a reconsideration of the merits based on the submissions of the parties. However, since we have reached a different view from the original Expert in a number of respects, we summarise the reasoning of the Expert below.

4. The Facts

The Complainant is a body established under French law by a decree dated 12 April 1941 (as amended). It has legal personality and the right to bring and defend court proceedings. It was formed for the purpose of defending, preserving and promoting the interests of those involved in the production and marketing of wines sold under the appellation of origin (appellation d'origine contrôlée - "AOC") Champagne. Growers in the Champagne region and wine-makers, dealers and merchants of champagnes are represented on the Complainant.

The Respondent is an individual with diverse business interests. According to the Nominet Whols database, the Domain Name was registered on 10 June 1997. At the date of the Complaint the Domain Name resolved to a web page comprising a number of links to websites providing advice in relation to claims for personal injuries and accidents (apparently generated by an Internet search in respect of "accident claims") and a link to a personalised number plate website at www.new.reg.com.

At some point subsequent to receipt of the Complaint, the website to which the Domain Name resolved changed and took the form of a business selling champagne.

5. The Parties' Contentions

Complainant

The Complainant's contentions - distilled from the original Complaint and the Reply to the Response to the Complaint - are as follows.

Rights

The Complainant has well established and recognised rights in a name identical to the domain name.

The Complainant was created under French law to defend and promote the interests of those involved in producing and marketing wines sold under the appellation of origin 'champagne'. All producers of champagne in the Champagne district of France are required by law to subscribe to the Complainant.

Since 1973, European Community law (in particular, Council Regulation (EC) No. 510/2006 and its predecessors) has regulated the use of 'champagne' as an appellation of origin.

In the United Kingdom, 'champagne' is used exclusively to refer to sparkling wines produced in the Champagne region of France.

There have been substantial sales of champagne for over 200 years, reflecting the significant goodwill that the Complainant has built up in the name.

The Complainant has spent large sums on promoting champagne – on top of significant amounts laid out by individual producers and sellers to advertise specific brands of champagne.

Over the last 45 years the Complainant has shown itself ready to take action, formally and informally, to protect and defend 'champagne' as an appellation of origin.

The goodwill and reputation the Complainant has established are protectable and indeed the name 'champagne' has been protected by the English courts.

Abusive Registration

a) Unfair disruption (Paragraph 3aiC of the Policy)

The website at the Domain Name has not been used exclusively for the promotion and sale of champagne products: for six years it was used to redirect traffic to the Respondent's car number plate business, to his search site or otherwise to a non-champagne website.

The Respondent's use of the name trades off the back of the Complainant's goodwill. Effectively the Respondent is guilty of passing off.

b) Confusion (Paragraph 3aii of the Policy)

'Champagne' can only be used to describe a product or service relating exclusively to the sparkling wine coming from the Champagne district of France. Visitors attracted to the Respondent's website by the domain name <champagne.co.uk> expect there to be some connection between the site and the product produced or marketed by those represented by the Complainant. They are therefore drawn in on a false promise.

The Respondent's use of the domain name means that, at the very least, Internet users will be confused into believing there is a connection between the Respondent and the Complainant.

After being notified of the Complaint, the Respondent copied content directly from the Complainant's website to the website at the Domain Name, further misleading Internet visitors.

c) Pattern of registrations (Paragraph 3aiii of the Policy)

The Respondent has no rights in the name 'champagne' and no legitimate interest in it. The registration here is part of a pattern of registrations of domain names which correspond to well-known names in which the Respondent has no apparent rights. There are at least three groupings.

First, there is the total of over 1,000 <.co.uk> domain name registrations by the Respondent, ranging numerically from <0.co.uk> to <786.co.uk> and alphabetically from <a-e-s.co.uk> to <zara.co.uk>. This is evidence that the Respondent must be registering names with which he has no obvious connection.

Second, there are 18 registrations in particular (all ending .co.uk) corresponding to well-known names in which the Respondent has no apparent rights:

blackthorns; campbells; chloe; elvispresley; fortune-500; fortune500; friends; ivy; marcos; pennys; pringle-golf; quicksave; regain; sherry; silverstonecircuit; u2; wendys; zara

The Respondent's explanations for half of the registrations on this list (blackthorns, zara, chloe, pennys, sherry, wendys, marcos, ivy and elvispresley) are contrived and funny. He has made no attempt to justify the registration of the other nine names on the list.

Third, the Respondent has made no attempt to justify other registrations (all ending <.co.uk>) with which he has no obvious connection, including:

abortionist; acupuncture; bookmaker; brandy; four-seasons; britishfireplaces; crowncopyright

d) Not a genuine offering of goods (reverse of Paragraph 4aiA of the Policy)

The Respondent has not run and is not making preparations for a genuine business trading in champagne. Six years is an implausibly long time to construct a website – which still is not ready to take orders for champagne. He holds no other domain name registrations relating to champagne. Furthermore, there have been no significant sales of champagne at any time and there have been no arm's length sales at all.

The Respondent's recent use of the website to promote champagne was after the Complaint was made to Nominet, was clearly in response to the Complaint, and should be disregarded.

e) The Complainant has exclusive rights to control use of the name 'champagne' and the Respondent is pre-empting those rights.

f) A negative inference is to be drawn from the Respondent's silence. The Respondent made no reply to the Complainant before the Nominet proceedings, suggesting his reason for registering or using the Domain Name was not legitimate.

Respondent

In the Respondent's contentions in answer to the Complaint, he accepts that the Complainant "may have" sufficient right to bring a complaint under the DRS. He denies, however, that the Domain Name is an Abusive Registration.

The Respondent maintains that he has used and will use the Domain Name for an online champagne business. This business is said to be particularly focused on the sale of larger bottles of champagne.

In support of that contention, the Respondent refers to, or exhibits, the following:

- a) A screenshot, which is said to show that a website from the Domain Name has been used to sell champagne products;
- b) The list of the Respondent's <.co.uk> registrations exhibited to the Complaint, which shows that the Respondent has registered the words "Jeroboam, Methuselah, Nebuchadnezzar and Salmanazar";
- c) "Purchase and sales ledgers and auditable accounts" showing purchases and sales of Champagne by the business; and
- d) An invoice dated 18 October 2000 showing the purchase of "white vinyl tape printed champagne.co.uk".

The Respondent denies that he has ever sold any products via the Domain Name other than champagne products.

The Respondent accepts, in his non-standard response to the Complainant's reply, that whilst the initial champagne website operating from the Domain Name was suspended it was redirected to the Respondent's registration number plate site. However, he claims that no "surfer looking for champagne products would be duped into buying a personalised registration".

The Respondent is a businessman with diverse interests, which is said to explain the suspension of the site for several years while it was being reconstructed. That site was re-launched in March 2007 and now is "fully active".

The Respondent's response to the allegations in the Complaint that he has been engaged in the registration of other domain names relating to well-known brands is as follows:

- (a) blackthornes - this is a reference to Blackthorne Homes who are builders and developers in the Preston area. The Managing Director of that business is said to be a "close personal friend";
- (b) chloe, pennys, sherry, sendys, zara, marcos and ivy - these were to be used for a "non-profit making personal e-mail service". The Respondent also claims that some of these names are the names of members of his family; and
- (c) elvispresley –this was registered with a fan site for the well-known singer (mistakenly referred to in the Response as Elvis Priestley) in mind.

The Respondent offers evidence of the free email site and birth certificates of his relatives should "the Applicant or indeed the expert require" it, but that evidence is not appended either to the Response or to the Respondent's subsequent non-standard submission.

He also contends (making it clear that he makes no admission in this respect) that even if other registrations within the 1,000 or so registrations of the Respondent referred to in the Complaint are abusive, it does not follow that in the case of the Domain Name there has been an abusive registration.

6. Expert's Decision

The original Expert's decision in this case can be found at:

http://www.nominet.org.uk/digitalAssets/19724_champagne.pdf.

On the issue of Rights, the Expert held that the relevant law was that of the European Community and in particular the protected status of Champagne as a Designation of Origin. This gave the Complainant sufficient Rights for the purpose of the Policy, although she noted that the nature of these rights was different from that of a trade mark holder.

On the question of abusive registration, however, she found in favour of the Respondent. She considered two of the factors listed in paragraph 3 and 4 of the Policy to be relevant:

- 3aiii The Complainant can demonstrate that the Respondent is engaged in a **pattern of registrations** where the Respondent is the registrant of domain names (under .uk or otherwise) which correspond to well known trade names or trade marks in which the Respondent has no apparent rights, and the Domain Name is part of that pattern; and
- 4iA 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.

After analysing the list of domain names registered by the Respondent and noting that there was no evidence to suggest that the Respondent had previously been involved in a domain name dispute, the Expert concluded that there was insufficient evidence of a pattern of abusive registration. Further, the registration of other domain names such as brandy, collectablewine, imported wine, jeroboam, methuselah, nebuchadnezzar, salmanazar and sherry suggested that if there were any pattern here, it was a pattern of registering domain names associated in one way or another with wine. Accordingly, the allegations under paragraph 3a(iii) of the policy failed.

So far as the Respondent's contentions as to setting up a business were concerned, after carefully analysing the financial and other material provided by the Respondent, she concluded that it did not support the Respondent's claim that his interest in champagne in 2000-1 amounted to a business. However, the purchase of vinyl tape indicated "an intent to dispatch champagne in quantity". She concluded:

"Overall, I interpret the evidence as pointing to the Respondent indeed having had a liking for and interest in champagne. Whether this was primarily for personal enjoyment or with the intention of trading in champagne is not clear. The two motives may well have co-existed."

So far as registration was concerned she concluded that:

"the original registration of the name (paragraph 1(i) of the Policy) was the action of a collector of attractive and valuable or potentially valuable items. The Respondent's liking for champagne will have led him to recognise the potential for himself or somebody else to make good use of champagne.co.uk, for example to sell champagne or provide information about champagne. Whether or not he was aware of CIVC as such, he will certainly have been aware of the protected status of the name, but the name could be used in a number of ways consistently with CIVC's mandate, and I cannot see simply registering the name as having been an abusive act."

Turning to the question of subsequent abusive use, the Expert identified and commented upon three categories of use of the domain name as follows:

(i) No known use, from 1997 to 2000.

The lack of use could not be abusive where there was no evidence that the Respondent had tried to sell the name, whether to the Complainant or anyone else.

(ii) Champagne-related uses. For example, the 'coming soon' champagne store site in 2000-1, and the redirection to Majestic Wine in 2003.

All of these uses were "within the proper realm of the name". There was no suggestion of the Respondent promoting or selling champagne substitutes, or non-champagne products that could be mistaken for or confused with champagne. The Expert also noted that Majestic Wine is "a reputable dealer in champagne as well as other wines and drinks".

(iii) Non-champagne related uses. For example, the commercial link to the Respondent's car number plate website.

The Expert decided that that there was no likelihood of confusion as a result of that use because anyone typing the name champagne.co.uk into a browser "would have rapidly realised that he was not being offered champagne".

She accepted the re-direction to unrelated websites may have been "marginally detrimental" to the reputation of champagne, but ultimately concluded that this was insufficient to amount

to abusive use. In coming to her conclusions she relied upon the Nominet appeal decision in the *Parma Ham* case (*Consorzio del Prosciutto di Parma v Vital Domains Ltd* DRS 00359). In *Parma Ham* the respondent had registered domain names for the purpose of generating traffic to a website, and later decided to market these and “other generic domain names” when he realised their potential.

The Expert considered it important that in *Parma Ham* the panel did not find the redirection to the Respondent’s website objectionable or abusive, noting that the panellists “did not even comment on it (and neither did the original expert), focusing instead on the offer for sale”.

The Expert accepted that there were differences between the *Parma Ham* case and the case before her (for example, the fact that the destination website in *Parma Ham* was that of a domain name dealer, whilst in this case, when not champagne related, it has been that of a car number plate dealer”), but the parallels were in her view sufficient to conclude that the Respondent’s use was not abusive.

7. Appeal Submissions

Complainant/Appellant

The Complainant’s contentions in the Appeal can be summarised as follows:

- a) The Expert in her decision failed to give due weight to the English common law right of the Complainant’s members under the law of passing off.
- b) Reference is made to the Court of Appeal decision in *British Telecommunications & others v One in a Million* [1998] EWCA Civ 1272 (the “One in a Million Case”) and the now well-known statement in the leading judgment of Lord Justice Aldous:

“It is accepted that the name Marks & Spencer denotes Marks & Spencer Plc and nobody else. Thus anybody seeing or hearing the name realises that what is being referred to is the business of Marks & Spencer Plc. It follows that registration by the appellants of a domain name including the name Marks & Spencer makes a false representation that they are associated or connected with Marks & Spencer Plc. This can be demonstrated by considering the reaction of a person who taps into his computer the domain name marksandspencer.co.uk and presses a button to execute a “whois” search. He will be told that the registrant is One In A Million Limited. A substantial number of persons will conclude that One In A Million Limited must be connected or associated with Marks & Spencer Plc. That amounts to a false representation which constitutes passing-off.”

- c) The Expert made an error in finding no pattern of registration. In particular, she failed to take sufficiently into account in her decision the registrations in names such as campbells, fortune-500, fortune500, friends, pringle-golf, quiksave, regain, silverstonecircuit, and U2. Reference in this respect is made to the decision of the Expert in *Proctor & Gamble v Toth* DRS 03316 (bounce.co.uk). The registration of well-known marks is “what provides the pattern”.
- d) The Expert should have followed the reasoning of the Expert in *Seiko UK Limited v. Designer Time/Wanderweb* DRS 00248. The Complainant in particular quotes a passage in that decision, replacing references to “Seiko” with the word Champagne. The original passage in full is as follows:

“In the present case, both the relevant marks are used in the respective Domain Names in a trade mark sense. The message they convey in the first case is that the user is going to a SEIKO Shop site, in the second case, to a SPOON watch shop site. The Respondent’s arguments that the use of the marks is somehow in accordance with honest practices in such matters are not convincing. Such arguments might have had some weight if the Respondent had adopted a more genuinely descriptive domain name such as “We-sell-SEIKO-watches.co.uk”, but the evidence shows that

the Respondent chose SeikoShop.co.uk and SpoonWatchShop.co.uk because those would take most effective advantage of the reputation and goodwill established by the Complainant in its famous house mark SEIKO and in its product mark SPOON for watches. From quick Google searches for relevant terms (e.g. SEIKO UK and SPOON WATCH), it appears that the Respondent's tactics have been successful. However, it is also apparent that other traders manage to achieve high ratings on these searches without having to confusingly appropriate the marks in their domain names. "

Respondent

For the most part, the Respondent in his Appeal Notice Response repeats arguments that he raised before the Expert and also seeks to support the reasoning of the original Expert.

In response to the passage in *One in A Million* quoted by the Complainant, he maintains that:

"To suggest that a person who has sufficient technical knowledge of the internet to search via the medium of a "who is" search on www.champagne.co.uk would then link the fact that the Registrant, being the Respondent, is in fact in any way connected with the official body representing Champagne, is preposterous".

However, the heart of the Respondent's contentions is to be found in the following passage:

"There was no intention or attempt to trade off the reputation and goodwill of anyone. It is possible that an individual searching www.champagne.co.uk expecting to find Champagne would be momentarily disappointed by not being transferred to a site connected with Champagne. This is regrettable, but it is not an attempt to trade off the name "Champagne". It is inconceivable that anybody searching for or about Champagne would then be encouraged to buy a number plate. It is not abusive. The diversion of this site to any other site was a temporary measure. It is unfortunate that this measure became protracted but as can be seen by the earlier submissions and documentation provided in support, that there was a clear intention and in fact, an actual trade on this site."

8. Discussion and Findings:

General

The Complainant is required under clause 2b of the Policy to 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.

Complainant's Rights

"Rights" are defined in the Policy and in the Procedure. Rights "includes, but is not limited to, rights enforceable under English law".

The Respondent does not contest the submission on the part of the Complainant that it has Rights in the name CHAMPAGNE. Nevertheless, it is useful to set out in greater detail exactly what the relevant rights are in this case.

CHAMPAGNE is a term that is specifically protected under European law. There appears to be some confusion as to the exact legislation that applies here. The Complainant refers to Regulation No 510/2006 but, as the original Expert alludes to in her decision, Article 1 of that Regulation now expressly excludes "wine-sector" products. So far as we can ascertain, the

relevant law here is Council Regulation (EEC) 823/87 (as amended). The nature and scope of the provisions was considered by the Court of Appeal in *Taittinger SA and Others v Allbev Ltd. and Another* [1993] FSR 641 (a case in which the Complainant was one of the Plaintiffs in a claim against the producers and wholesalers of a non-alcoholic fizzy drink under the name "Elderflower Champagne"). As Peter Gibson LJ noted at page 671:

"Article 15(2) [of the Regulation] refers to 'champagne' in relation to France. Article 15(5), as amended, reads:

'The following may be used for the description and presentation of a beverage other than a wine or grape only if there is no risk of confusion as to the nature, origin or source and composition of such beverage...a traditional specific term referred to in paragraph 2.'

Thus, put shortly, only if there is no risk of such confusion can the word champagne be used for the description and presentation of a drink like Elderflower Champagne.

...

The Regulation is of course directly applicable and so it confers enforceable rights on persons within Member States."

However, as the Complainant makes clear in both its complaint and appeal submissions, this is not the sole extent of the Rights relied upon. In particular, it relies upon its common law rights in the term CHAMPAGNE. The term CHAMPAGNE has long been known to refer to the world famous sparkling wine from the Champagne region of France sold under the Champagne AOC. Through extensive sales of the wine over many years in the UK a very substantial reputation and goodwill now vests in the name CHAMPAGNE. That goodwill has been recognised in the English courts on numerous occasions. The first case in which we are aware this occurred was *Bollinger v Costa Brava Wine Co. Ltd* [1960] RPC 16. More recently it was recognised in the *Taittinger v Allbev* referred to above.

Nevertheless care needs to be taken not to equate this right under the law of passing off to what is sometimes referred to as "unregistered trade mark" rights in a brand name. As was most recently explained by the Court of Appeal in *Chocosuisse Union Des Fabricants Suisses De Chocolat & Ors v Cadbury Ltd* [1999] EWCA Civ 856.

*"The claim...is not a claim for passing-off in the classic form -- that is to say, a claim against a defendant trader who represents his own goods as the goods of the individual complainant. Rather it is a claim in the extended form of passing-off, first recognised and applied in this jurisdiction by Dankwerts J in *Bollinger and others v Costa Brava Wine Company Limited* [1960] 1 RPC 16 (the "Spanish Champagne case"), and subsequently endorsed by the House of Lords in *Erven Warnink BV v J Townend & Sons (Hull) Limited* [1980] RPC 31 ("the Advocaat case").*

In the latter case Lord Diplock pointed out, at page 94 line 42 to page 95 line 5, that the features which distinguished the Spanish Champagne case from all previous cases were (a) that the element in the goodwill of each of the individual plaintiffs that was represented by his ability to use without deception (in addition to his individual house mark) the word "Champagne" to distinguish his wines from sparkling wines not made by the champenoise process from grapes produced in the Champagne district of France, was not exclusive to himself but was shared with every other shipper of sparkling wine to England whose wines could satisfy the same condition and (b) that the class of traders entitled to a proprietary right in "the attractive force that brings in custom" represented by the ability without deception to call one's wines "Champagne" was capable of continuing expansion, since it might be joined by any other shipper who was able to satisfy that description. It is the presence of comparable features which marks the extended form of passing-off."

The consequences of this were explained in greater detail by the judge at first instance in *Chocosuisse* ([1997] EWHC 360 at para 14):

“In the new extended form of the action, no proprietor currently using the name in relation to his goods can prevent any new competitor of his making or selling goods to which the name can accurately be applied and from using the name for that purpose. The current users of the descriptive word can only use their shared interest to prevent others from using it on products for which it is not a proper description or designation. Furthermore it is not open to any existing user of the protected name to use it on products for which it is not an accurate description or designation. Messrs Taittinger are no more entitled to use the word “Champagne” on a non-alcoholic cola drink than anyone else. Those entitled to use the word share a common interest in protecting its purity as a designation applied to a particular type of goods but in no real sense does it belong to an individual trader to do with as he likes.”

We should add that it is also quite clear that the Complainant has sufficient interest in these rights to bring this Complaint. The Complainant was established by French decree in 1941 as a trade body to promote and defend those involved in the production and sale of champagne. In cases brought before the courts in England, the status of the Complainant as the representative of the champagne producers, merchants and bodies concerned with the regulation of the Champagne AOC and as custodian of the CHAMPAGNE name has been fully recognised.

Accordingly, we are satisfied that the Complainant has Rights in a name which is identical to the Domain Name (ignoring the <.co.uk> suffix).

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.

A non-exhaustive list of factors which may be evidence that the Domain Name is an Abusive Registration is set out in paragraph 3 of the Policy. These include:

3aii 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; and

3aiii The Complainant can demonstrate that the Respondent is engaged in a pattern of registrations where the respondent is the registrant of domain names (under .uk or otherwise) which correspond to well known names or trade marks in which the Respondent has no apparent rights, and the Domain Name is part of that pattern.

On the other hand, paragraph 4 of the Policy sets out a list of factors that may be evidence that the Domain Name is not an abusive registration, including:

4ai Before being aware of the Complainant’s cause of complaint (not necessarily the “complaint” under the DRS), the Respondent has

- A. 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.

As the Expert recorded in her decision, it is apparent from the history of the website at the Domain Name, reconstructed by the Complainant using the Internet Archive available through web.archive.org, that there has been a number of phases of different use of the Domain Name by the Respondent.

a) The Domain Name was registered on 10 June 1997. There is no evidence of its use before August 2000;

b) From August 2000 to September 2001, the website at the Domain Name carried a picture of glasses containing a white wine and the message "Welcome to Champagne.co.uk the store is coming soon so please visit again. Champagne.co.uk is a UKIP portal site to be launched later this year";

c) From September 2001 to March 2007 the Domain Name resolved to various web pages, mostly containing commercial links, including links to the Respondent's car number plate website at www.newreg.com. For part of the period the links were related to champagne or wine. In particular, from February to June 2003 the name redirected users to the website of Majestic Wine, the well-known wine warehouse selling a wide range of wines including champagne;

d) In March 2007, a new website was established at www.champagne.co.uk with several pages, some of which provided information about the Champagne region and the history and production of the wine. It was later updated to a website that at the date of the Expert's decision gave the appearance of a functioning online champagne merchant.

In a complaint of this sort, where the Respondent files a response to the Complaint and makes other submissions, it is necessary to weigh in the balance the evidence and explanations put forward by the parties and the respective factors that may demonstrate that the Domain Name is or is not an Abusive Registration. The Expert (or Appeal Panel) does so, however, conscious that a complaint under the Policy is not a judicial process and provides only limited opportunity to test the evidence or to resolve conflicts of evidence.

So far as the initial registration of the Domain Name is concerned there is little evidence as to the circumstances in which it was registered or the motives of the Respondent in doing so. It appears that the Domain Name was not used for over three years after it was registered. The Respondent accepts that he is the registrant of over 1,000 domain names, many of them dating back a number of years. The obvious inference, which the Respondent does not explicitly address in any of his submissions, is that his diverse business interests include dealing not only in car number plates but also in domain names. That is not, of course, in itself objectionable either as a matter of principle or under the Policy.

What is objectionable is acquiring domain names with a view to cybersquatting and extracting value from the domain name registration by taking unfair advantage of the Rights in a name identical to or similar to the domain name. The Policy explicitly provides (at paragraph 3a1A) that registration with a view to selling a domain name to the owner of Rights in such a name or to a competitor of such owner, for more than the out of pocket expenses of the registration, is evidence of an abusive registration.

The Complainant points to a number of the other domain names registered by the Respondent that correspond to well known names in which the Respondent has no apparent rights. There does appear to be a number of domain names that fall into this category including <campbells.co.uk>, <fortune500.co.uk>, <pringle-golf.co.uk> and <quicksave.co.uk> for which the Respondent offers no explanation. There are also many hundreds of other registrations where the names are meaningless (such as <1b.co.uk> and <a3.co.uk>) or are simply generic names such as <accidents.co.uk>, <bags.co.uk> and <suitcase.co.uk>.

According to the Complainant the fact that the Respondent has registered a number of Domain Names, for which there appears to be little justification, is enough for there to be a

pattern of registration falling within paragraph 3a(3) of the Policy. In some circumstances, this might be sufficient. However, as the original Expert noted, the Respondent also registered domain names such as brandy, collectablewine, imported wine, jeroboam, methuselah, nebuchadnezzar, salmanazar and sherry, which rather suggests that the registration of the Domain Name was part of a pattern of registering domain names associated in one way or another with wine.

The Complainant appears to contend that this does not matter and all that is necessary to show a pattern for the purposes of paragraph 3a(3) is a history of abusive registrations, and it cites the decision of *Proctor & Gamble v Toth* DRS03316 (bounce.co.uk) in this respect. However, we believe that this misunderstands both the *Bounce* decision and the nature of 3a(3) of the Policy.

Where a respondent has registered a series of domain names which correspond to well-known names or trade marks, if he also registers a name which might have a trade mark related or non trade mark related use, it will often be possible to infer that it was with the trade mark use in mind that the registration took place. If, however, that registration can be more naturally seen as part of a separate pattern of registrations that does not involve the use of well-known trade marks, it is more difficult to draw that inference. Paragraph 3a(3), and in particular the final words “and the Domain Name is part of that pattern”, need to be read accordingly.

In *Bounce* the appeal panel did not expressly consider the wording of paragraph 3a(3) of the Policy. However, it was a case where the registrant had a track record of hijacking other people’s names, the trade mark rights relied upon had a high degree of fame and the domain name was not obviously part of a pattern of registrations of domain names that had no trade mark significance (the examples given by the panel in paragraph 8.3.9 (4) are ‘hop’, ‘skip’ or ‘jump’). This led the panel to conclude that the domain name had been registered with the Complainant’s trade mark rights in mind (although even then the panel admitted that, given the registrant’s many other registrations which did not appear to have any obvious trade mark significance, this was far from a clear cut case).

In this case, the position is very different. There is no real issue as to whether the Domain Name was registered by the Respondent with the champagne wine in mind. The Respondent clearly admits that this is so. Indeed, if there were any doubt about it, the registrations of brandy, collectablewine, imported wine, jeroboam, methuselah, nebuchadnezzar, salmanazar and sherry, all make it clear that this was the case. Instead, the question is whether his intended or actual use of the Domain Name with champagne products in mind was or was not abusive.

The Respondent maintains that he has always used and intended to use the Domain Name for the promotion and sale of champagne. In support he relies in particular on:

- a) the reference to champagne on the website from August 2000 to September 2001;
- b) an invoice for the purchase of white vinyl tape printed “champagne.co.uk” in October 2000;
- c) some limited purchases and sales of champagne by the Respondent in 2000/2001;
- d) the more active promotion and, it appears, sale of champagne through the website since March 2007.

In our opinion, the use of the Domain Name since March 2007 sheds very little light on the Complainant’s intentions either at the time of registration back in 1997 or subsequently. It was clearly an act that was prompted by the fact of this Complaint. The Expert in her original decision commented that the “Respondent’s sudden resurgence of interest in champagne trading, when faced with losing his domain name, [struck her] as very natural...”. Perhaps this is a reasonable explanation if the Respondent did indeed always intend to use the Domain Name in this fashion, but we find it of no real assistance to us when it comes to the question of what were the Respondent’s true intentions.

We do agree with the Expert's view that the Respondent's dealings in champagne over 2000/2001 do not amount to any significant evidence of preparations to use the Domain Name for the sale of champagne. The dealings were of fairly small numbers over a short period. They were conducted through a bank account whose details are not given but which clearly relates to another business, presumably of the Respondent. In contrast, the purchase of a substantial quantity of vinyl tape printed "champagne.co.uk" in October 2000 (albeit the purchase was by UKIP, the Respondent's Internet services company) does suggest some commercial intention for the Domain Name. However, it sheds little or no light on the nature of that commercial intention (at least none that helps much in understanding the character of the domain name registration). There is certainly no evidence of any use of the Domain Name in connection with a genuine offering of goods or services before the Complaint was sent to the Respondent.

The Expert's overall conclusion in this case so far as the initial registration was concerned was that this was:

"...the action of a collector of attractive and valuable or potentially valuable items. The Respondent's liking for champagne will have led him to recognise the potential for himself or somebody else to make good use of champagne.co.uk, for example to sell champagne or provide information about champagne."

Whilst we are perhaps somewhat more sceptical of the Respondent's professed intentions in this case than the Expert, on balance we think that this assessment is probably right.

However, the Expert then went on to assert:

"Whether or not he was aware of CIVC as such, he will certainly have been aware of the protected status of the name, but the name could be used in a number of ways consistently with CIVC's mandate, and I cannot see simply registering the name as having been an abusive act."

This we have somewhat greater difficulty with. First, we question whether the Respondent did know about the protected status of the Champagne name, if what is meant by that is that he knew that the Complainant and/or its members had rights in the CHAMPAGNE name under the law of passing off or under European union law. However, we do not think that this is in fact relevant to the issue that we have to decide. The more significant concern is that it does not necessarily follow from the fact that the Domain Name could be used "consistently with CIVC's mandate" that the registration and use of the Domain Name is not abusive.

Relevant here is the decision of the Nominet Expert and Appeal Panel in DRS 00248 *Seiko UK Limited v Designer Time/Wanderweb*. In that case, the respondent sold genuine Seiko watches from a website using the domain name <seiko-shop.co.uk>. The appeal panel supported the proposition that the use of a name as a Domain Name without the consent of the owner of rights in the name for selling genuine products under the name could make the false representation that there was something official or approved about the website. That could in turn constitute unfair advantage being taken of the rights in the name by the user of the domain name. The appeal panel held that it was unfair of the respondent to appropriate Seiko's trade mark as a domain name.

Unsurprisingly, the Complainant seeks to rely upon that case and contends that it is essentially indistinguishable from the current one (even, as is explained above, quoting from the decision of the original Expert in that case but substituting the term "champagne" for "Seiko"). The argument seems to be that the CHAMPAGNE name is as much a "trade mark" (albeit an unregistered one) as SEIKO, the difference simply being that it is a trade mark that is shared between a number of different champagne producers in the Champagne region of France.

The *Seiko* decision has been the subject of some debate. However, it does not necessarily follow from the reasoning in *Seiko* that use of the term CHAMPAGNE for the sale of genuine champagne products would be abusive. As we have explained in some detail above,

common law rights under the law of passing off in the name Champagne are not quite of the same character as common law rights under the law of passing off in the name for a product that is exclusively referable to one producer or rights owner.

Furthermore, how the public perceives the use of the term "champagne" in a domain name may be somewhat different from how it perceives the use of a term like "Seiko". Champagne describes a class of products with a particular set of characteristics. It is a brand that is one step further removed from its producer than is the case where a brand is exclusively referable to one commercial entity. In the circumstances, an Internet user who types into a browser the term 'Seiko' may well expect to encounter a Seiko authorised site, whilst, in the case of 'champagne', he may merely expect to see content that is related to champagne products. This in turn may have a significant bearing on whether the registration and use of the domain name is abusive.

However, we note that there are also arguments the other way. For example, could not the use of the Domain Name by one of the famous Champagne houses also be said to be an abusive registration because it would have appropriated to itself a name in which it had Rights but which took unfair advantage of the totality of rights held jointly by the broader constituency represented by the Complainant? If that is so, it is but a short step to say that the use by a retailer of champagnes to sell champagnes from one house or a selection of houses is similarly abusive.

Ultimately, we have come to the conclusion that in this case there is no need to form a view on this issue. The Respondent accepts that for a substantial period from September 2001 to March 2007 the Domain Name was used to point to web pages that included a number of commercial links to websites including that of the Respondent's business selling car number plates. We are in no doubt that the use of the Domain Name over this period constituted use in a manner which took unfair advantage of or was unfairly detrimental to the Complainant's Rights in the name CHAMPAGNE. Visitors to the web pages comprising such links would not have arrived there if it had not been for the use of the CHAMPAGNE name as the Domain Name. They only did so because of the use of the attractive force of the name CHAMPAGNE.

In our view, it does not assist the Respondent that an Internet user might quickly have realised that the website he had reached had no connection with Champagne or, indeed, with the Complainant. The consensus view amongst Nominet Experts is that where a registrant registers or uses a domain name so as to take advantage of "initial interest confusion", which causes a user to visit a website expecting it to have some connection with a well-known name comprised in or constituting the Domain Name, he takes unfair advantage of the Rights in the name.

In this case, even if the Domain Name were, as the Respondent contends, only "temporarily" re-directed to the new registration number plate site, we have little doubt that the Respondent was taking such unfair advantage. The first website page that operated from the Domain Name was a holding page that made reference to champagne. At some point in September 2001 a positive decision was made by the Respondent to redirect the Domain Name to his car number plate site. Perhaps the advantage that he hoped to gain from this was slight, but nonetheless we are of the view that it was with this advantage in mind that the change was made.

Further, we consider that the link to the Majestic Wine website from February to June 2003 also involved an abusive use of the Domain Name. Why this was done is never really explained by the Respondent. There is no evidence that the Respondent sought personally to gain from that link but, in our view, whether he did or did not does not matter. The use of "initial interest" confusion to direct traffic to a website to the advantage of a third party is in our view also abusive.

It is no answer to this to say that Majestic Wine are and were retailers of champagne. The fact is that they sold many products other than champagne and that (perhaps quite innocently so far as Majestic Wine were concerned) the undoubted reputation that exists in the name

CHAMPAGNE was being used for the purposes of promoting products that were not champagne and were to some degree in direct competition with champagne.

We are therefore satisfied that at least for the period when the Domain Name resolved to web pages comprising a number of commercial links to other websites, including the Respondent's website selling car number plates, the Domain Name was used by the Respondent in a manner which took unfair advantage of the Complainant's Rights.

We are conscious that our finding may conflict with aspects of the majority decision of the Appeal Panel in *Parma Ham*. The Expert heavily relied upon this decision although, as she pointed out, paragraph 10c of the Policy provides that "Appeal decisions will not have precedent value, but will be of persuasive value to Experts in future decisions". We therefore consider it helpful to make the following comments:

1. An important factor in the panel's decision in *Parma Ham* was its finding that at the time of registration the respondent genuinely and reasonably believed that the domain names were generic or descriptive terms and that it was neither aware of the existence of the complainant nor "would be likely to apprehend such a body would exist". We are not convinced that the panel was right to give such weight to the respondent's state of knowledge (at least so far as the existence of the complainant and the exact nature of the complainant's legal rights were concerned), but the case now before the Appeal Panel is factually different in any event. We believe that the Respondent in the current case was at all times well aware that the term CHAMPAGNE was not just a name for any wine that had certain characteristics as far as method of manufacture and/or taste were concerned. He would also have known that the term referred exclusively to a limited set of producers of such wine in the Champagne region of France. Even if he considered the term to be in some sense "generic", he did not do so to the degree that the respondent was found to have done in *Parma Ham*.

2. The majority view in *Parma Ham* was that the respondent, having fairly registered domain names it believed to be generic, was entitled to hold them with a view to selling them to someone it genuinely thought would be legitimately entitled to use the domain names. It did redirect traffic to its domain name trading site, but this was the mechanism whereby the domain names were "legitimately" offered for sale. In contrast, in the current case, there was no such "legitimate" excuse for the Respondent to link the Domain Name to sites selling products unconnected with Champagne.

We should add one last point. As we have explained, the nature of the "Rights" relied upon by the Complainant in this case was somewhat unusual. We therefore thought it would be helpful to explain in some detail why and in what way this was the case. Since the question of what "Rights" a complainant has is a question of law, it seemed appropriate in that context to make reference to certain English court decisions.

However, we have consciously not made reference to any English court decision on the question of abuse notwithstanding the Complainant's contentions that we should do so. In *Seiko*, the Appeal Panel accepted that in certain cases it might be appropriate for a panel to refer to case law on the issue of abusive registration. Nevertheless it also went on to make the following statement:

"Having said all of this, the Panel does not wish to encourage the massive citation of authority which bedevils civil litigation in the UK. The Panel considers that parties and Experts should not be overly concerned with whether or not an allegedly abusive registration also constitutes an infringement of registered trade mark. The question of trade mark infringement is, as both parties (and the Expert) agree, one for the courts to decide. The question of abusiveness is for the Expert to decide. The two jurisdictions co-exist alongside each other, and no doubt there will be considerable overlap. However there may well be factual scenarios in which an abusive registration under the Policy would not be an infringement of trade mark under the 1994 Act, and where an infringement of trade mark under the 1994 Act would not be an abusive registration under the Policy. The safest course for parties and Experts is simply to address the terms of the Policy."

We endorse this and believe that it also applies where, as here, the allegation is not one of trade mark infringement but passing off.

Overall, for the reasons given, we consider that the Domain Name has been used by the Respondent in a manner which took unfair advantage of or was unfairly detrimental to the Complainant's Rights in the name CHAMPAGNE and that the Domain Name, in the hands of the Respondent, is therefore an Abusive Registration.

9. Decision

Accordingly, we find that the Complainant 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. We therefore determine that the appeal against the Expert's decision be allowed and that the Domain Name be transferred to the Complainant Comité Interprofessionnel du Vin de Champagne.

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Ian Lowe – Chairman

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Matthew Harris

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Mark de Brunner

17 August 2007