

NOMINET UK DISPUTE RESOLUTION SERVICE

DRS 02316

SKOVBY MØBELFABRIK A/S

- AND -

STUART VALENTINE

RE: SKOVBY.CO.UK

Decision of Independent Expert

Parties:

Complainant: Skovby Møbelfabrik A/S

Of: Firschsvej 43
Galten
8464
Denmark

Represented by: Mr. Christian Kragelund

Of: Chas. Hude A/S
H.C. Andersens Boulevard 33
Copenhagen V
1780
Denmark

Respondent: Mr. Stuart Valentine

Of: Friars Vane
Coleshill
Amersham
Bucks
HP7 0LN
United Kingdom

Disputed Domain Name: skovby.co.uk

Abbreviations used in this decision:

Abbreviation	Definition
DRS	Nominet UK's Dispute Resolution Service
DRS Policy	Nominet UK's Dispute Resolution Service Policy as applicable after 25/10/04
DRS Procedures	Nominet UK's Dispute Resolution Service Procedures as applicable after 25/10/04
The Expert	Kirsten Houghton

Procedural Background:

1. The Complaint was lodged with Nominet on 20th January 2005 and hard copies were received on 24th January 2005.
2. Nominet validated the Complaint on 27th January 2005.
3. On 27th January 2005, Nominet sent the complaint to
 - (a) The Respondent's addresses (those registered and given by the Complainant) by post;
 - (b) By e-mail to the Respondent's email address listed in Nominet's database and
 - (c) By e-mail to [postmaster](#) at the Domain Name.
4. The Respondent filed a Response by email on 2nd February 2005, and in hard copy on 3rd February 2005. The Complainant did not serve a Reply. Mediation was attempted and, I assume failed. I have not been told any details of the mediation process.
5. On 24th March 2005, the Complainant paid the fee in order to obtain a decision of an independent expert.

6. On 24th March 2005, I confirmed to Nominet that I knew of no reason why I could not properly accept the invitation to act as expert in this case and further confirmed that I knew of no matters which ought to be drawn to the attention of the parties, which might appear to call into question my independence and/or impartiality. I did not receive a reply, and sent a further email on 30th March 2005 re-confirming the above matters in response to which I was sent the relevant documents.

Outstanding Formal/Procedural Issues (if any):

7. None

The Facts:

(1) The Parties – the Complainant

8. The Complainant is a furniture manufacturer based in Denmark.

(2) The Parties - the Respondents

9. The Respondent is a web designer. In particular, he is retained by a furniture retailer based in the UK called “Back in Action”, which imports and sells Skovby dining tables on its website and from retail showrooms.

(3) The Complainant’s rights

10. The Complainant is the holder of the following registered Community trade marks:

- (a) Graphic Representation of “Skovby” (762005, 28th July 1999) and
- (b) Graphic Representation of “MPF multipurpose furniture by skovby excellent dining rooms” (2484020, date not apparent from the papers provided)

both in Category 20 (furniture).

11. In addition, I am told that the Complainant has traded for more than 65 years, although I have not been provided with any details of turnover etc.
12. However, in the light of the above, I find that the Complainant has rights in the name “Skovby” which are enforceable under English law within the meaning of Clause 1 of the DRS Policy and Procedure.

(4) *The Complaint*

13. These Complaints were issued after 25th October 2004, and, accordingly, the amended DRS Policy and Procedures apply to it. The amended DRS Policy and Procedures has introduced some new factors which may be considered as evidence of abusive registration, and states:

3. Evidence of Abusive Registration

- a. A non-exhaustive list of factors which may be evidence that the Domain Name is an Abusive Registration is as follows:
 - i. Circumstances indicating that the Respondent has registered or otherwise acquired the Domain Name primarily:
 - A. for the purposes of selling, renting or otherwise transferring the Domain Name to the Complainant or to a competitor of the Complainant, for valuable consideration in excess of the Respondent's documented out-of-pocket costs directly associated with acquiring or using the Domain Name;
 - B. as a blocking registration against a name or mark in which the Complainant has Rights; or
 - C. for the purpose of unfairly disrupting the business of the Complainant;
 - ii. 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;
 - iii. 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;
 - iv. It is independently verified that the Respondent has given false contact details to us; or
 - v. The domain name was registered as a result of a relationship between the Complainant and the Respondent, and the Complainant:

- A. has been using the domain name registration exclusively; and
 - B. paid for the registration and/or renewal of the domain name registration.
- b. Failure on the Respondent's part to use the Domain Name for the purposes of e-mail or a web-site is not in itself evidence that the Domain Name is an Abusive Registration.
- c. There shall be a presumption of Abusive Registration if the Complainant proves that Respondent has been found to have made an Abusive Registration in three (3) or more Dispute Resolution Service cases in the two (2) years before the Complaint was filed. This presumption can be rebutted (see paragraph 4 (c)).

14. The Complaint does not refer to the DRS Policy or Procedures at all. It states so far as relevant:

On 27 November 2003 Mr Stuart Valentine registered the domain name skovby.co.uk. Accordingly the domain name registration was made after the application dates of the above mentioned community trade mark registrations.

The domain name skovby.co.uk directs traffic to the homepage of the company BACKINACTION. The company sells furniture, including the complainant's products. Attachment 5 shows the actual use of the domain name skovby.co.uk.

In June 2004 the complainant contacted the company BACKINACTION about the use and registration of the domain name skovby.co.uk. The company BACKINACTION referred to Mr Stuart Valentine as it was claimed that they had nothing to do with the registration.

Mr Stuart Valentine runs a web design company and does services for the company BACKINACTION. However, apparently the registration of the domain name skovby.co.uk has never been ordered by BACKINACTION.

The complainant forwarded on 30 June a new letter to BACKINACTION asking the company to cease the use of the domain name skovby.co.uk. A copy of the letter is attachment 7.

Mr Stuart Valentine was approached by email on 2 July 2004 (attachment 8). An immediate assignment of the domain name skovby.co.uk was demanded. A response to this came on 6 July 2004 from Mr Valentine's representative. He refused to transfer the domain name as the domain name was used in connection with promotion of the complainant's goods. The response is attachment 9.

The demand for transfer was repeated in letter dated 19 August 2004 (attachment 10) in which also references were made to the fact that the domain name was not only promoting goods produced by the complainant (see also attachment 5 where there are references to other kinds of furniture and trade marks not belonging to the complainant) and that the company BACKINACTION by contractual means was not allowed to register or use domain names containing the trade mark SKOVBY.

On behalf of the respondent a letter dated 13 September 2004 (attachment 11) was forwarded stating that the company BACKINACTION, as earlier mentioned, does not have any control of the domain name skovby.co.uk. It is solely registered for the purpose of assisting the respondent in attracting traffic to this client's homepage

www.backinaction.do.uk. This correspondence has forced the complainant to file this complaint.

The domain name skovby.co.uk contains the identical trade mark SKOVBY belonging to the complainant. The domain was registered on 27 November 2003 which is after the application dates for the complainant's European community trade marks, cf. attachment 3 and 4.

The respondent does not hold legitimate rights to trade marks, common law rights or company names which can justify the registration of the domain name skovby.co.uk.

The respondent registered the domain name in bad faith as he on the date for registration knew about the complainant's trade mark rights to SKOVBY.

The registration of the domain name skovby.co.uk is solely made for the purpose of servicing the respondent's clients. The company BACKINACTION has never asked for this registration and has no control whatsoever of the use of the domain name skovby.co.uk.

Accordingly the complainant claims that the domain name skovby.co.uk is an abusive registration as the registration is made by a person without any legitimate rights to SKOVBY, the domain name is used for promoting other goods than the complainant's, the domain name is fully under control by the respondent and accordingly the respondent disrupts the complainant's possibilities for using the domain name in their general commercial activities on the British market.

15. I have not been provided with a copy of the alleged contractual terms between Back in Action and the Complainant. The letter dated 19th August 2004 referred to by the Complainant does not state that Back in Action is prohibited from registering or using the Domain Name, but asserts that the contract provides that use of the Complainant's marketing material on the internet is only allowed subject to the Complainant's agreement in writing.
16. Further, the characterisation of Back in Action's response contained in the Complaint is not quite fair, in my view. Back in Action's reply was as follows:

"As far as we know, we do not own this web address. WE believe it is owned by our web design company.... And that the address is pointed at our site as part of his service to us.

We don't know of any reason why we should decline this, as presumably he owns the address legitimately. If you have another view, please let us know."
17. Further, the url does not point to Back in Action's home page, but to the section of the site that sells Skovby dining tables/chairs and nothing else.
18. The Response states:

Since November 2003 I have been hired by Back in Action to design, maintain and promote the Back in Action company website. ...

I believe that the domain name Skovby.co.uk was not registered in bad faith (as the complainant alleges). It was registered for the sole purpose of promoting and selling genuine Skovby products in the UK for my client, Back in Action. Back in Action has been selling Skovby products in the UK for over 10 years, both in their high street shops and more recently on their website.

I consider that using the Skovby.co.uk domain name gives my Client Back in Action “competitive edge” and I do not believe this to be an Abusive Registration.

The complainant also alleges that this registration was “for the purpose of assisting the respondent in attracting traffic to this client’s homepage www.backinaction.co.uk”. This is not true. The Skovby.co.uk domain name has always forwarded visitors directly onto the Skovby page of the Back in Action website (www.backinaction.co.uk/skovby), on which only genuine Skovby products are shown. (As seen in attachment 5 of the Complainant’s Statement.)

The domain name has not been used for any other purpose since registration. It is also not true that “Back in Action has never asked for this registration”. It was agreed that, as part of the service I offer Back in Action, I would register domain names that directly related to the genuine goods Back in Action sells in order to promote these products on the internet. It is considered by both parties that this service is an integral part of the ongoing promotion of the website. Each domain registered points directly to the associated products on the Back in Action website.

The Back in Action website is clearly branded as Back in Action (a re-seller) so as not to mislead the visitor into thinking that it is the manufacture’s website. Back in Action were fully aware that I had registered Skovby.co.uk in order to promote Skovby products on their website as they were charged for this promotion service, as listed in my invoice to them dated Friday, 12 December 2003 and again Friday, 03 December 2004. ...

I wish to highlight the similarity of this dispute to that of DRS 00285 – Sparco s.r.l –v- Steven Bennett.

19. The expert in DRS 00285, faced with a similar but not identical case (in that case, the disputed domain name was not yet linked to a website) held against the Complainant on several grounds under the old policy namely:
 - (a) Blocking
 - (b) Confusion and
 - (c) Under the inherent jurisdiction, “deliberate cross over”, where the expert said:

The Complainant seeks to advance its case by asserting that the two companies are

competitors: the possible appearance of the products of one company on the site of the other (given that neither company has any means of enforcing what products the Respondent advertises on his proposed sites) could lead to a considerable degree of confusion in the minds of consumers of the products and damage the business and reputation of the Complainant.

It is not clear to me whether the Complainant is suggesting that the possible cross-over of products from one site to the other is likely to arise accidentally, or as the result of a deliberate practice by the Respondent. In my judgement, the first of these two cases (accidental cross-over) is not sufficient to establish that the registration is abusive, especially not where the accident has yet to happen.

The second case (deliberate crossover) is quite different. That could well amount to using the Domain Name in a manner which took unfair advantage of, or was unfairly detrimental to, the Complainant's rights, which would fall within the second limb of the definition of Abusive Registration.

In this case, however, the cross-over has not yet happened (there is no active site at the Domain Name address). If the Complainant is to establish, even on the balance of probabilities, that there is to be a deliberate cross-over use of the site by the Respondent (between the Complainant's products and its competitor's), there would need to be at least some evidence tending to suggest that such behaviour was likely, or was contemplated etc. The Complainant has adduced no such evidence. The Respondent has asserted in his Response that it is his intention is to have two separate sites, each one exclusive to each brand so that there is no confusion, and the Complainant has offered no evidence or reasoning to suggest that the stated intention is anything other than true.

The Complainant further argues that the proposed use by the Respondent of the Domain Name to "give the competitive edge in the future", ie as a "commercial platform" to extend the Respondent's business, is not a use of the Domain Name in good faith. The Complainant offers no reasoning to support such an argument. Indeed, I find it difficult to see what reasoning could be used to validate such an argument, which seems to me to be without any merit.

20. I agree that this case is similar DRS 00285, and that the registration is not abusive. In particular, I do not consider that the implied allegation, similar to "deliberate crossover", made by the Complainant in this case is made out. Back In Action is using the Domain Name to promote sales of genuine Skovby products and the Respondent registered it on their behalf for that purpose. The design of the website seeks to avoid deliberate cross over by directing anyone who inputs www.skovby.co.uk to that part of the site which sells only the Complainant's products. Further, the Respondent's good faith was evidenced by his offer of a suitable undertaking not to use the domain name for any other purpose than its current one. This offer was rejected.
21. Neither party referred me to any other authority. However, the DRS Appeal Panel considered a similar situation in **DRS 00248 seiko-shop.co.uk** and

spoon.co.uk. The decisions of the Appeal Panel are not binding, but persuasive on the DRS Experts' Panel, and, accordingly, this decision should also be considered in this dispute.

22. In DRS 00248, the Expert described the Respondent's use as "*nominative fair use*" and, with guidance from the United Kingdom law on trade marks, from several decisions under the ICANN Uniform Dispute Resolution Policy (hereinafter "UDRP"), from decisions by the High Court and the European Court of Justice, proceeded to conclude that the Respondent's use strayed too far over the line that had to be drawn between what is fair use and what is unfair. The Respondent in that case had used the Complainant's trademarks as trading names for an internet business without the Complainant's permission. This, the expert held, breached the principles set out in **BMW v. Deenik** ECJ C63/97:

The Respondent referred to the judgement of the European Court of Justice in **BMW v. Deenik**, Case C-63/97, suggesting that it supported the Respondent's case. The Expert, on the contrary, considers that judgement might rather be applied against the Respondent. In **BMW v. Deenik**, which was not a domain name case, but which involved consideration of the right of a trade mark owner (BMW) to prevent informative use of its mark by a dealer, the Court held that the proprietor of a trade mark was not entitled to prohibit a third party from using the mark for such informative purposes "*unless the mark is used in a way that may create the impression that there is a commercial connection between the other undertaking and the trade mark proprietor, and in particular that the reseller's business is affiliated to the trade mark proprietor's distribution network or that there is a special relationship between the two undertakings.*"

In the Expert's opinion, use of the SEIKO mark in a trade mark sense in the Domain Name, Seiko-shop.co.uk creates precisely the sort of impression of a (non-existent) "special relationship" beyond that of one of Seiko's 800 ordinary retailers, which the ECJ would allow the trade mark owner to prevent."

23. The DRS Appeal Panel upheld the expert's decision in the following terms:

There are many different traders who may wish to make use of the trade mark of a third party e.g. the proprietor's licensee (exclusive or non-exclusive), a distributor of the proprietor's goods (authorised, unauthorised or 'grey market'), the proprietor's franchisee, or the proprietor's competitor engaged in comparative advertising. There are an infinite array of different factual circumstances which could arise under each of these categories.

Accordingly, we are not able to – and we are not going to attempt to – lay down any general rules governing when a third party can make 'legitimate' use of the trade

mark of a third party as a domain name. All we can do is decide whether the Expert came to the right conclusion on the evidence and submissions before him.

Essentially Seiko's complaint is that Wanderweb's registration of the Domain Names has gone beyond making the representation "we are a shop selling Seiko / Spoon watches" and is instead making the representation(s) "we are *The* Seiko/Spoon watch Shop" or "we are the official UK Seiko/Spoon watch shop". The latter form of representation is what we understand the ECJ to be referring to when, in the ECJ case C-63/97 *BMW v. Deenik*, it speaks of creating "*the impression that there is a commercial connection between the other undertaking and the trade mark proprietor*". An example of a domain name which, in the opinion of some members of the Panel, would make the former but not the latter representation was given by the Expert in paragraph 7.28 of the Decision: "we-sell-seiko-watches.co.uk".

The Panel agrees that if there is support in the evidence for the suggestion that the Domain Names make, or are liable to be perceived as making, the latter representation (i.e. that there is something approved or official about their website), this would constitute unfair advantage being taken by Wanderweb or unfair detriment caused to Seiko.

Seiko allege that Wanderweb's actions have disrupted their business and there is some evidence for this, submitted by Seiko, in the form of two letters from other customers which between them recount three instances of confusion.

The parties disagree about whether these two letters are or are not sufficient evidence of confusion. The Expert referred to them as being "*not substantial, but ... indicative of a likely problem*". Wanderweb attempts to downplay them on the basis that they were only written just prior to Seiko's Reply to their Response. However we are not prepared to reject this evidence out of hand. It may represent the only confusion which has in fact occurred, it may just represent the 'tip of the iceberg'. However, for present purposes we believe that the Expert was right to conclude that the letters are sufficient to satisfy the burden of proof that Seiko bears.

There is also a difference of opinion as to how to interpret the word 'primarily' where it appears in paragraph 3(a)C of the Policy. In our view 'primarily' is not the same as 'only' and although a domain name registrant may start out with the best of intentions, if the effect of his actions is to give rise to confusion and to disrupt a Complainant's business then he has fallen foul of this paragraph in the Policy.

Seiko draw attention to the fact that "*it is not a manufacturer but a distributor of watches in the United Kingdom*" and so "*it has not set up a franchise in which all the retailers would be allowed to call themselves SEIKO*". These retailers can freely promote and sell SEIKO watches but they "*do not have the right to usurp the rights in Seiko Company's registered trade marks themselves*".

That it is unfair for a mere agent to appropriate to himself the trading style of his principal is a well-established principle of UK and international law. Section 60 of the 1994 Act, importing into UK law Article 6 *septies* of the Paris Convention, allows for the refusal of a trade mark application that has been applied for by an agent or representative, if the rightful proprietor of the mark opposes the application.

The Panel takes the view that in the light of the evidence before the Expert and in the light of the submissions before him and on appeal, it is just as unfair for Wanderweb to appropriate Seiko's trade marks as a domain name."

24. It is not, at first reading, quite clear whether the Appeal Panel in DRS 00248 considered that any registration of a domain name incorporating a trademark

by someone other than the registered proprietor is an abusive registration; certainly the third paragraph quoted above suggests that at least some members of the Panel held that view. However, this is inconsistent with the general tenor of the passage, in which the Panel set out that there were situations in which such a registration was not abusive, declined to provide guidelines, and then sought to find evidence to support the existence of the prohibited representation.

25. In my view, this is the correct approach. If there can be legitimate registrations of registered trademarks by non-proprietors, it seems to me that, in order to establish abuse for the purposes of the DRS, the Complainant must provide some justification by way of supporting evidence of the abusive nature of the registration. It is insufficient, in my view, simply to assert ownership and demand transfer although, as demonstrated by the actual decision in DRS 00248, the evidential burden may not be particularly difficult to discharge.
26. In my view, for the reasons set out above, neither the Respondent in this case nor his client has overstepped the line drawn in **BMW v. Deenik** since the use to which the Domain Name has been put does not, in my view, give rise to any representation or suggestion that Back in Action's website is in some way approved or official or that Back In Action is in some way connected with the Complainant. From the information I have seen, Back in Action clearly trades under its own style, and has not attempted, so far as I can tell (and it is not alleged) to clothe itself in the Complainant's identity at all; in particular, it has not used the Complainant's registered graphics on its website, and, in fact, does not even mention the name "Skovby" in any of the text. There is no evidence of any actual confusion having been caused, and no suggestion (of the kind which existed in DRS 00248) that any confusion might occur. In my view, the necessary evidential link between the registration of the Domain Name and the prohibited representation has not been made.
27. If the use of the domain name is a breach of the terms on which the Complainant provides goods to Back in Action, that dispute is not within the

jurisdiction of the DRS and will have to be dealt with elsewhere if the Complainant wishes to pursue the matter.

Decision

28. I find that, whilst the Complainant has rights in the Domain Name, it is not an abusive registration in the hands of the Respondent. Accordingly, no action should be taken on this Complaint.

KIRSTEN HOUGHTON FCI Arb.

14th April 2005

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