

DISPUTE RESOLUTION SERVICE

DRS 07991

Decision of Appeal Panel

Toshiba Corporation

and

Power Battery Inc.

1. The Parties

Complainant: Toshiba Corporation
Address: 1-1 Shibaura 1-Chome,
Minato-Ku,
Tokyo
Postcode: 1005-8001
Country: Japan

Respondent: Power Battery Inc.
Address: Rm 802 Landmark North
39 Lung Sum Avenue
Sheung Shui
NT
Postcode:
Country: Hong Kong, China

2. The Domain Name

<toshiba-laptop-battery.co.uk> referred to as the "Domain Name".

3. Procedural History

On 1 December 2009 the Complaint was received. The next day it was validated and the Respondent notified, according to Nominet's usual practice, both by email and by special delivery post. The special delivery postal notification was returned to Nominet in late January as undeliverable, the

reason being shown as “*Moved, redirection service not arranged by addressee*”. There was no indication of the email (to a single, hotmail address) being undeliverable.

On 29 December, no response having been received, both parties were notified that this would be treated as a no-response case, which meant that the Complainant could choose to request a summary decision, which attracts a lower fee than a full decision. On 12 January 2010 the summary decision payment was received.

On 20 January the appointed Expert, Michael Silverleaf, delivered his summary decision, in favour of the Respondent. Unusually for a summary decision, Mr Silverleaf provided a five page explanation of his thinking and the reasons for his decision.

On 28 January the Complainant gave notice of intent to appeal against the decision and on 17 February submitted its appeal. On 18 February the Respondent was notified by email of the appeal and given until 4 March to respond. Again, no response was received.

On 12 March 2010 Claire Milne was appointed as chair of the Appeal Panel with Steven Maier and Ian Lowe as co-panellists.

Each of Claire Milne, Steven Maier and Ian Lowe (the undersigned, “the Panel”) have individually confirmed to the Nominet Dispute Resolution Service that:

“I am independent of each of the parties. To the best of my knowledge and belief, there are no facts or circumstances, past or present, or that could arise in the foreseeable future, that need be disclosed as they might be of a such a nature as to call into question my independence in the eyes of one or both of the parties.”

This is an Appeal against a Decision at first instance in favour of the Respondent. The Panel for this Case was appointed to provide a decision on or before 30 April 2010. This process is governed by version 3 of the *Procedure for the conduct of proceedings under the Dispute Resolution Service* (“the Procedure”) and the Decision is made in accordance with version 3 of the *Dispute Resolution Service Policy* (“the Policy”). Both of these documents are available for inspection on the Nominet website (<http://www.nominet.org.uk/disputes/drs>).

4. The Nature of This Appeal

The Policy §10a provides that: “the appeal panel will consider appeals on the basis of a full review of the matter and may review procedural matters”.

The Panel concludes that insofar as an appeal involves matters other than purely procedural complaints the appeal should proceed as a re-determination

on the merits. Accordingly, while the Panel takes note of the Expert's reasoning and sets out the main points of his Decision below, it does not propose to undertake a detailed analysis of the Expert's decision and will only refer to that decision where the Panel feels it would be helpful to do so.

5. Factual Background

The Complainant is world famous and is part of a group comprising more than 740 companies worldwide across a range of businesses including information processing, telecommunications and electronic components. It employs around 198,000 employees worldwide in Africa, Asia, Australia, Europe, North America and South America. It has used its TOSHIBA trademark and trade name for over 60 years.

The TOSHIBA mark is registered in more than 170 countries and Toshiba owns thousands of registrations for its TOSHIBA mark, including numerous UK and Community trade marks.

The Respondent registered the domain name on 11 April 2006 and has periodically renewed it since then; it is next due for renewal on 11 April 2012, with the register entry having last been updated on 1 February 2010.

The Domain Name resolves to a website selling, predominantly, replacement batteries for Toshiba laptops. The home page as exhibited by the Complainant features in the top left-hand corner the name:

T O S H I B A
-laptop-battery.co.uk

The rubric states "Toshiba-laptop-battery.co.uk is a online battery retail shop which specialize in Toshiba laptop battery, laptop AC adapter, laptop DC adapter, external laptop battery with high quality and best discount." At the foot of each web page is the statement "Copyright 2009 © Toshiba-laptop-battery.co.uk".

The home page also features photographs and descriptions of eight "POPULAR/NEW PRODUCTS". Of these, two are described as "100% OEM compatible"; another by "meet or exceed original OEM specification"; and another by "We guarantee Toshiba PA3098U replacement battery to be equal to or better than the original".

One of the nine tabs on the home page, labelled "Specials", leads to a web page offering HP, Dell, IBM, Sony, Acer and Compaq laptop batteries, as well as more Toshiba models.

The Respondent has no commercial connection or affiliation with the Complainant.

6. Parties' Contentions

Complainant

As no response has been received at either the initial or the appeal stage, the Complainant's contentions stand unchallenged. They are summarised below.

Toshiba's rights and renown

Toshiba is a long-established and very well known global business, active among many other things in the manufacture of notebook and laptop computers. It has used its TOSHIBA trademark and trade name for more than 60 years, during which it has sold hundreds of billions of dollars of products. It spends many millions of dollars each year to advertise and promote Toshiba and its TOSHIBA-branded products and services in countries around the world, including the United Kingdom.

Toshiba markets its products globally through an expansive network of authorized dealers located throughout the world, including the United Kingdom, and extensively promotes its products and services under the TOSHIBA mark on the Internet. For more than a decade, Toshiba has used its websites as worldwide information and distribution channels for its business. Toshiba maintains special websites for different countries and/or regions. For example, Toshiba operates a website for the UK, which can be accessed via the domain name <toshiba.co.uk>, where among other things it sells laptop batteries and power adapters.

Toshiba's TOSHIBA mark is registered in more than 170 countries around the world, including the UK. Toshiba owns thousands of registrations for its TOSHIBA mark, including numerous UK and European Community (CTM) registrations.

Similarity

The Domain Name is similar to Toshiba's TOSHIBA trademark because it consists of the TOSHIBA trademark in its entirety, the terms "laptop" and "battery" that relate to the business of Toshiba and its offering of laptop batteries, and the non-distinguishing, generic domain name suffix .co.uk.

Respondent's activities

The Respondent registered the Domain Name on 11 April 2006, long after Toshiba used its TOSHIBA mark, long after the effective date of Toshiba's trademark registrations for the TOSHIBA mark, and long after the TOSHIBA mark became famous.

The Respondent uses the Domain Name for a commercial website offering TOSHIBA batteries and power adapters for personal computers, and batteries manufactured by Toshiba's competitors HP, Dell, IBM, Sony, Acer, and

Compaq. This website also prominently uses the Domain Name as a trade name in the upper left hand corner of the site, in the text (such as “toshiba-laptop-battery.co.uk is a online battery retail shop” on the home page), and in the copyright notices on the website.

Abusive registration

The Domain Name constitutes an abusive registration under Paragraph 3(a)(ii) of the DRS Policy because the Respondent’s use of the Domain Name for a commercial website offering products manufactured by Toshiba’s competitors and TOSHIBA products has confused and/or will confuse Internet users into believing that the Domain Name is registered to, operated or authorized by, or otherwise connected with Toshiba. In other words, the Respondent’s use of the Domain Name including the TOSHIBA mark communicates to Internet users that there is a commercial connection between the Respondent and Toshiba that does not exist. Several DRS cases are cited:

DRS 6483 <bio-oil-direct.co.uk>: respondent’s use of the domain name for a website selling complainant’s BIO OIL products without complainant’s authorization constitutes an abusive registration because the domain name communicates there is a commercial connection between respondent and complainant;

DRS 2944 <epson-c44.co.uk> and two similar names: respondent’s use of the domain name among others for a website offering products manufactured by complainant and third-parties constitutes an abusive registration because it “is likely to confuse Internet users both as to what the respondent is selling and as to the connection between the respondent and the complainant”;

DRS4261 <bobcat.co.uk>: the use of the domain name by a formerly authorized distributor constitutes an abusive registration in part because the domain name may create “some form of commercial connection” between respondent and complainant;

DRS 7460 <heritagebathrooms.co.uk>: in the absence of any agreement or consent by the complainant as to the use of the domain name, the respondent’s use of the domain name to resell complainant’s products would constitute an abusive registration.

The registration is abusive under Paragraph 3(a)(i)(C) of the DRS Policy because the Respondent disrupts Toshiba’s business by using the Domain Name to offer products manufactured by Toshiba’s competitors, and to offer TOSHIBA products in direct competition with Toshiba’s own offering of the same products. Again DRS cases are cited:

DRS 3027 <epson-compatible-ink-cartridges.co.uk > and 13 similar names: respondent’s use of the domain names and among others to

offer products manufactured by complainant's competitors constitutes evidence of abusive registration;

DRS 4530 <sizzixdies.co.uk>: respondent's use of the domain name to offer complainant's products disrupts complainant's business because complainant also offers its products online.

The Respondent's use of the Domain Name for a commercial website offering products manufactured by Toshiba's competitors and TOSHIBA products does not constitute a genuine offering of goods or services or a legitimate fair use of the Domain Name. (UDRP cases NAF FA0407000297774 and WIPO D2004-0941 are cited).

The Respondent has not been commonly known by the name or legitimately connected with a mark which is identical or similar to the Domain Name. Indeed, given the international fame of Complainant's TOSHIBA mark, the Respondent could not be known by the Domain Name. (UDRP cases WIPO D2006-0768 and WIPO D2004-1066 are cited).

Respondent

No response was filed in the matter.

7. The Findings of the Expert

The Expert found that the Complainant had rights in a name or mark that was identical or similar to the Domain Name, but that the Domain Name in the hands of the Respondent did not constitute an Abusive Registration.

The Expert found that the Complainant had adduced no evidence of actual confusion caused by the Respondent's use of the Domain Name and no evidence of disruption to its business. Starting from the assumption that the Respondent's trade in the Complainant's goods was lawful, he found that it was clear as a matter of law that the Respondent was entitled to promote itself as specialising in the Complainant's laptop batteries and that it was entitled to explain that it is supplying products which were from the Complainant and for use with its products by using the Complainant's mark. The only question, therefore, was whether the Respondent's use of the mark crossed the line from legitimate to illegitimate in causing members of the public to believe that there was a commercial link between the Respondent and the Complainant.

The Expert's own view on reviewing the Respondent's website was that it clearly represented itself as selling batteries and other accessories for Toshiba laptops. No-one who reviewed the site could reasonably believe that it was associated with the Complainant. Indeed, the fact that the Respondent offered products from other manufacturers only served to reinforce the impression that it was an independent retailer.

The expert referred to WIPO case number D2001-0160 decided under the UDRP concerning the domain name <mercedeshop.com>. The majority of the Panel in that case had decided in favour of the respondent, the only material distinction from the present case being that there was an express disclaimer on the respondent's website.

The Expert considered this to be a difficult, borderline case that raised complex issues of fact and law that it was beyond the scope of the DRS procedure to determine. He therefore concluded that no action should be taken on the Complaint.

8. Appeal

As the summary decision agreed with the Complainant on Rights, the Appeal focused on arguments related to Abusive Registration. The Appeal Notice filed by the Complainant is set out below in full.

Kabushiki Kaisha Toshiba d/b/a Toshiba Corporation ("Toshiba") respectfully submits this Appeal for a full review of the matter pursuant to Nominet's Dispute Resolution Service Policy ("DRS"), and asks the Panel to overturn the DRS Decision denying Toshiba's Complaint against the domain name TOSHIBA-LAPTOP-BATTERY.CO.UK (the "Domain Name") by Power Battery Inc. ("Respondent") and to order the Domain Name transferred to Toshiba.

The Evidence Supports Toshiba's Complaint

1. Toshiba's Complaint established and the Decision agreed that:
 - a. Toshiba owns the famous and registered TOSHIBA trademark that identifies numerous products and services including batteries.
 - b. The Domain Name is similar to Toshiba's TOSHIBA mark.
 - c. Respondent uses the Domain Name for a commercial website offering products manufactured by Toshiba's competitors and TOSHIBA products, and as the name of its online store.
2. Based on these facts alone, Toshiba met its burden under the plain language of the DRS. Moreover, Toshiba's transfer request is supported by: (a) prior DRS Decisions, including similar reseller cases, and (b) prior reseller cases under the UDRP, including cases involving Toshiba's TOSHIBA mark.
3. The Expert nonetheless denied Toshiba's Complaint, finding that the Domain Name does not constitute an abusive registration. As shown below, the Expert's Decision is contrary to the DRS and prior decisions.

Toshiba Established Likelihood of Confusion

4. The DRS states that evidence of abusive registration may be use of a domain name "in a way which has confused or is likely to confuse people or businesses into believing that the *Domain Name* is registered to, operated or authorised by, or otherwise connected with the [c]omplainant; (DRS, § 3.a.ii; emphasis added). Many DRS decisions thus found that use of a trademark in a domain name communicates that the domain name is connected to the trademark owner, and thus likely to confuse. Here, Toshiba similarly established that Respondent's use of the TOSHIBA trademark in the Domain Name is likely to confuse, has confused, and/or will cause Internet users to believe that the Domain Name is connected with Toshiba. (Complaint, §23.)
5. Rather than following the DRS and prior DRS decisions that evaluate the domain name when determining likelihood of confusion, the Expert instead focused on the website content in finding users would not be confused *after* reading Respondent's website. (Decision, §§13, 15). The Expert did not cite any provision of the DRS or any DRS decisions supporting his departure from the DRS and prior decisions. Nor did the Expert address any of the directly on-point DRS and UDRP cases cited by Toshiba.
6. Moreover, the Expert's reliance on website content is contrary to the Appeal Panel's Decision in EPSON Europe BV v. Cybercorp Enterprises (DRS 03027), holding that confusion may arise from use of a trademark in the domain name, irrespective of website content. In finding abusive registrations, the EPSON Panel held that "initial-interest confusion is an admissible species of confusion in DRS cases", and "was likely to have occurred as a result" of the respondent's use of EPSON in the domain names to attract Internet users. (Epson 03027, §§9.4.4, 9.5.6). Likewise, Respondent here registered and uses the Domain Name containing Toshiba's mark to attract Internet traffic. The EPSON decision thus fully supports Toshiba's Complaint.

Toshiba Established Disruption

7. The DRS defines abusive registration as a domain name that "has been used in a manner which has taken unfair advantage of or has been unfairly detrimental to the Complainant's Rights," and states that evidence of abusive registration may be a domain name registered "for the purpose of unfairly disrupting the business of the [c]omplainant." (DRS, §§1.ii; 3.a.i.C). DRS (and UDRP) reseller decisions have consistently held that use of domain names to offer competitors' products constitutes evidence of disruption. (Complaint, §24). In particular, the EPSON Appeal Panel referenced above held

that the respondent's use of EPSON-formative domain names to promote the sale of competitors' products was "indicative of unfairness." (Epson 03027, §9.5.5). Likewise, Respondent's use of the Domain Name here to offer competitors' products constitutes abusive registration because it takes unfair advantage of Toshiba. This fact alone is sufficient for Toshiba to prevail.

8. The Expert, however, did not find that Respondent's use of the Domain Name to offer competitors' goods was indicative of unfairness. Instead, the Expert relied on one reseller case involving the domain name MERCEDESSHOP.COM, DaimlerChrysler A.G. v. Donald Drummonds (WIPO D2001-0160), which is irrelevant here for several reasons. Initially, the 2001 MERCEDESSHOP.COM case involved only the sale of MERCEDES products - not competitors' products like Respondent offers here. Moreover, there was a later UDRP decision involving the same MERCEDESSHOP.COM domain name. Daimler AG v. William Wood (WIPO D2008-1712). Significantly, like Respondent here, the 2008 case involved use of the domain name to offer both competitors' products and the trademark owner's products. The 2008 Decision ordered the transfer of MERCEDESSHOP.COM because the respondent's commercial use of the domain name to offer competitors' products and MERCEDES products was not a bona fide offering of goods but instead clear evidence of bad faith. Likewise, Respondent's use of the Domain Name to offer competitors' products and TOSHIBA products is not a bona fide or genuine offering of goods, but instead clear evidence of abusive registration.
9. DRS and UDRP reseller cases have also held that use of domain names to directly compete with the trademark owner's own offering of the same products, as Respondent does here, constitutes evidence of disruption. (Complaint, §24.) This evidence of disruption alone is sufficient for Toshiba to prevail.

The Expert Improperly Imposed Requirements Not in the DRS

10. The Expert viewed this case as outside the scope of the DRS because it involves a reseller and lacks "compelling evidence of confusion." (Decision, §§11-14). Neither the DRS nor prior DRS decisions, however, preclude cases against resellers, or require evidence of actual confusion let alone "compelling evidence of confusion."

9. 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 or otherwise...".

The Complainant has undoubted Rights in the world-famous mark TOSHIBA, comprising numerous trade mark registrations as well as unregistered rights acquired through long-standing and widespread use.

The Domain Name comprises the mark TOSHIBA together with the descriptive, non-distinctive words "laptop" and "battery". The Panel finds that the Domain Name is similar to a name or mark in which the Complainant has Rights.

Abusive Registration

Under paragraph 1 of the Policy, "Abusive Registration" means a Domain Name which either:

- i. was registered or otherwise acquired in a manner which, at the time when the registration or acquisition took place, took unfair advantage of or was unfairly detrimental to the Complainant's Rights; or
- ii. has been used in a manner which has taken unfair advantage of or has been unfairly detrimental to the Complainant's Rights.

Paragraph 3 of the Policy includes a non-exhaustive list of factors that may be evidence that the Domain Name is an Abusive Registration. These include the factors relied on by the Complainant, namely:

3ai Circumstances indicating that the Respondent has registered or otherwise acquired the Domain Name primarily...:

C for the purpose of unfairly disrupting the business of the Complainant;

3aai Circumstances indicating that the Respondent is using or threatening to use the Domain Name in a way that has confused or is likely to confuse people or businesses into believing that the Domain

Name is registered to, operated or authorised by, or otherwise connected with the Complainant.

While Paragraphs 3 and 4 of the Policy set out circumstances that may indicate that a registration is abusive or not abusive, all such considerations are subject to the overriding definition of Abusive Registration as set out above. The question of unfair advantage from or unfair detriment to the Complainant's Rights is therefore key.

This case involves the issue of whether the incorporation of a registered trade mark into a domain name by an independent, unauthorised retailer constitutes an Abusive Registration. This is not a question to which the answer is straightforward and it is one that has already exercised two DRS appeal panels in other cases.

There has been no Response and there is therefore no dispute as to the material facts:

- a) the Respondent has used the Domain Name for the purposes of a website carrying on a business under the name toshiba-laptop-battery.co.uk;
- b) the website offers for resale a mix of what the Complainant appears to accept are genuine Toshiba goods as well as products that are said to be compatible with the Complainant's goods;
- c) the Respondent has also offered goods of the Complainant's competitors on its website;
- d) the Respondent has no commercial connection or affiliation with the Complainant.

The Complainant has appealed on a number of grounds including the following:

- i. The Expert failed to follow prior DRS decisions which examine the domain name itself in evaluating confusion: see, for example, the decision of the DRS Appeal Panel in DRS 03027 *Epson Europe BV -v- Cybercorp Enterprises*. Instead, the Expert incorrectly focused on the content of the Respondent's website.
- ii. The Expert took no account of the fact that in "reseller" cases the sale of competing products on the respondent's website has consistently been held to amount to disruption to the business of the complainant and to be taking unfair advantage of its trade mark. The D2001-0160 <mercedeshop.com> case must be distinguished as it involved no such competing sales.

Nominet DRS complaints must be decided under the Policy and not by reference to trade mark infringement under English (or European Union) law.

As the appeal panel in DRS 00348 <seiko-shop.co.uk> stated (cited with approval in the DRS 4479 <champagne.co.uk> appeal):

"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 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."

Nevertheless, cases such as this feature concepts upon which there is jurisprudence under Community trade mark law from which some guidance may be available as well as from cases decided under the Uniform Domain Name Dispute Resolution Policy ("UDRP").

So, for example, EU and UK law does not entitle a trade mark proprietor to prohibit a third party from using the trade mark in the course of trade where it is necessary to indicate the intended purpose of a product or service, in particular as accessories or spare parts; provided he uses them in accordance with honest practices in industrial or commercial matters.

Furthermore, under the doctrine of "exhaustion of rights", a proprietor is not as a matter of principle entitled to prohibit the use of a trade mark in relation to goods which have been put on the market in the EEA under that trade mark by the proprietor or with his consent.

In the case of *BMW -v- Deenik* [C-63/97] the European Court of Justice considered whether the operator of a garage, which was unauthorised by BMW but specialised in BMW sales and repairs, was entitled to use the trade mark BMW in advertisements to describe the goods and services being offered. The Court decided that it was legitimate to use the mark to identify the source of the goods in respect of which the services were being offered, providing the independent operator did not take unfair advantage of the distinctive character or repute of the mark. Such unfair advantage would arise, in particular, where the mark was used in such a way that falsely created an impression of a commercial connection or affiliation with the trade mark owner.

The ECJ also considered the application of the doctrine of "exhaustion of rights" to the sales of second-hand BMW cars, i.e. that where the goods have been placed on sale within the EEA by or with the consent of the trade mark owner, the owner can only object to the use of the mark for the further sale of

those goods if there is a legitimate reason to do so. Once again, there would be a legitimate reason for objection if the reseller was using the mark in such a way as falsely to give the impression of a commercial connection or affiliation with the trade mark owner.

The Court concluded:

"If, on the other hand, there is no risk that the public will be led to believe that there is a commercial connection between the reseller and the trade mark proprietor, the mere fact that the reseller derives an advantage from using the trade mark in that advertisements for the sale of goods covered by the mark, which are in other respects honest and fair, lend an aura of quality to his own business does not constitute a legitimate reason [for opposing the use of the mark]".

Some guidance was also given recently by the Court of Justice of the European Union as to the meaning of the term "unfair advantage" in the trade mark context in the case of *L'Oréal v Bellure* [C-487/07]. It held that the concept of taking unfair advantage:

"does not require that there be a likelihood of confusion or a likelihood of detriment to the distinctive character or the repute of the mark or, more generally, to its proprietor. The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an advantage taken unfairly by that third party of the distinctive character or the repute of the mark where that party seeks by that use to ride on the coat-tails of the mark with a reputation in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image."

The more specific issue of the incorporation by resellers of trade marks into Internet domain names has been considered by expert panels under both the Nominet DRS Policy and the UDRP. The key decisions under the DRS Policy are the decisions of the appeal panels in *Seiko UK Ltd -v- Wanderweb* DRS 00248 which involved the domain name <seiko-shop.co.uk> and one other and *Epson Europe BV -v- Cybercorp Enterprises* DRS 03027 which involved the domain name <epson-inkjet-cartridge.co.uk> and 13 others.

In the *Seiko* case the appeal panel upheld the decision of the expert that the relevant domain names be transferred to the complainant. The panel stated that owing to the many different circumstances in which a reseller might be offering the trade mark owner's goods, no hard and fast rules as to incorporation of the trade mark could be laid down and each case must be examined on its merits. The panel supported the proposition that the use of a trade mark for a domain name without the consent of the trade mark owner for selling genuine products 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 rights in the mark by the user of the domain name.

The *Seiko* case was decided in part on the ground that the complainant had produced two letters demonstrating actual confusion in the marketplace (albeit that the force of these was disputed). However the panel also observed in closing that, under section 60 of the UK Trade Marks Act, the rightful owner of a trade mark could oppose an application for registration of that mark by an agent or representative. It took the view that on the evidence in the case “it is just as unfair for Wanderweb to appropriate Seiko’s trade marks as a domain name.”

This final observation of the panel does not appear to flow directly from the argument preceding it and it is assumed in any event that the panel in that case did not intend to suggest that, by virtue of section 60 of the Act, any incorporation of a trade mark into a domain name was automatically unfair.

In the *Epson Europe* case the appeal panel overturned the decision of the expert that the registration of the domain names in question was not abusive. The Panel notes that that case, like the current case, dealt with the sale of replacement parts/consumables rather than primary purchases. That case concerned 14 similar domain names relating to Epson ink and cartridge products and it appeared that the respondent had also registered names relating to Canon, HP and Lexmark products. All the relevant domain names resolved to a site offering printer consumables and related products, but the majority of the products on the site were products competitive with the goods of the complainant.

Referring to the approach in *BMW -v- Deenik* (cited by the panel in the *Seiko* case) the panel concluded that a helpful secondary question was whether the use of the domain name created the false impression of a commercial connection between the parties. The panel considered that confusion that may arise, irrespective of the content of the respondent’s site, merely as a result of the adoption of a domain name incorporating the complainant’s mark, can legitimately be taken into account and that this so-called “initial interest confusion” is an admissible species of confusion in DRS cases.

The panel stated that there was no absolute rule that a reseller’s domain name which incorporated a trade mark would be abusive. It commented that: *“the Respondent’s practice of adopting a multiplicity of web site address incorporating the trade mark for general promotional purposes, to divert potential customers to the Respondent’s website, irrespective of whether or not the business includes the sale of such genuine or compatible goods”* was a factor in deciding whether the misleading impression of a commercial connection was created.

In conclusion, the panel found that the registration was unfair and abusive for a number of reasons. It found that “initial interest confusion” was likely to have occurred as a result of the respondent’s adoption and use of the domain names. It noted that the complainant had alleged that the respondent chose

the domain names to divert traffic intended for the complainant and the respondent had not disputed that assertion. In addition, the panel regarded it as indicative of unfairness that the names were being used to sell products competitive with those of the complainant, as well as a heavy emphasis on third party “Epson compatible” products. The panel was also influenced by the sheer number of domain names at issue, which was suggestive of the unfair use of the complainant’s name to improve search engine rankings.

In looking at relevant decisions under the UDRP, care must be taken because the tests under the UDRP are different from those under the Policy. However, in *Oki Data America -v- ASD* [WIPO] D2001-0903 the Panel attempted to lay down criteria for the incorporation by a reseller of the trade mark owner’s mark, which have been followed in numerous other cases. The criteria are that:

- a) the respondent must actually be offering the goods or services at issue;
- b) the respondent must use the site only to sell the trade marked goods, otherwise it could be using the trade mark to “bait” customers and then offer them other goods;
- c) the site must accurately disclose the respondent’s relationship with the trade mark owner (i.e. must not falsely claim to be an official site);
- d) the respondent must not try to corner the market in relevant domain names, thus depriving the trade mark owner of the opportunity of reflecting its own mark in a domain name.

Broadly speaking, these four criteria are consistent with the principles of the two DRS appeal decisions discussed, which can be summarised as follows:

1. It is not automatically unfair for a reseller to incorporate a trade mark into a domain name and the question of abusive registration will depend on the facts of each particular case.
2. A registration will be abusive if the effect of the respondent’s use of the domain name is falsely to imply a commercial connection with the complainant.
3. Such an implication may be the result of “initial interest confusion” and is not dictated only by the content of the website.
4. Whether or not a commercial connection is implied, there may be other reasons why the reseller’s incorporation of the domain name is unfair. One such reason is the offering of competitive goods on the respondent’s website.

The issues of initial interest confusion and the offering of competitive goods on the Respondent’s website were not discussed in the Expert’s summary decision.

So far as confusion is concerned, the Complainant has presented no evidence of actual confusion in this case (despite the Domain Name having been registered in 2006). Furthermore, the Complainant does not appear to assert that anyone who actually visited the Respondent's website would believe it to be an official Toshiba site (although the Complainant does complain of the use of a Toshiba logo on the site). The only remaining possibility of confusion, therefore, would appear to involve "initial interest confusion", i.e. circumstances where Internet users will visit the Respondent's site in the first place because they have been led to believe it is a site operated or authorised by or otherwise connected with the Complainant.

The Panel does not believe that any reasonable Internet user who was looking to find an official Toshiba UK website in order to buy a genuine Toshiba battery would actually type the address www.toshiba-laptop-battery.co.uk. However, "initial interest confusion" could arise where, as is much more likely, a user types the terms "toshiba laptop battery" into a search engine and is then presented with a range of results including the Respondent's website address incorporating the Domain Name. The question is whether the Internet user would, at that point, be confused into believing that the Respondent's site was operated or authorised by the Complainant or was otherwise connected with the Complainant.

The view of the majority of the Panel is that the Complainant has not demonstrated, on the balance of probabilities, that the Respondent's use of the Domain Name would be likely to give rise to any such confusion. The majority panellists do not consider that either the Domain Name itself or the results of a search of the terms in question would be likely to result in any such confusion in the mind of the average Internet user, bearing in mind that a typical search page includes a short description of each "hit" as well as the actual domain name. So far as the name itself is concerned, the majority Panel believes that the Domain Name in this case falls into a very different category from cases involving the "unadorned" use of a trade mark (e.g. <toshiba.co.uk>), where Internet users may be presumed to believe that the name belongs to or is authorised by the complainant. In this case, two extra hyphenated words turn the domain name as a whole into a rather clear description of the main goods on offer at the website (replacement batteries for Toshiba laptop computers). In addition, this lengthy "adornment" may reasonably be seen as atypical of the usage of major rights owners, who are free to use much shorter unadorned names.

In the view of the remaining panellist, it is not necessary to pass such a severe test in order to demonstrate "initial interest confusion". As the DRS Expert Overview (available on the Nominet website at http://www.nic.uk/digitalAssets/39192_DRS_Expert_Overview.pdf) states at section 3.3, "Findings of Abusive Registration in this context are most likely to be made where the domain name in issue is identical to the name or mark of the Complainant and without any adornment (other than the generic domain suffix)." Nevertheless, "the activities of typosquatters are generally condemned...as are those people who attach as appendages to the

Complainant's name or mark a word appropriate to the Complainant's field of activity. See for example the Appeal decision in DRS 00248 (seiko-shop.co.uk)."

Here, the Respondent has merely appended the words "laptop" and "battery" to the Complainant's well-known mark, both words reflecting part of Toshiba's business.

In the view of the minority panellist, it is not necessary to have in mind the "average" Internet user or to show a likelihood of confusion or to consider whether on more careful reflection most Internet users might conclude that there was unlikely to be a connection between the website and the Complainant. Where, as here, it is quite likely that a substantial number of Internet users, presented with the Respondent's website in the results of a search, would suppose that there may be some such connection, that is sufficient to give rise to "initial interest confusion".

The further issue, however, is whether the fact of the offering of competitive products on the Respondent's website is sufficient to render the registration abusive, even in the absence of "initial interest confusion". On this question, the Panel unanimously considers that, if and insofar as it is fair for a retailer to incorporate a trade mark into its domain name without the trade mark owner's consent, to accord with the principles stated above that fairness is likely to be dependent upon the retailer only selling the trade mark owner's genuine products. To do otherwise is likely to take unfair advantage of the Complainant's rights by "riding on its coat-tails" for the benefit of the Respondent. This element of unfair *advantage* remains, even where little or no *detriment* to the Complainant has been demonstrated.

In this case, the evidence submitted by the Complainant shows that some of the goods offered by the Respondent are replacement batteries for laptops made by other manufacturers. Had the Respondent submitted any Response at either the first instance or appeal stage, it is conceivable that it might have made submissions about the extent of any competitors' products being offered and the significance that that Panel should attach to that aspect. In the absence of any such submissions, however, the Panel finds on the balance of probabilities that this aspect of the Respondent's conduct constitutes the taking of unfair advantage of the Complainant's rights and therefore renders the Domain Name in the hands of the Respondent an Abusive Registration.

Accordingly, on this ground, the Panel finds that the Domain Name in the hands of the Respondent is an Abusive Registration.

10. Decision

The Panel finds 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. It therefore

determines that the appeal against the Expert's decision be allowed and that the Domain Name be transferred to the Complainant, Toshiba Corporation.

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Claire Milne - Chair

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Ian Lowe

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Steven Maier

Dated 28 April 2010