

DISPUTE RESOLUTION SERVICE

D00010145

Decision of Independent Expert

Hennes & Mauritz AB

and

Zaibatsu, Inc

1. The Parties:

Complainant: Hennes & Mauritz AB
Regeringsgatan 48
Stockholm
10638
Sweden

Respondent: Zaibatsu, Inc
15500 SW Jay St. #46347
Beaverton
Oregon
97006
United States

2. The Domain Name:

<handm.co.uk> (“the Domain Name”)

3. Procedural History:

28 July 2011 11:35 Dispute received
28 July 2011 13:01 Complaint validated
28 July 2011 13:08 Notification of complaint sent to parties
16 August 2011 02:30 Response reminder sent
19 August 2011 08:23 Response received
19 August 2011 08:24 Notification of response sent to parties
24 August 2011 08:08 Reply received

24 August 2011 08:09 Notification of reply sent to parties
24 August 2011 08:10 Mediator appointed
31 August 2011 12:19 Mediation started
09 September 2011 10:52 Mediation failed
09 September 2011 10:57 Close of mediation documents sent
15 September 2011 16:06 Expert decision payment received

4. Factual Background

The Complainant is a fashion retailer. It was founded in Sweden in 1947 and has traded in the UK since 1976.

The Complainant is the owner of numerous trade marks including UK registered trade mark number 1383918 for H&M in Class 25, registered on 4 March 1994.

The Respondent is a dealer in domain names.

The Respondent registered the Domain Name on 23 November 2009.

5. Parties' Contentions

The Complaint

Rights

The Complainant submits that it has rights in a name or mark, namely H&M, which is identical or similar to the Domain Name.

The Complainant's H&M Group operates 2,300 stores in 40 markets. Its sales in 2010 were approximately SEK 127m and it employs more than 87,000 people.

The Complainant has used the mark H&M for over 30 years. It owns numerous trade mark registrations including Community and US registrations and the UK registration referred to above.

The Complainant states that it also owns hundreds of domain names containing the term H&M. (The Complainant exhibits a list of such names: while there are indeed several hundred, none contains the term "h&m" (the ampersand being impermissible) and only seven include the term "handm".)

The Complainant submits that the mark H&M possesses substantial inherent and acquired distinctiveness. Under Article 16.3 of the Agreement on Trade-Related Aspects of Intellectual Property Rights ("TRIPS") the Complainant has the right to prevent the use of a confusingly similar mark for any goods and services, regardless of those for which the trade mark is registered.

In 2010 the Complainant's H&M brand was ranked by Interbrand as number 22 among global brands.

The Complainant submits that the use of the term “and” as used in the Domain Name should be regarded as identical to the ampersand used in the Complainant’s mark H&M. The ampersand is an invalid character for the purposes of domain name registration.

In the circumstances the Domain Name is identical to a name or mark in which the Complainant has rights.

Abusive Registration

The Complainant points to the fact that the Domain Name was registered long after the Complainant’s mark H&M. It asserts that there is no doubt that the Respondent was aware of the Complainant’s mark and its value at the date of registration of the Domain Name.

The Complainant states that there is no connection between it and the Respondent and that it has not authorised the Respondent to use its mark in any way. Furthermore the Respondent is not commonly known by, and has no independent right or interest in, the name H&M.

The Complainant asserts that the Respondent is using the Domain Name as a blocking registration.

The Complainant also submits that the Respondent deliberately chose a domain name that was confusingly similar to the Complainant’s mark. The Respondent first placed the Domain Name on the SEDO website for sale and has since used it for commercial gain, namely to redirect to the DomainAds and subsequently Groupon websites.

Owing to the fame and reputation of the Complainant’s mark H&M, a member of the public who sees the domain name will, on the balance of probabilities, associate it with the Complainant. The Respondent is therefore taking unfair advantage of the Complainant’s rights.

Furthermore, the Respondent is engaged in a pattern of abusive registrations. The Complainant exhibits a list of the Respondent’s domain name registrations and points to the fact that these include:

<pretaporter.co.uk>
<btmobile.co.uk>
<ugccinemas.co.uk>
<appleuk.co.uk>

The Complainant exhibits screen shots from the sites linked to the first two of these domain names, which are directory sites. The first of these offers links to goods including women’s clothing, women’s shoes and designer handbags and the second offers links to mobile phone, broadband and internet services. There is an indication in both cases that the domain name may be for sale.

The list exhibited by the Complainant also includes, among others, the following names:

<bbradio.co.uk>
<britishhomestores.co.uk>
<channel4racing.co.uk>
<comfortinn.co.uk>
<eccoshoes.co.uk>
<fulham-fc.co.uk>
<gulliversworld.co.uk>
<harveysfurniturestore.co.uk>
<haysaccountancy.co.uk>
<issey Miyake.co.uk>
<jeager.co.uk>
<jimbeam.co.uk>
<kurtgeiger.co.uk>
<leicestercitycouncil.co.uk>
<maplineelectronics.co.uk>
<myorange.co.uk>
<myvodafone.co.uk>
<o2uk.co.uk>
<parkerpens.co.uk>
<playstation2.co.uk>
<sonycentre.co.uk>
<tierack.co.uk>
<virginalantic.co.uk>
<wieghtwatchers.co.uk>

The Complainant submits that the registration of the Domain Name is an Abusive Registration in the hands of the Respondent and seeks a transfer of the Domain Name.

The Response

The Respondent disputes that the registration of the Domain Name is abusive.

The Respondent accepts that the Complainant has rights in the name H&M and that the name is well known. However, it states that the Complainant's rights should not be extended to "handm", and in particular the Domain Name, as those names are generic.

The Respondent states that the Complainant never refers to itself as "handm" and that its online brand is always marketed as <hm.com>. The ampersand cannot be part of a domain name and was therefore dropped by the Complainant. It cannot then extend its rights to "handm".

The Respondent submits that "H and M" is a popular name and there are other trade mark holders who would be entitled to use it. The Respondent cites the following:

H and M Contracting
H & M Pipe
H & M Compressors Ltd
H&M Analytical Services Ltd
H&M Disinfection Systems Ltd
H&M Freight Services Ltd
H & M Craftsmen Ltd
H & M Consulting Ltd

The Respondent submits that the last of these in particular would have been entitled to use the Domain Name. Its current name is <handmconsulting.co.uk> and it therefore uses the “handm” formulation whereas the Complainant never does so.

The Respondent registered the Domain Name non-abusively and in view of its commercial potential for businesses trading under an “h & m” name. Trading in domain names is not an abusive activity and shorter domain names of this kind are very desirable.

The Respondent did not have the Complainant in mind when registering the Domain Name and has never tried to sell the name to the Complainant. It never thought the Complainant would seek the Domain Name as it uses the name <hm.com>.

The Respondent does not mislead internet users. It uses some of its domain names to participate in advertising programs and in the case of the Domain Name has ensured that it does not link to advertisements that would be confusingly similar to those protected by the Complainant’s H&M brand. The Groupon website provides deals in restaurants, entertainment, health, beauty and travel.

The Complainant has provided no evidence of actual confusion or that confusion is likely.

The Respondent has not been engaged in a pattern of abusive registrations. For example “prêt a porter” simply means “ready to wear”. The Complainant does not know the Respondent’s relationships with other trade mark holders. The Respondent owns hundreds of domain names and has never had a DRS dispute decided against it. In any event the Domain Name is not part of any “pattern” of registrations as it is based on a generic term.

The Reply

The Complainant reiterates in its Reply that it is known and referred to as “H and M” in daily language, and not as “HM”.

6. Discussions and Findings

This matter falls to be determined under the Nominet Dispute Resolution Service Policy (“the Policy”) and the Nominet Dispute Resolution Service Procedure (“the Procedure”). Under paragraph 2 of the Policy:

- (a) *A Respondent must submit to proceedings under the Dispute Resolution Service if a Complainant asserts to [Nominet], according to the Procedure, 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.**
- (b) *The Complainant is required to prove to the Expert that both elements are present on the balance of probabilities.”*

Under paragraph 1 of the Policy the term “Rights”:

“includes, but is not limited to, rights enforceable under English law...”

Also under paragraph 1 of the Policy, the term “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 took unfair advantage of or was unfairly detrimental to the Complainant’s Rights.”*

Paragraph 3 of the Policy sets out a non-exhaustive list of factors that may be evidence that a domain name is an Abusive Registration. Paragraph 4 sets out a non-exhaustive list of factors that may be evidence that it is not. However, all these factors are merely indicative of, and subject to, the overriding test of an Abusive Registration as set out above.

Rights

The Complainant has established that it is the owner of UK registered trade mark number 1383918 for the mark H&M and of similar Community and US registrations.

While it is true that the ampersand is not a permissible character in domain name registration, the opinion of Nominet Experts is divided as to whether the replacement of the ampersand with “and” results in a domain name being identical, or alternatively similar, to a the original mark. In my view it is similar rather than identical, but nothing turns on the distinction as the requirement of

the Policy is that the mark is “identical or similar to the Domain Name”. That is clearly the case here and the first limb of the test under paragraph 2 of the Policy is therefore satisfied.

Abusive Registration

The Complainant asserts that, owing to its trade mark rights and the well known nature of its name and mark, it is entitled to extensive protection for the mark H&M, including the right to object to the Domain Name. It also asserts that, on the balance of probabilities, an internet user seeing the Domain Name would assume the Domain Name to be owned by the Complainant.

The Complainant relies in effect on the doctrine of “initial interest confusion”. Where a domain name adopts a well known trade mark in an “unadorned” form, it may in some cases be inferred that an internet user seeing that domain name is likely to assume it is owned by or otherwise legitimately connected with the trade mark owner. The test that is sometimes used is whether the domain name amounts in effect to an “impersonation” of the trade mark owner (see e.g. *Hanna-Barbera Productions, Inc –v- Graeme Hay* DRS 00389) or whether the domain name can sensibly refer to anyone other than the trade mark owner (see e.g. DRS Experts’ Overview). In such cases there may be a finding that the domain name takes unfair advantage of the trade mark owner’s rights because, even if the respondent’s website is clearly unconnected with the complainant, the visitor will only have been taken there in the first place in the expectation of finding the complainant’s authorised site.

In this case, the Domain Name comprises the term “handm” in an unadorned form (save for the formal suffix “.co.uk.”). It differs from the Complainant’s mark only in that the ampersand is replaced with the word “and”.

However, while the Domain Name is liable to give rise to initial interest confusion, I do not find that factor alone to be conclusive of an Abusive Registration in this case. The reason is that the mark H&M, while distinctive, is comprised of generic elements and, as the Respondent points out, there are other parties whose names incorporate the terms “H and M” who could potentially use the Domain Name in a non-abusive fashion. The Complainant’s rights do not amount to a monopoly.

In the circumstances, it is necessary to examine in more detail the circumstances of the registration.

The Respondent is a dealer in domain names and asserts, correctly, that dealing in domain names is not of itself an abusive activity. It relies on the argument (to which I have alluded above) that the Complainant is not the only party who could be entitled to the Domain Name and that other businesses including the terms “H and M” in their names could have a legitimate interest in it. It further points out that the Domain Name has not been used to link to any website offering goods or services that compete with those of the Complainant.

However, in this case, the Complainant also relies on paragraph 3(a)(iii) of the Policy which states that a registration may be abusive where:

“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.”

While the Respondent states that there has never been a DRS finding against it, such findings are not necessary for the purpose of paragraph 3(a)(iii): the consequences of adverse DRS findings, and in particular three such findings, are dealt with elsewhere in the Policy.

Nevertheless, paragraph 3(a)(iii) must be approached with significant caution. Each case turns on its own merits and to rely on other domain names registered by a respondent, about which no submissions have been made, is a potentially dangerous course.

In this particular case, however, I find there to be overwhelming evidence that the Respondent is engaged in a pattern of registrations as contemplated by paragraph 3(a)(iii). Not only do the Respondent’s names include numerous “unadorned” names that can only refer to well known trade marks (e.g. BBC Radio, British Home Stores, Channel 4 Racing, Issey Miyake, Jim Beam, Kurt Geiger) but they also include clear instances of “typosquatting” (e.g. <virginalantic.co.uk> and <wieghthwatchers.co.uk> which can only be intended to take unfair advantage of spelling or keying errors made by internet users.

While the Respondent states that the Complainant does not know its relationship with other trade mark owners, it is unlikely to say the least that the Respondent registered and is using the names referred to above with the permission of the relevant trade mark owners.

Nor do I accept the Respondent’s assertion that, because the Domain Name is based on generic terms, it should be excluded from the relevant pattern of registrations.

This factor also causes me to reject, on the balance of probabilities, the Respondent’s assertion that it did not have the Complainant in mind when registering the Domain Name.

In conclusion, therefore, I find that the Respondent is using the Domain Name in a manner which is liable to generate initial interest confusion and has used the 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 Complainant (paragraph 3(a)(i)(C) of the Policy).

I find further that the registration is part of a “pattern” as contemplated by paragraph 3(a)(iii) of the Policy.

In the circumstances I am satisfied that the Domain Name was registered and/or has been used in a manner which has taken unfair advantage of or has been

unfairly detrimental to the Complainant's Rights. The second limb of the test under paragraph 2 of the Policy is made out accordingly.

7. Decision

The Complainant has established for the purposes of the Policy that it 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. The Complaint therefore succeeds and I direct that the Domain Name be transferred to the Complainant.

Signed: Steven A. Maier

5 October 2011