Panel Decision for dispute CAC-ADREU-005957

Case number	CAC-ADREU-005957
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Domain names	harrypotterlego.eu

Case administrator

Name	Tereza Bartošková

Complainant

Organization / Name	LEGO Juris A/S, Mette M Andersen

Respondent

Organization / Name	Jeff Fidler

INSERT INFORMATION ABOUT OTHER LEGAL PROCEEDINGS THE PANEL IS AWARE OF WHICH ARE PENDING OR DECIDED AND WHICH RELATE TO THE DISPUTED DOMAIN NAME

1. The Panel is not aware of any pending or decided proceedings related to the Disputed Domain Names.

FACTUAL BACKGROUND

2. The Respondent registered the Disputed Domain Name on 4 November 2010. The Respondent advertises genuine LEGO toys at a site to which the Disputed Domain Name resolves.

3. The Complainant is a Danish entity, part of the famous LEGO toy group and owner of its trademarks. The group has been making LEGO construction toys since 1953 and selling them in the UK since 1959. It sells its toys Worldwide in over 130 countries, and its revenue in 2009 exceeded Two Billion US Dollars (USD $2.8b).

A. COMPLAINANT

4. The Complainant contends it has Rights in the name and mark LEGO, to which it says the Disputed Domain Name, harrypotterlego.eu, is confusingly similar. It contends the Respondent lacks legitimate rights or interests in the Disputed Domain Name, which it says was registered and is used in bad faith.

5. The Complainant claims the following Rights.

5.1. Rights as the owner of registered trademarks including the Community Trade Mark (CTM)#000039800 for the word mark LEGO, registered in October 1998 in classes 3, 9, 14, 16, 20, 24, 25, 28, 38, 41, 42 and some 229 national registered word marks in various countries worldwide as well as its portfolio of over one thousand domain names, including Lego.com.

5.2. Rights arising from use and its worldwide goodwill and reputation.

5.3. Rights under a licence from Warner Brothers to use the character names, costumes, artwork and logos etc from the various Harry Potter films for the manufacture, distribution and sale of licensed LEGO products.

5.4. The Complainant submits that its LEGO mark is a fameous mark and one of the best known brands in the World and entitled to the protection afforded to such brands by Art. 16 of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs) otherwise commonly known as dilution. Lego is listed as a Superbrand by Superbrand 500 and was rated in a Firebox survey as the most popular toy ever made.

6. The Complainant submits the Disputed Domain Name is confusingly similar to its name and mark, LEGO, as the dominant part of the Disputed Domain Name is LEGO and the addition of the Harry Potter mark does not diminish this. The Complainant relies WIPO Cases D2010-0840 (LEGO a well-known mark), D2010-1260(same), D2009-0680 (same) and NAF Case FA1006001329723 (adding a third party trade mark to LEGO did not diminish confusing similarity). The Complainant says there is a likelihood of confusion and that the public will be confused by the Disputed Domain Name and believe it owned or commercially connected with the Complainant. It further says it dilutes the LEGO mark by tarnishing it. The Complainant also relies on initial interest confusion.

7. The Complainant submits the Respondent has no legitimate rights or interest in the Disputed Domain Name. In particular:

7.1. The Respondent has no company name, registered names or marks or other legal rights corresponding to the Disputed Domain Name.

7.2. The Respondent has not used the Disputed Domain Name in such a way as to give it any rights to it and obtains no rights from mere registration.

7.3. The Respondent has no connection with the Complainant and has received no consent, permission or licence from the Complainant to use its registered or unregistered marks. The Complainant relies on WIPO Cases D2000-0055 and D2004-0312 (no bona fide or legitimate use in absence of licence).

7.4. The Complainant says the fame of its marks means that the Respondent must have had knowledge of it when it registered the Disputed Domain Name. It relies on WIPO Case D2001-1314 (notoriety of mark such that any use would violate it). The Respondent by its use of the Complainant's registered and unregistered marks seeks to leverage the Complainant's reputation. The Complainant relies on WIPO Case D2001-0067 (no legitimate rights or interests where name would not have been selected unless to create impression of association).

7.5. The Respondent's use is not legitimate but commercial and at the site to which the Disputed Domain Name resolves, the Respondent sells the Complainant's and competitors' products. It also has sponsored links and relies on Case D2010-1156(links not a bona offering).

8. As to bad faith the Complainant says:

8.1. The fame of the LEGO mark as a famous and well known mark is such that it is frequently registered in bad faith. The Complainant cites some 19 WIPO cases involving its mark in combination with other words.

8.2. The Complainant says it sent a cease and desist letter to the Respondent on 16 December 2010 to the email in the WHOIS. The Respondent replied to request an attachment. Nothing further was heard and a reminder sent on 27 January 2011 elicited no answer.

8.3. The Respondent is using the Disputed Domain Name to confuse and attract traffic and users for commercial gain. There is no disclaimer. The Complainant relies on ADR Case 2235 (limited uses that could be good faith given rights and use to attract users for commercial gain by likelihood of confusion was bad faith).

8.4. The Complainant also relies on the matters in §7 above in relation to bad faith.

B. RESPONDENT

9. The Respondent duly submitted a Response and says:

9.1. The Respondent is making legitimate and fair use as it is selling the Complainant's products. The site sells only LEGO products and has never sold any non-LEGO products. The Disputed Domain Name was registered to describe the products the Respondent sells and not to purport to be the official LEGO site. Nothing on the site would harm the Complainant's reputation.

9.2. The Respondent's motives were honest even if he has been mistaken in using the name without consent. The site is not confusing as every page includes a disclaimer of any official connection. The Respondent made an offer of transfer to the Complainant but no reply

was received.

DISCUSSION AND FINDINGS

10. Further Information Request from the Panel

10.1. On 21 April 2011, I made a request for a further statement from each of the parties pursuant to §B(8) of the ADR Rules as follows: “(1)Are the LEGO goods sold by the Respondent by reference to the Disputed Domain Name genuine LEGO goods manufactured by LEGO? Please explain. (2) The parties are requested to make submissions on the applicability or otherwise of the Oki Data principles (WIPO Case No.D2001-0903) and any other relevant decisions –whether referred to in WIPO’s overview or otherwise.”

10.2. Only the Complainant responded to my request. The Complainant says the Oki Data principles are not satisfied as:

(i)The Respondent does not itself sell the items but rather the site redirects the consumer to third party sites of online retailers such as Argos and others where any sales take place and per WIPO Cases 2010-1913 and D2000-1306, this takes the Respondent outside the reseller authorities. This means the Respondent does no more than profit from sponsored links which are not a bona fide offering per WIPO Case D2010-1156. (ii)Evidence of two offers for XBox 360 at the site was submitted. These are not LEGO goods.

(iii)The disclaimer was only added after the Complaint was filed and is inadequate as sited at the bottom of the page in small text. The panel in WIPO Case 2010-1913 disregarded a similar disclaimer.

Discussion and Findings

11. Article 22(1)(a) of Commission Regulation (EC) No 874/2004 of 28 April 2004 ("the Policy Regulation") allows a party to initiate an ADR procedure where a registration is speculative or abusive, as defined in Art. 21. This allows for revocation where the name is identical or confusingly similar to a name in respect of which a right is recognized or established by national or Community law and where registered without rights or legitimate interest and registered or used in bad faith. This is reflected in §11 of the ADR Rules. The Policy Regulation Art. 21(2) provides examples of how legitimate interest may be demonstrated, and Art. 21(3) provides examples of bad faith.

Rights

12. The Complainant clearly has Rights in its CTM and national marks and unregistered rights arising from its worldwide use of the name and marks in trade. I find that the Complainant has the requisite rights and accept that it is a famous mark.

13. I find the Disputed Domain Name is confusingly similar to the name and marks in which the Complainant has rights as LEGO is a distinctive and dominant part of the Disputed Domain Name. While the Complainant has contractual rights under its licence with Warner Brothers to the balance of the words in the string—it does not appear to rely on them and may or may not be able to enforce those rights without joining Warner Brothers and so I shall disregard them here. Nothing turns on this in any event as I have already found that the Complainant has rights to a name or mark confusingly similar to the Disputed Domain Name based on the word element LEGO.

Legitimate rights and interests

14. Turning now to legitimate interests, to determine if any of the factors in §B11(e) of the ADR Rules apply:

“Any of the following.. shall demonstrate the Respondent’s rights or legitimate interests to the domain name for purposes of Paragraph B11(d)(1)(ii):

(1) prior to any notice of the dispute, the Respondent has used the domain name or a name corresponding to the domain name in connection with the offering of goods or services or has made demonstrable preparation to do so;

(2) the Respondent, being an undertaking, organization or natural person, has been commonly known by the domain name, even in the absence of a right recognized or established by national and/or Community law;

(3) the Respondent is making a legitimate and non-commercial or fair use of the domain name, without intent to mislead consumers or harm the reputation of a name in which a right is recognized or established by national law and/or Community law. ”

15. The key issue in this case is whether the Respondent is a legitimate reseller for §B11(e)above. In determining this we may be guided by the UDRP jurisprudence and the Oki Data principles from WIPO Case No.D2001-0903 which provide that a reseller/distributor can make a bona fide offering of goods and services and have a legitimate interest in a domain name, provided that:

(a) The use involves the actual offering of goods and services in issue;
(b) The site sells only the trademarked goods;
(c) The site accurately and prominently discloses the registrant's relationship with the trademark holder.
(d) The Respondent must not try to "corner the market" in domain names that reflect the trademark.

16. The Complainant's submissions on the Oki Data principles are set out above at paragraph 10 above. The Respondent has not added to its original submission.

17. The gist of the Complainant's objection is that the Respondent is not making the ultimate sale and so is not a reseller for the purposes of Oki Data. Based on my observations of the site, the Complainant is correct. Clicking on the image of a toy takes the consumer to site of the relevant etailer --who is also named underneath each image-- to make the purchase. The etailers include eBay, Firestar, and many others and the LEGO toys include both new and second hand LEGO toys. I assume the Respondent receives a commission for each sale but no evidence was submitted as to this. The Respondent therefore appears to be an aggregator but again we lack evidence on the exact nature of the business model and whether the toys are selected by algorithm or other automated function or manually. However, as to whether the Respondent makes an offering it is incontrovertible that real toys are available for purchase at each image/link. Does the fact the Respondent may take a commission rather than the full price mean it is not an offering? The consumer may still view the Respondent as a means of sourcing the toys and its use as being in relation to them.

18. It is also important to note that the underlying sellers –the etailers --are prima facie in compliance with the law. That is, the sale of second hand and genuine goods placed on the market in the EU with the consent of the trade mark owner under the trade mark is legal provided it is honest and does not cause serious damage or misrepresent a commercial connection to the proprietor's distribution network. That this must be so is clear from a practical point of view also –how do you sell LEGO without calling it LEGO? Ultimately, if the sellers are acting legally –is an aggregator of such legal sales also acting legally? I think they must be. The public benefits also from aggregators who help them source products and compare prices.

19. It is also important to note the Respondent has sought to avoid any confusion by consumers as to who is selling the toys by including the name of the relevant etailer under each image.

20. As to cornering the market, some commentators would restrict this to the .com Top Level Domain but others would see any use with a geographic ending as suggesting the brand's local subsidiary, franchise or affiliate. Does the Disputed Domain Name represent it is LEGO's official site in the EU? Based on the list of domains submitted, that site is at LEGO.eu. The Complainant has also registered many lego.ccs (that is, many country codes) and in many cases, LEGO.com.cc. The Complainant submitted it has over one thousand domain names. Taking all of the above into consideration, I do not find the Respondent has cornered the market in domain names that reflect the trade mark. Its use is nominative in the sense that the Disputed Domain Name identifies the goods offered at the site. I don't think the use is more than necessary or that any damage is caused to the LEGO mark.

21. Turning to the Complainant's final points. First, that the Respondent sells goods other than the Complainant's based on a submission of two ads for XBox 360 Consoles. I note that I was unable to locate or replicate these ads on the site. They may have been removed. It is not clear whether they were from sponsored ads served automatically by Google or were items on the site itself. Otherwise, the toys on the site itself all appear to be genuine LEGO toys –either new or second hand. Many, but not most of them, are Harry Potter LEGO character toys produced by LEGO under its licence with Warner Brothers. I find the Respondent's site sells only genuine LEGO toys. As to the adequacy of the disclaimer –I find it is perfectly adequate. I would also note that even without it --I do not think the public would be misled as to the nature of the site or its relationship with the Complainant. The public are sufficiently familiar with the wide and constantly changing variety of offerings and business models online and would not suppose the site was official or licensed. Finally, as to the sponsored links –the sale of traffic is no longer considered objectionable per se—but must depend on the nature of the domain and the links. I find nothing objectionable about the sponsored links and they add nothing to the analysis above.

22. To summarize in terms of the application of the Oki Data principles to this case:

(a) Does the use involve the actual offering of goods and services in issue —yes.
(b) Does the site sell only the trademarked goods –yes.

(c) Does the site accurately and prominently disclose the registrant's relationship with the trademark holder-yes.
(d) Does the Respondent "corner the market" in domain names that reflect the trademark-No.

23. There is no need to continue on to bad faith given the Respondent has succeeded in showing legitimate use. For the same reasons that the use is legitimate it will not be use in bad faith.

DECISION

For all the foregoing reasons, in accordance with Paragraphs B12 (b) and (c) of the Rules, the Panel orders that

the Complaint is Denied

PANELISTS

Name	Ms. Victoria McEvedy

DATE OF PANEL DECISION 2011-05-02

Summary

ENGLISH SUMMARY OF THIS DECISION IS HEREBY ATTACHED AS ANNEX 1

The Complainant sought the transfer of the domain name based on a Community Trade Mark and many national registered marks. The Complainant’s mark is a famous mark. The Complaint alleged lack of rights or legitimate interest and bad faith on the basis that the Respondent was leveraging its fame for commercial use. However, under the Oki Data principles the Respondent is either a reseller or an aggregator of resellers and its use is legitimate.