

DISPUTE RESOLUTION SERVICE

D00011942

Decision of Appeal Panel

Starbucks (HK) Limited

and

Chris Avila

1. The Parties:

Complainant/Appellant: Starbucks (HK) Limited
38/F. Citibank Tower
Citibank Plaza
3 Garden Road
Central
Hong Kong

Respondent: Chris Avila
14 Oldbury Close
Frimley
Camberley
Surrey
GU16 5XT
United Kingdom

The Panel proposes to maintain the terminology at first instance and refer to the Complainant/Appellant as the Complainant and to the Respondent as the Respondent.

2. The Domain Name:

nowmobilebroadband.co.uk (the "Domain Name")

3. Procedural History

The Complaint was received by Nominet on 10 October 2012 and notified to the Respondent on 12 October 2012. No Response was received. The Complainant having paid the appropriate fee, on 7 November 2012 the Expert was appointed to provide a full decision. On 8 November 2012 a non-standard submission was received from the Respondent, which the Expert decided to consider. The decision was issued by the Expert and issued to the parties by Nominet on 3 December 2012.

On 18 December 2012 the Complainant notified Nominet of its intention to appeal and paid the requisite 10% deposit. Nominet received the Complainant's Appeal Notice on 10 January 2013. The Respondent's Appeal Response was received by Nominet and notified to the Complainant on 22 January 2013.

Panel Appointment.

On 24 January 2013 Ian Lowe, Claire Milne and Nick Gardner (the undersigned, the "Panel") were appointed to the Appeal Panel, each having 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 such a nature as to call in to 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 was appointed to provide a decision on or before 12 March 2013. This process is governed by version 3 of the Procedure for the conduct of proceedings under the Dispute Resolution Service ("the Procedure") and the Decisions are 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.

As well as the decision under appeal, the Panel has read the Complaint (with exhibits), the Respondent's non-standard submission, the Complainant's Appeal Notice and the Respondent's Appeal Notice Response. The Panel has also looked at both the Complainant's and the Respondent's websites.

In addition, the Panel has considered a judgment of Mr Justice Arnold in the UK High Court of Justice dated 2 November 2012 (the “Judgment”) in proceedings between the Complainant and another and British Sky Broadcasting and others (the “BskyB Proceedings”) - [2012] EWHC 3074 (Ch).

5. The Facts

The Complainant, Starbucks (HK) Limited, is a company incorporated in the Hong Kong Special Administrative Region of the People’s Republic of China on 15 June 1993. It provides television, media and telecommunications services to subscribers in Hong Kong and other territories, including the UK. The Complainant is a member of the PCCW Group (PCCW) of companies and is a wholly owned subsidiary of PCCW Limited, which is also incorporated in Hong Kong.

The Complainant asserts that it is the owner of (i) registered trade mark rights and (ii) goodwill, reputation and unregistered trade mark rights (protected in, inter alia, the UK by common law and enforceable by way of passing off) in the name NOW which it refers to as the “Trade Mark”.

The Complainant is a non-trading, asset holding company within PCCW and owns all of PCCW’s rights in and to the Trade Mark whether registered, acquired through use or otherwise.

The Complainant owns a portfolio of trade mark registrations worldwide for marks that incorporate the word “now”. These typically comprise either a word mark including the word “now” such as:

NOW EDUCATION – Hong Kong registration number 300020771

NOW MEDIA – Hong Kong registration number 300020825

NOW TV – Hong Kong registration number 300015254

or a device mark incorporating the text of the word “now” such as Community trade mark number 1417831 in the following form:



and Community trade mark number 4504891 in respect of the device mark below (the “CTM”). The CTM is registered in a number of classes including Class 38 in respect of services including telecommunication services and the provision of telecommunication access to world-wide web facilities. It is in the following form:



From 2004, UK Broadband Limited (“UKB”) (a member company of PCCW) used the CTM in the UK under licence from the Complainant in relation to a wireless broadband Internet service and the supply of modems, software and mobile broadband cards to allow customers to connect to the broadband Internet service.

In 2012 the Complainant brought trade mark opposition proceedings against an application to register DOTNOW as a Community trade mark in classes 35, 38 and 42 before OHIM (the Office for the Harmonisation in the Internal Market). The Complainant relied on the CTM.

In a decision dated 31 July 2012 OHIM concluded that the CTM had acquired a reputation in the telecommunications market within the European Union and that it had a visible presence in the telecommunications market in the UK as a result of the use of the CTM by UKB.

The BSkyB Proceedings brought by the Complainant and UKB concerned the use by Sky of the sign NOW TV in relation to the launch of a standalone Internet protocol TV service by the defendants. In the Judgment dated 2 November 2012 (which was given after the Complaint was filed, but before the Expert's decision was issued), Mr Justice Arnold held that the CTM was invalid because the average consumer would understand NOW as a description of a characteristic of the service provided by UKB, namely the instant immediate nature of the service, and that the CTM was devoid of distinctive character.

He also found that there had been no passing off by Sky, although he concluded that by March 2012 the name NOW WIRELESS BROADBAND had some modest, residual goodwill amongst the few remaining customers of UKB at that date, in connection with a fixed wireless broadband service. The relevance and significance of the Judgment is discussed further below.

The Respondent registered the Domain Name in May 2008 and as at 7 September 2012 it resolved to a website displaying the words “NOW MOBILE BROADBAND” with charts showing features of various UK mobile broadband offerings, and links to mobile broadband service providers. The Respondent had previously registered the domain name <nowcreditcards.co.uk> in January 2008 and used it for a credit card comparison and information website.

6. The Parties’ Contentions

The Panel gratefully adopts the Expert’s summary of the parties’ contentions as set out in his decision of 2 December 2012 which is accessible on the Nominet website.

In essence, the Complainant claims both registered and unregistered, common law rights in what it refers to as the Trade Mark (namely the mark NOW - see above) in relation to telecommunications and especially broadband Internet services. These rights are said to be such as to be enforceable by way of actions for trade mark infringement and/or passing off in the UK. It says the Domain Name is identical or similar to the Trade Mark.

The Complainant contends that the Domain Name in the hands of the Respondent is an Abusive Registration. He is using it in a way that is likely to confuse people or businesses into believing that the Domain Name is connected with the Complainant. This takes unfair advantage of the Complainant's rights in the mark since it draws traffic to the Respondent's website as a result of the goodwill in the mark and provides the Complainant's competitors with sales and/or publicity as a direct result of the use of the mark.

The Respondent says that he was not aware of the existence of the Complainant or its use of the NOW brand at the time he registered the Domain Name. He asserts that the word NOW is a descriptive term and that the Complainant does not have any rights in that word. The Complainant only operated in a few towns in Berkshire and had no large-scale reputation. The Respondent denies using the Domain Name in a manner that takes unfair advantage of or is detrimental to the Complainant's rights. He has never sought to suggest that he or his website are in any way associated with the Complainant.

In its Appeal notice the Complainant further submits that the Respondent is not using NOW in a purely descriptive way, but as part of a brand name.

In the Appeal Response, the Respondent clarifies his initial remark (reproduced in the Decision) that "the complainant has recently sought to re launch their broadband service as a wireless service". The Response makes it plain that the Complainant is only now moving in to the mobile broadband market, so that previously it was not competing with the services featured in the Respondent's comparison charts.

7. Discussion and Findings

The factual background to the reasoning below is to be found in section 5 above.

General

In order for the Complainant to succeed it must (pursuant to Paragraph 2 of the Policy) prove to the Panel, on the balance of probabilities, **both** 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 as defined in Paragraph 1 of the Policy.*

The meaning of 'Rights' is clarified and defined in the Policy in the following terms:

Rights means rights enforceable by the Complainant, whether under English law or otherwise, and may include rights in descriptive terms which have acquired a secondary meaning.

The Panel will now consider in turn the issues of the Complainant's Rights and Abusive Registration.

Complainant's Rights

Details of the Complainant's trade marks are provided above.

The Complaint also provides details of the PCCW group's activities worldwide and its use of the NOW trademark in various jurisdictions. Of particular relevance is that in relation to the UK the Complaint asserts:

Since 2004, UK Broadband Limited ("UKB") (a member company of PCCW) has used the Trade Mark under licence from the Complainant in relation to a wireless broadband internet service and the supply of modems, software and mobile broadband cards to allow customers to connect to the broadband internet service (the "Broadband Services"). Since 2004, approximately 18,000 customers signed up to the Broadband Services provided by UKB under the Trade Mark and 33,692 "mynow.co.uk" email accounts were set up by customers. UKB's turnover for the Broadband Services provided under the Trade Mark is as set out below:

YEAR	TURNOVER £
2005	676,512
2006	1,897,522
2007	1,731,358
2008	1,032,725
2009	97,344
2010	Nil.

The Complainant says that the reason the 2010 figure was zero is because its customers' existing equipment was swapped out to newer WiMAX equipment and customers were given the relevant services free of charge.

Further material is provided in the Complaint as to the nature and extent of the Complainant's (or its affiliate companies'), advertising and promotional activities. The Complaint also asserts as stated above that "in a decision of OHIM (the Office for the Harmonisation in the Internal Market) dated 31/7/2012 (in opposition proceedings brought by the Complainant against an application to register DOTNOW as a Community trade mark in classes 35, 38 and 42) OHIM determined that the Trade Mark had acquired a reputation in the telecommunications market within the European Community and that the Trade Mark has a visible presence in

the telecommunications market in the UK as a result of the use of the Trade Mark by UKB (a copy of the decision is at Annex Q)". In those proceedings the Complainant relied on the CTM, which is a stylised "NOW" represented as follows:



This representation is typical of the marks shown in Annex R and seems to the Panel to be in substance an exemplar of the registered trade mark rights relied upon by the Complainant. It is (as the Respondent noted) a device mark, although that fact is not immediately apparent upon reading the Complaint.

If matters were to be assessed on this basis (which is the basis the Expert proceeded upon) then the Panel would be faced with a difficult consideration as to whether the Domain Name was similar to the registered and/or unregistered trade mark rights relied upon, which would also involve a far from straightforward assessment as to what extent the Complainant enjoyed unregistered rights in a word such as "now" which clearly has an ordinary English meaning. Suffice it to say the Panel does not regard it as a clear-cut case either that the necessary similarity exists or as to whether the Complaint has established relevant unregistered common law rights that would be protectable by an action in passing off.

However matters do not proceed simply on this basis. An important issue of direct relevance is that, as indicated above, the Complainant and UKB brought the B SkyB Proceedings for trade mark infringement. Neither party has drawn this case to the Panel's attention (see further below) but the Panel is aware of the case and considers it is entitled to take notice of the court's findings, which are a matter of public record.

As indicated above, the Judgment was given by Mr Justice Arnold in the High Court of Justice on 2 November 2012 and the Court held that the CTM was invalid and that the claim for passing off failed.

The Appeal Notice in the present proceedings was lodged in January 2013 by the same firm of solicitors that had acted for the Complainant in the infringement proceedings. It contains the declaration that "the information contained in this Appeal Notice is to the best of the Complainant's knowledge true and complete. It is not being presented in bad faith...". Whilst the Appeal Notice itself is short and comprises primarily a critique of the Expert's reasoning in reaching his decision, the Panel has considerable difficulty in understanding how the Complainant was able to make such a declaration in circumstances where it must have known the rights it primarily relied on had been held to be invalid, at least in part, by the High Court. The Respondent has not raised any arguments based upon the Judgment but the panel infers he was unaware of the Court case and the Judgment.

The analysis by the Court as to the extent of the Complainant's rights was inevitably much more thorough than can be accomplished in a DRS determination.

A trial of four days took place with many witnesses being heard as well as extensive submissions and argument. The Judgment was some 48 pages long. It seems to the Panel that in the light of the Court's findings there may well be powerful arguments that the Complainant has no relevant Rights to assert in the present proceedings. The Panel acknowledges, however, residual arguments the Complainant might deploy that other registered marks not at issue in the court case may still be of at least theoretical relevance, and that the test for passing off rights may be different in relation to telecommunications services as opposed to Internet TV.

In all the circumstances, had the question of Rights been determinative of the outcome of this Appeal, the Panel would have called for further submissions from each party as to the nature and extent of the Complainant's Rights (if any) in the light of the Judgment. As it is, for reasons set out below, the Panel concluded this issue was not determinative and hence did not require further submissions from the parties on the point.

Accordingly, on balance, notwithstanding the Judgment, the Panel proposes to assume for the purposes of this Appeal (absent further submissions from the parties) that the Complainant has satisfied the relatively low threshold test required to establish Rights for the purposes of the Policy.

The Panel also proposes to assume that in these circumstances the Domain Name is similar to the trade mark in which the Complainant has Rights, although again, had this issue been likely to be determinative of this Appeal, the Panel would have sought further submissions from the parties on this issue in the light of the Judgment.

Abusive Registration

We turn now to the question of whether the Domain Name, in the hands of the Respondent, is an Abusive Registration.

In the Appeal Notice, the Complainant argues that:

- a) the Respondent was very likely to have been aware of the Complainant at the time of registration, because of i) the sum of over £8m spent on publicity; ii) the Respondent's location, not far from where the publicity was focused; and iii) the Respondent's knowledge of the market in question. It also relies on the fact that OHIM held that the CTM had acquired a reputation in telecommunications in the UK (particularly in Greater London);
- b) the Respondent's use on its website of the term "now mobile broadband" was not entirely or even predominantly descriptive; rather, the term was used as a brand to identify the provider of information;
- c) the Respondent's website takes unfair advantage of the Complainant's name, because it directs website users to services which compete with those of the Complainant.

In the Appeal Response, the Respondent says that:

- a) he was not aware of the Complainant when he registered the Domain Name. He points out that although £8m by some standards is a large sum of money, the Complainant has provided no evidence as to how it compares with other publicity spending in the relevant industry context. He also says that he was out of the country for much of the period during which the publicity took place, and on his return moved to Colchester, outside the Greater London area (and in the east, whereas the Complainant's publicity drive had been in the west);
- b) his intention in using the word "now" in his website name was to make users feel that the information on the website was current, in a similar way to his parallel "nowcreditcards" comparison website. Even if he had been aware of the Complainant, he would not have wanted to create any association with it in users' minds, because this would have undermined his purpose of offering an independent comparison website;
- c) the Complainant's Rights relate to a figurative mark, not to the simple word "now"; nothing on the Respondent's website resembles the figurative mark;
- d) the Complainant's business has actually been in fixed wireless broadband (for home or office use), not in true mobile broadband (for use anywhere and on the move). The Respondent's website relates to the latter, not the former; he notes that the Complainant is now planning to offer services of the latter kind.

In relation to the Complainant's reputation, the Panel observes that:

- a) the Complainant has provided no evidence of the extent of its reputation at any time. Its evidence relates to a publicity campaign which was limited both in space (focused on certain areas in and near west London) and in time (concentrated during the years 2005-6), ending some two years before the Respondent registered the Domain Name in May 2008. This campaign may have been costly, but that does not necessarily mean that it was effective - this issue was addressed in the Judgment and the Court appeared to consider that it was not very effective.
- b) in any case, such effect as it did have would have needed subsequent reinforcement for the reputation to have survived. The Complainant's annual subscriber numbers do not seem to have been provided in evidence, but the revenue figures given in the Complaint for the years 2005 to 2008 suggest an annual peak of under 10,000 subscribers; this is very small in the context of even West London's broadband market.
- c) although the OHIM decision that the Complainant refers to indeed recognises some reputation in the Greater London area, it does not assess the extent of that reputation, nor does the Office appear to have been provided with

evidence which could enable it to do so. As the Panel indicates above, neither Party drew the Panel's attention to the Judgment concerning the CTM.

In relation to the Respondent's activities, the Panel observes that:

- a) the Complainant does not challenge the Respondent's explanation that the "nowmobilebroadband" website followed the example of his previous "nowcreditcards" website;
- b) as the Complainant remarks, the Respondent's "nowmobilebroadband" website is out of date, with links no longer working, and the latest news there is dated 2010;
- c) the Respondent's website does use the term "now mobile broadband" in a way that suggests a brand, even if the reason for choosing the term was to arouse associations of currency in the user's mind.

Taking everything into consideration, the Appeal Panel sees no reason to doubt the Respondent's claim not to have heard of the Complainant at the time of registration. It is easy to envisage that the Respondent chose the Domain Name for reasons completely unconnected to the Complainant, and the existence of his earlier "nowcreditcards" domain name provides powerful corroboration that this was the case. Furthermore, the Respondent appears to have no special expertise in the mobile broadband sector, or in fixed wireless broadband; rather, in recent years he appears to have been engaged in a number of occupations, including trying his hand at comparison websites for a short period. The Panel sees no compelling reason why he should have heard of this provider of fixed wireless broadband, who has operated only on a rather limited scale in a particular area with a small subscriber base.

The Panel also does not see the operation of the website at www.nowmobilebroadband.co.uk as having been materially detrimental to the business of the Complainant. As its name implies, the website links to providers of *mobile* broadband services, while the Complainant was offering a *fixed* (wireless) broadband service. It may also have been possible to buy fixed (often known as "home") broadband services from the providers featured on the Respondent's website, but all the companies concerned were primarily mobile operators, and fixed broadband services would have been unlikely to be immediately apparent to a user who clicked on the relevant links. Thus the Respondent's website could hardly have affected the business of the Complainant. The only confusion the Panel detects is between the terms "mobile" and "wireless", a confusion which may well exist in the mind of the public but which cannot reasonably be attributed to the activities of the Respondent.

In all the circumstances, even assuming that (i) the Respondent has established it has the relevant Rights, and (ii) the name or mark in which such Rights subsist is similar to the Domain Name, the Panel determines that the Domain Name in the hands of the Respondent is not an Abusive Registration.

8. Decision

Accordingly, the Panel affirms the decision of the Expert and directs that no action be taken in relation to the Domain Name.

Signed:

Ian Lowe
Appeal Panel

Claire Milne

Nick Gardner

Dated: 11 March 2013