

**DISPUTE RESOLUTION SERVICE**

**D00015372**

**Decision of Independent Expert**

Seiko Epson Kabushiki Kaisha

and

Mr Richard Lambert

**1. The Parties:**

Lead Complainant: Seiko Epson Kabushiki Kaisha  
4-1 Nishi Shinjuku, 2-chome  
Shinjuku-ku  
Tokyo  
Japan

Respondent: Mr Richard Lambert  
62 Barrow Lane, Hessle  
Hull  
HU13 0PL  
United Kingdom

**2. The Domain Name(s):**

epson-sch.co.uk

### **3. Procedural History:**

I can confirm 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 in to question my independence in the eyes of one or both of the parties.

19 January 2015 15:51 Dispute received  
20 January 2015 13:08 Complaint validated  
20 January 2015 13:14 Notification of complaint sent to parties  
06 February 2015 01:30 Response reminder sent  
11 February 2015 09:27 No Response Received  
11 February 2015 09:28 Notification of no response sent to parties  
11 February 2015 09:57 Response received  
11 February 2015 10:00 Notification of response sent to parties  
12 February 2015 14:47 Reply received  
12 February 2015 14:57 Notification of reply sent to parties  
12 February 2015 15:02 Mediator appointed  
17 February 2015 11:04 Mediation started  
03 March 2015 14:24 Mediation failed  
03 March 2015 14:25 Close of mediation documents sent  
04 March 2015 09:46 Expert decision payment received

There has been an unusual amount of procedural activity in this matter and a series of non-standard submissions has been made under Paragraph 13b of the DRS Procedure. Paragraph 13b of the Procedure provides as follows:

.. “Any non-standard submission must contain as a separate, first paragraph, a brief explanation of there is an exceptional need for the non-standard submission. We [Nominet] will pass this explanation to the Expert, and the remainder will only be passed to the Expert at his or her sole discretion”.

On about 6 March 2015 the Respondent requested permission to submit a non-standard submission. The explanatory paragraph indicated that it had limited resources at its disposal and that it had needed more time to locate information about its alleged business relationship with the Complainant in order to present its case fully. On 19 March, the Expert reviewed the explanatory paragraph and decided that it was appropriate to permit the full non-standard submission and to allow the Complainant a short period in which to make any submissions in reply. The Complainant submitted a response to the non -standard submission on 23 March.

On 25 March, the Respondent indicated that it wished to submit a second non-standard submission and it submitted a second explanatory paragraph. Having reviewed the explanatory paragraph the Expert declined to view the

full non-standard submission because it put forward no new grounds to explain why a further submission was necessary.

On 26 March, the Respondent sent a third explanatory paragraph seeking permission to submit an additional non-standard submission. The explanatory paragraph indicated that the Respondent had, because of its investigations, unearthed important new evidence it wished to put forward. In these circumstances- given that the Respondent was suggesting that the new evidence was in its possession- the Expert took the view that it would be inequitable to deny the Respondent the opportunity to submit its case. She therefore agreed to view the full submission. It contained some supporting documentation which revealed that, contrary to the evidence before the Expert to date, there was an ongoing commercial relationship between the Parties (the significance of this information is discussed further below). This being a potentially important issue the Expert allowed the Complainant to make a further non-standard submission in reply to the information that the Respondent had disclosed. The Complainant's submission was made on 17 April 2015 (the date having been requested by the Complainant and agreed by the Expert).

This protracted process is unusual and the Expert is mindful that the DRS Policy and Procedure is intended to offer an efficient method of resolving disputes. Nevertheless, in this particular case there is a considerable disparity in the size and sophistication of the respective Parties. The Expert accepts that the Respondent was unable to locate evidence to support its Response within the timescales provided by the DRS Procedure. The interests of justice required that the Respondent was given opportunity to support its submissions through the non-standard submission procedure and that the Complainant was given the opportunity to make a full reply.

#### **4. Factual Background**

The factual background to this Complaint has emerged over time in a convoluted sequence. This section of the Decision sets out those facts which are accepted by both Parties.

##### *The Complainant*

The Complainant is an electronics company and one of the world's largest manufacturers of printers and imaging equipment, including projectors and associated electronic components.

The Complainant invests considerable sums every year on advertising and marketing its brands globally. The Complainant has a business presence in the United Kingdom and its local subsidiary company operates a UK-focused website at [www.epson.co.uk](http://www.epson.co.uk).

The Complainant is the proprietor of a global portfolio of registered trade

marks for the word EPSON. A selection of three specimen trade marks are exhibited to the Complaint:

Registration number	Mark	Date of Registration	Goods and Services
1048343 (UK)	EPSON	19 June 1975	Liquid crystal data display panels, magnetic drums, marked card reader devices, cash registers, digital display instruments, computer print-out apparatus, paper tape punching apparatus
1134004 (USA)	EPSON	25 August 1975	Line printers, printers, magnetic drums, marked card readers, paper tape punchers, paper tape readers, cash registers and parts thereof
4147229 (European Community Trade Mark)	EPSON	15 November 1990	Paints, LCD projectors and other devices, paper.

The Complainant's global business reported net sales of USD\$9.7bn to the year ended 31 March, 2014.

The Complainant's sales of projectors in the United Kingdom is forecast to be approximately 63,000 units in its present financial year, which will deliver a revenue of £26M. The supply of projectors is of considerable importance to the Complainant's business. Although it is difficult to give an accurate figure for the volume of its projectors going specifically into schools a reasonable guess would be in the region of 25-30,000 units. In comparison, the UK market for projectors is estimated to be approximately 220,000 units in the same financial year.

### *The Respondent*

The Respondent registered the Domain Name on 29 April 2012. It is linked to a website offering projectors for sale (“the Respondent’s Website”). The Respondent’s Website is operated by Pied Piper Educational Resources. In its third additional submission, the Respondent describes its business as selling projectors to a niche education market.

It is not in dispute that for the purpose of this Complaint the Respondent and Pied Piper Educational Resources are one and the same.

Since 2010, the Respondent has been a member of the Complainant’s Epson Partner Programme (“EPP”). The EPP is a relationship which the Complainant offers for reseller customers who purchase Epson branded products indirectly via Epson appointed distributors. This programme enables the Complainant to access an online resource- the Epson Partner Portal. The programme offers certain sales benefits-such as rebates- conditional on reseller customers reaching agreed sales targets.

### *The Respondent’s Website*

A screenshot of the Respondent’s Website at [www.epson-sch.co.uk](http://www.epson-sch.co.uk) taken on 12 January 2015 is exhibited to the Complaint at Annex 5. It displays a number of projectors manufactured respectively by BENQ, NEC and SONY. The only reference to EPSON or to Epson products is on page two of the screenshot in which a SONY Premium Projector Replacement is described as an “ideal replacement for failed classroom projectors including Epson and Sanyo”.

## **5. Parties’ Contentions**

Because of the procedural issues around non-standard submissions the contentions that have been raised by the Parties in this matter are lengthy. In the interests of conciseness, the Expert summarises them below.

### The Complainant

#### Rights

The Complainant contends that it has rights in the EPSON mark. The Respondent does not dispute this.

The Complainant submits that the Domain Name is similar to its EPSON mark for the purposes of the Policy for the following reasons:

- i) EPSON is a well-known 'made-up' word and forms the first, dominant, most significant and distinctive element of the Domain Name;
- ii) the additional term "-sch" added to the Domain Name is merely a series of letters or initials, perhaps intended as an abbreviation for the word "school" but not necessarily perceived as such by Internet users; and
- iii) had the Domain Name not included the EPSON mark its meaning and significance would have been entirely different in that it would not relate specifically to the Complainant, and
- iv) on a comparison between the third level of the Domain Name and the EPSON mark, they are alphanumerically identical save that the Domain Name also contains the additional hyphen character and the three letters "sch".

The Complainant has brought a number of disputes under the DRS involving domain names made up of its EPSON mark and additional generic or descriptive words. As an example, the Expert's attention is drawn to the decision of the Appeal Panel in EPSON Europe BV v. Cybercorp Enterprises, DRS03027 in which the Appeal panel noted:

*"the Panel considers that the mark EPSON is similar to the Domain Names because the term 'epson' is clearly the distinctive and dominant component of each of them; the remainder of each of the Domain Names being laudatory ('cheap') and/or purely descriptive ('ink')."*

The Complainant submits the composition of the Domain Name in the present dispute mirrors that of DRS 03027 above in that the additional word "-sch" is a similarly non-distinctive term which has been placed in conjunction with the Complainant's strong and distinctive mark, such that the similarity required by the Policy is present.

### Abusive Registration

The Complainant submits that there are circumstances indicating that the Respondent is using the Domain Name in a way that is likely to confuse people or businesses into believing that it is in some way endorsed by the Complainant. The Complainant also contends that that such confusion will unfairly disrupt the business of the Complainant. Finally, the Complainant contends that the Respondent is unable to show circumstances demonstrating that the Domain Name is not an Abusive Registration within the framework of the Policy.

*Circumstances indicating that the Respondent is using the Domain Name in a way that is likely to confuse people or businesses (Policy 3a ii)*

The Domain Name is an Abusive Registration by reference to the likelihood of confusion, both initial interest and more generally, caused by use of the Domain Name to forward traffic to the Respondent's Website which offers third party projectors for sale.

Analysis of the source code of the Respondent's Website shows that this has been configured to use frames-based forwarding to the Respondent's main corporate website at [www.ppg-gov.co.uk](http://www.ppg-gov.co.uk). Frames-based forwarding is a technique where the visitor's browser continues to show the domain name in its address bar and not the actual target address. Its use by the Respondent demonstrates that the Respondent intends to use the Complainant's EPSON trade mark as a gateway to its own website and has configured the Domain Name so that the EPSON name will continue to show in the address bar of the visitor's browser throughout their visit, notwithstanding the fact that the visitor is actually viewing content served by the site at [www.ppg-gov.co.uk](http://www.ppg-gov.co.uk).

The Complainant does not object to the legitimate sale of third party products by resellers, but it does object to the appropriation of its marks to do so and contends that the use of its EPSON mark in the Domain Name for such purpose is an Abusive Registration in terms of the Policy. The use of its mark as the most prominent and distinctive element of the Domain Name will have confused, or is likely to confuse, Internet users as it would inevitably appear that the Respondent and the third party projectors which it is selling are somehow connected with, approved or endorsed by the Complainant.

There is no disclaimer or other notice on the associated website to explain that it is not affiliated with or sanctioned by the Complainant. Even if web users who arrived at the Respondent's website realised that it was not connected to the Complainant, the damage will have already been done through the incorporation of the Complainant's well known mark as the dominant element of the Domain Name.

This species of "initial interest confusion" is detailed in paragraph 3.3 of the Dispute Resolution Service – Experts' Overview ("Overview"), which states:

*"...the overwhelming majority of Experts view it as a possible basis for a finding of Abusive Registration, the vice being that even if it is immediately apparent to the visitor to the web site that the site is not in any way connected with the Complainant, the visitor has been deceived....."*

In this case, the Respondent's use of the Domain Name functions to draw visitors to the Respondent's site (via the frames-based forwarding) because of the strength of the EPSON mark contained therein. The Complainant contends that such confusing use will wrongfully have led people or businesses to believe that the Domain Name and its associated website is operated or endorsed in some way by the Complainant.

Paragraph 3.3 of the Overview also refers specifically to circumstances similar to the present case where the Domain Name is being used to sell third party product, noting:

*“In DRS 07991 (toshiba-laptop-battery.co.uk) an aspect which the appeal panel regarded as being indicative of abusive use was the fact that the Respondent was using the domain name featuring the Complainant’s trade mark to sell in addition to the Complainant’s goods, goods competing with the Complainant’s goods”*

In the present case, the Domain Name only appears to be being used to sell third party products, which the Complainant contends is even more egregious an Abusive Registration.

### *3.3. Unfairly disrupting the business of the Complainant (Policy, paragraph 3(a)(i)(C))*

The Complainant contends that web users looking for the Complainant's products will employ direct navigation or type relevant terms into search engines. In both cases it is reasonable to suggest that users will type the Complainant’s mark and a descriptive term either directly into their browser or into a search engine. The attractive force of the Complainant’s globally famous mark will lure web users to the Respondent’s web site where third party products are sold for the commercial benefit of the Respondent.

Such “bait-and-switch” tactics of using a complainant’s mark to promote third party products will inevitably lead to disruption to a complainant’s business and have generally been held to be indicative of Abusive Registration. The Expert’s attention is drawn to EPI GESTION, S.L. v. Mr Sean Gerrity (DRS 12782) in this regard.

Furthermore, on one particular page of the website associated with the disputed domain name, the Respondent states that a certain third party branded projector is an “Ideal replacement for failed classroom projectors including Epson and Sanyo”. In the context of the present dispute the Complainant contends that it is unfairly detrimental to the Complainant’s Rights for the Domain Name incorporating the Complainant’s trade mark to be used to disseminate such statements.

While the Complainant acknowledges that disruption of its business may not have been the Respondent’s primary purpose in registering the Domain Name (per the strict wording of paragraph 3(a)(i)(C)) the Complainant notes that paragraph 3(a) of the Policy is clearly expressed to provide non-exhaustive factors which may be evidence of Abusive Registration. Considering the general definition of Abusive Registration in paragraph 1(ii) of the Policy, the Complainant cannot conceive of any way in which the present use of the Domain Name (1) to sell third party products, and (2) in particular to publish an overt statement that the Complainant’s “failed” projectors might be replaced with third party products, could not be seen as unfairly detrimental to the Complainant’s Rights.

### *The Respondent*

The Respondent's submissions turn on the question of Abusive Registration.

It submits that it has made no deliberate attempt to mislead, misrepresent or act in any way that is detrimental to the Complainant.

It has an ongoing business relationship with the Complainant through its partner status. Prior to 2010-11, the Respondent worked with the Complainant and ran supported campaigns. It is now a member of the partner programme able to access the Epson Partner Portal.

The Respondent has never claimed to promote purely EPSON products. Historically it has sent out email bulletins to its database of customers featuring a single model of EPSON projector and no other competing products. The Respondent's Website has historically mirrored the email bulletin in terms of what is offered- i.e. a single model of Epson projector.

From summer 2014 onwards no EPSON product has been offered for sale on the Respondent's Website. This is because the Complainant put the model which the Respondent was marketing into constraint until December 2014, meaning that it became temporarily unavailable. Rather than leaving the Respondent's Website blank or displaying a message which might worry existing EPSON customers, the Respondent decided to remove its EPSON page from the Respondent's Website temporarily and to direct it to its own general projector page. The page that it is currently pointing to has not been amended since last year (and the projectors which feature on it made by third parties are no longer produced). The domain routing has not adjusted because the Respondent has a new website almost ready to launch.

In relation to the potential for confusion, the Respondent does not market to consumers. It markets to an "opted-in" education database. The Domain Name link only appears in the Respondent's email bulletins. It does not take web orders. If a visitor did happen to visit the Respondent's Website they would see the Pied Piper Educational Resources trading name (and not EPSON) and quotations and invoices would also be branded with the Respondent's trading name. Its single projector model marketing, back-up quotation procedure and closed "opted-in" database make it unlikely that casual visitors might land on the Respondent's Website.

*The Complainant's Submissions in reply to those raised by the Respondent (contained in the Reply but also in the Complainant's responses to the non-standard submissions made by the Respondent)*

In a signed statement from its Director of Legal Affairs the Complainant acknowledges that the Complainant is a member of the Epson Partnership Programme.

The statement annexes a copy of the terms of the Epson Partnership Programme Agreement and a copy of the signature clause that the Respondent signed on 17 August 2010. Clause 4 of the Agreement provides:

You [the Respondent] will not register any trade mark, company name or internet domain name or use as your company name the word or name Epson or any confusingly similar name or any other of our [the Complainant's] product or brand names”.

The Complainant contends that the Domain Name has been registered in breach of this Agreement.

In relation to the use of the Domain name, clause 4 of the Epson Partnership Programme Agreement provides:

“In no circumstances should Epson trademarks be used in direct association with the name of any other manufacturer or another brand name....”.

The Complainant contends that the Domain Name has been used in breach of this Agreement.

The agreement has not been amended.

The Complainant contends that the Respondent has overstated its business relationship with the Complainant. During the period since the Respondent became a member of the Epson Partner Programme the Respondent has sold only a small amount of Epson branded product- below the targets required in order for the Respondent to obtain any financial benefits from the programme and insufficient to justify any sales or management attention from the Complainant's staff. There is nothing in the relationship between the Parties that would have entitled the Respondent to register and use the Domain Name.

### *Other Submissions*

There is a strand of submissions raised by the Respondent about its lack of knowledge that the Complainant sells its products directly to the public. The Decision sets out no details about these submissions as it has no relevance to the DRS Policy and Procedure.

There is a further strand of submission raised by the Complainant about the content of the email bulletins which the Respondent has sent to its database of customers in relation to the Complainant's products. This issue is not directly relevant to the registration and use of the Domain Name and is not pursued in this Decision.

### *Without Prejudice communications*

The Complainant asks the Expert to consider the content of an email from the Respondent to the Complainant dated 14 November 2014 (i.e. before the Complaint was made). The email is marked “without prejudice”. The Complainant seeks to reply on the content of the email in relation to its case on Abusive Registration. There is a preliminary issue about the admissibility of the email.

The Complainant draws attention to the Appeal Decision in DRS00389 (Hanna-Barbera Productions v Graeme Hay] in which the Appeal Panel discussed the applicability of the rule excluding without prejudice communications to DRS cases and noted that the reasons for excluding the rule and admitting without prejudice correspondence will ordinarily outweigh the advantages of applying it. In this case the Complainant wishes to refer to the terms of a purported offer to transfer the Domain Name made by the Respondent. The DRS Policy expressly recognises that an offer to transfer a Domain Name for consideration in excess of the Respondent’s out of pocket cost directly associated with acquiring or using the Domain Name is one of the factors which may be evidence that the Domain Name is an Abusive Registration (clause 3 aiA). Given the central relevance of such an issue to the Policy the Expert finds that it is appropriate in this matter to have regard to the terms of the offer that was made by the Respondent, notwithstanding the fact that it has been marked “without prejudice”.

In the email the Respondent writes “if you would like to make a formal offer for the domain reflecting its commercial value, then we may, as a good will gesture, consider this.” The Complainant submits that this offer is indicative of an Abusive Registration because it refers to consideration in excess of the costs associated with acquiring or using the Domain Name.

## **6. Discussions and Findings**

Under Paragraph 2 of the Nominet Dispute Resolution Service Policy (the Policy) In order for the Complainant to succeed it must establish 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.

## Rights

Rights are defined in Paragraph 1 of the Policy as follows;

*"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."*

It is not in dispute that the Complainant owns Rights in its EPSON mark. This is evidenced, for example, by the registered trade marks referred to in section 3 of this Decision.

The Expert accepts the Complainant's submissions set out in section 5 of this Decision that the Domain Name is similar to the EPSON mark for the purposes of the DRS Policy. The dominant component is the word "epson". The addition of the generic suffix "-sch" does nothing to dilute the significance of the Epson mark nor does it change the overall impact of the Domain Name.

It follows that the Complainant has established on the balance of probabilities that it has Rights in respect of a mark which is similar to the Domain Name. The first element of the criteria under the Policy has been satisfied.

## Abusive Registration

An Abusive Registration is defined in Paragraph 1 of the Policy as follows:

"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".

In addition to the general definition of Abusive Registration above, the Complainant's submissions are primarily based on the following provisions:

## *Use*

The Complainant relies on the following provision of the Paragraph 3a of the Policy:

- iii. Circumstances indicating that the Respondent is using or threatening to use 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;

## *Registration*

3 a. A non-exhaustive list of factors which may be evidence that the Domain Name is an Abusive Registration is as follows:

- i. Circumstances indicating that the Respondent has registered or otherwise acquired the Domain Name primarily:

.....

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

Although the emergence of facts in this matter has been protracted and the submissions are complex, ultimately the question of Abusive Registration is a simple one.

The evidence shows that the Complainant is a member of the Epson Partnership Programme and has been since 2010 which is well before the Domain Name was registered. The Respondent also submits that it has had a commercial relationship with the Complainant since before it entered the partnership programme i.e. pre-dating August 2010. It is therefore clearly established that the Respondent was aware of the Complainant and its business when it registered the Domain Name in 2012.

The Expert accepts that there is a commercial relationship between the Parties through the Epson Partnership programme. However there is no evidence to suggest that the Complainant has authorised registration of the Domain Name by the Respondent. On the contrary, the Epson Partnership Programme agreement which the Respondent signed in August 2010 prohibits registration of an internet domain name featuring the EPSON mark by a reseller partner such as the Respondent (clause 4).

The Respondent has made use of the Domain Name since summer 2014 to point to a web page which shows projectors manufactured by competitors of the Complainant. The webpage in question refers to the Respondent's terms

and conditions and gives an indication of price in relation to some of the goods shown. It amounts an invitation to do business. Page 2 of the screen shot of the Respondent's Website refers to a SONY product as a replacement for the Complainant's projector in case the Complainant's projector should prove faulty.

These circumstances individually- and in combination- are significant. They will potentially lead to lost sales for the Complainant because the Respondent is using the Complainant's trade mark or brand to attract customer interest. A customer who visits the Respondent's Website wishing to purchase a projector will be (a) exposed to product from competing businesses and (b) directed to replacement products in a context where the reference to the Complainant's product has a derogatory connotation (Epson projectors can be faulty...).

This situation takes advantage of the Complainant's Rights because the focus of the Domain Name under which the website is operating is the Complainant's well known EPSON trade mark. The effect of the Respondent's activities is to exploit the brand recognition and goodwill associated with the Complainant. Customers who are exposed to the Domain Name as a website address or email address will initially be under the mistaken impression that it is connected with EPSON product. This impression may encourage them to visit the Respondent's Website. Even if their confusion is dispelled on visiting the Respondent's Website the potential customer will have been exposed to the Respondent's Website and to the third party products which are displayed. This is what the Complainant refers to as initial interest confusion and it is accepted as something that can generate an Abusive Registration under the Policy.

The Complainant also refers to "bait and switch". The Expert agrees that the Respondent's use of the Domain Name is likely to generate customer interest. Once generated, that interest will be directed through the content of the Respondent's Website to projectors which compete with the Complainant's products. This takes unfair advantage of the Complainant and is likely to cause damage and disruption to its business through lost sales.

This situation is unaffected by the fact that the Respondent operates in a niche market and that a customer cannot order directly from the website. The fact remains that there is a real risk that initial customer interest will be generated through use of the Domain Name and that, having generated that interest, the Respondent is both inviting customers to purchase competitor products and recommending those products as replacements for the Complainant's products.

Whilst this may not have been the Respondent's intention, it is the effect of its actions and it is contrary to the DRS Policy.

*The Respondent's Email of 14 November 2014*

For completeness, the reference to a transfer of the Domain Name for its commercial value contained in the Respondent's email of 14 November 2014 does not provide evidence of an Abusive Registration. It lacks the specificity needed to constitute a firm offer to transfer the Domain Name and the predominant inference from the email in which it is contained is that the Respondent wishes to maintain its relationship with the Complainant rather than to exploit it

**7. Decision**

The Expert finds that the Complainant has Rights in respect of a name or mark which is similar to the Domain Name and that the Domain Name in the hands of the Respondent is an Abusive Registration. The Expert orders that the Domain Name to be transferred to the Complainant.

**Signed .....**  
**Sallie Spilsbury**

**Dated 26 April 2015**