

DISPUTE RESOLUTION SERVICE

D00010143

Decision of Independent Expert

MERIAL (société par actions simplifiée)

and

Med&Vet uk ltd

1. The Parties:

Lead Complainant: MERIAL (société par actions simplifiée)
29, avenue Tony Garnier
Lyon
F-69007
France

Respondent: Med&Vet UK Ltd
Unit 17
Airfield Industrial Estate
Eye
IP23 7HN
United Kingdom

2. The Domain Names:

frontlinekillsfleas.co.uk
frontlinespotonkillsfleas.co.uk

3. Procedural History:

3.1 Chronology

28 July 2011	Dispute received
28 July 2011	Complaint validated
28 July 2011	Notification of complaint sent to parties
16 August 2011	Response reminder sent

19 August 2011	No Response Received
19 August 2011	Notification of no response sent to parties
30 August 2011	Expert decision payment received

3.2 Procedural Issues

Capitalized terms used in this decision have the meaning given to them in the Nominet Dispute Resolution Service (“DRS”) Policy and Procedure, Version 3 of July 2008 (“the Policy” and “the Procedure” respectively). Nominet served the Respondent with the Complaint on 28 July 2011.

- 1) By email to:
 - a) mgfw3000@yahoo.fr;
 - b) postmaster@frontlinespotonkillsfleas.co.uk; and
 - c) postmaster@frontlinekillsfleas.co.uk
- 2) By registered post to the address for the Respondent given above.

The email to the address at 1(b) bounced back with an undeliverable message. The others did not. The Royal Mail track and trace service shows item AR252426911GB was delivered. §2(a) of the Procedure provides a Respondent may be served with a Complaint, at Nominet’s discretion by any of: first class post, fax or email to the contact details in the Register; or by email to postmaster@<the domain name in dispute> etc. The Contract clearly renders the Respondent responsible for any failure to notify Nominet of changes to his details. The Respondent’s WHOIS entry gives the postal address above and the yahoo email. I am therefore satisfied the Respondent was duly served.

Although the Respondent has failed to submit a Response, or make any other submission, the Procedure does not provide for a default decision in favour of the Complainant. The Complainant must still prove its case to the requisite standard, see §15(b) of the Procedure. However, an expert may draw such inferences from a party’s default as appropriate.

4. Factual Background

- 4.1 The Complainant has marketed and sold preparations for treating fleas in household pets, particularly cats and dogs, under the name FRONTLINE since 1994. FRONTLINE products have become the UK’s leading brand of anti-parasitic preparations for cats and dogs. Sales of its two main product lines (Combo and Spoton) in 2010 were approximately £26.1 million pounds *each* being some £52 million pounds in total. In addition to marketing material aimed specially at vets and pharmacists, the FRONTLINE products have been advertised on national television and in both specialist and popular press. A FRONTLINE product was the winner of the Best Cat Flea Pet Product 2009/10 and Best Dog Flea Pet Product 2009/10 in the Your Cat Magazine and Your Dog Magazine Product

Awards. The Complainant has spent between £2-3 million pounds annually on advertising in the past three years. In the UK, the Complainant operates a website at <http://uk.merial.com> which includes a dedicated section for the FRONTLINE product at <http://frontline.uk.merial.com>. The Complainant's products are sold to the public via intermediaries rather than by the Complainant or its UK subsidiaries directly. Combo is available only by prescription from a Veterinary Surgeon.

- 4.2 The WHOIS Reports show that frontlinekillsfleas.co.uk was registered in June 2007 and frontlinespotonkillsfleas.co.uk in August 2007. The Respondent offers products for sale online at the Domain Names including those available only on prescription from a Veterinary Surgeon –as it apparently has a licensed Veterinary Surgeon available by telephone. It sells the Frontline Spot On products and other third party products.

5. Parties' Contentions

The Complainant

- 5.1 The Complainant says it has rights in a name or mark identical or similar to the Domain Name and in the hands of the Respondent, the Domain Names are an Abusive Registration.

- 5.2. As to Rights, the Complainant says it has Rights as follows:

5.2.1 Registered Rights

a. UK national mark No. 1557026 FRONTLINE covering "insecticides and anti-parasitic agents, all being veterinary preparations" in Class 5 registered in August 1996.

b. European Community trade mark (CTM) No. 1966787 FRONTLINE for "insecticides and antiparasitic preparations for veterinary purposes" in Class 5 registered in January 2002.

c. International registration (UK) No. 771092 FRONTLINE COMBO for "veterinary products, namely insecticides and antiparasitic products" in Class 5 registered in November 2001.

5.2.2 Unregistered Rights

The Complainant relies on its extensive use as set out at §4.1 above and the very substantial goodwill and reputation it has created in the FRONTLINE name in the UK. The Complainant says FRONTLINE is now a household name for flea treatment products for cats and dogs.

- 5.3 As to Abusive Registration, the Complainant says:

- 5.3.1 FRONTLINE in relation to flea treatment products is uniquely distinctive of the Complainant's products and the Domain Names imply, and customers would infer, that any website hosted at the Domain Names is an official website of the Complainant or is officially authorised by the Complainant. Despite claims by the Respondent –no such consent or authorisation was given.
- 5.3.2 The Complainant is unable to control the quality, accuracy and appropriateness of the content of the website. Any incorrect, poor quality or inappropriate material displayed on the website, whether now or in the future, is likely to lead to damage to the reputation of the FRONTLINE mark, and consequently to impair sales of the Complainant's FRONTLINE product.
- 5.3.3 Without control of the Domain Names, the Complainant is unable to check that the products sold there are genuine.
- 5.3.4 The Domain Names are used to market products of a competitor company - namely the flea and tick treatments sold under the EFFIPRO mark. The EFFIPRO treatments are listed before the FRONTLINE treatments, which may have the effect of leading customers to buy EFFIPRO products over FRONTLINE products. In particular, when ordering an EFFIPRO flea treatment product at the website www.frontlinekillsfleas.co.uk, the webpage at which customer details must be entered contains the following statement to which the customer must agree: "*I have used Frontline Spot on before and I am aware of how to use the product safely and responsibly.*" All of this has the potential to confuse customers into thinking that EFFIPRO and FRONTLINE products are the same or perfect substitutes for each other or that they originate from the same company.
- 5.3.5 In thefrontlineshop.co.uk, DRS No. 9667 this type of conduct was held to be abusive. See also buy-epson-uk.co.uk DRS 07228, clarityn.co.uk DRS 07186, toshiba-battery-laptop.co.uk DRS 07991 and seiko-shop.co.uk DRS 00248
- 5.3.6 The registration of the Domain Names by the Respondent is an infringement of the Complainant's rights in its registered marks and passing off. The marks are used to expose EFFIPRO-branded goods for sale. See *British Telecommunications plc and Others v One in a Million and Others*, [1998] EWCA Civ 1272.
- 5.3.7 The registration of the Domain Names unfairly disrupts the business of the Complainant as the Complainant has a policy of not consenting to the registration of any domain name containing the FRONTLINE name by any seller of its products. The Complainant cannot allow a small minority of sellers to register domain names which could result in an unfair advantage over other sellers of the same product within the Complainant's wholesale and retail distribution network.

The Respondent

- 5.4 No Response was received, however as noted above—this does not relieve the Complainant of its burden of proof.

13(a) Request for Information

- 5.5 On 15 September 2011, I made a Request to the parties under 13a of the Procedure in the following terms “*the parties are both requested to make submissions on the principles applicable to resellers as discussed in WIPO Case Oki Data Americas, Inc. v. ASD, Inc., WIPO Case No.D2001-0903.*”

- 5.6 The Complainant responded as follows:

- 5.6.1 *Oki Data* was a case decided under the UDRP for a .com dispute, rather than under the Policy.

- 5.6.2 The factual situation in the *Oki Data* case was appreciably different as the Respondent was offering repair services as an authorised Oki Data Repair Centre and was listed on the Complainant’s website as such with access to the “Business Partner Exchange”. In contrast, the Respondent is simply one reseller amongst thousands that sells the Complainant’s product and does not have any special status.

- 5.6.3 The Respondent does not comply with the second of the four *Oki Data* tests, because the Respondent is using the website linked to by the Domain Names to sell products of competing companies thus, the registration of the Domain Names is abusive because of the possibility of internet users being “baited” to come to the site to buy the Complainant’s product and then “switching” to a competing product. See In *thefrontlineshop.co.uk*, DRS No. 9667.

- 5.7 The Respondent gave no response to the 13a Request.

6. Discussions and Findings

- 6.1 The DRS is designed as a fast, simple alternative to litigation. Domain names are registered on a first come, first served, basis and a registration will only be disturbed if it is an Abusive Registration, as defined in the Policy. Paragraph 2(a) of the Policy requires the Complainant prove 2 elements:

“i.The Complainant has Rights in respect of a name or mark which is identical or similar to the Domain Names; and

ii. The Domain Names, in the hands of the Respondent, are an Abusive Registration.”

The Complainant bears the onus of proof and must prove both elements on the balance of probabilities. As mentioned above, even where no Response is submitted, the Complainant must meet this burden. The DRS's jurisdiction under the Contract is limited to these issues and the remedies of cancellation, suspension, transfer or amendment of the Domain Names. The Policy does not provide jurisdiction for the determination of allegations of trade mark infringement or passing-off proper.

Rights

- 6.2 The Complainant clearly has Rights in the name FRONTLINE from its long trading history and its registered marks. Paragraph 2(a)(i) of the Policy requires that the name or mark in which a Complainant has Rights "is identical or similar to the Domain Name." The distinctive and dominant parts of the Domain Names are the word FRONTLINE and I am satisfied the Complainant has Rights in a mark and name similar to the Domain Names.

Abuse

- 6.3 The second element the Complainant must prove under §2(a) of the Policy, is the Domain Name are Abusive Registrations, defined in §1 thereof. §3 of the Policy provides a non-exhaustive, illustrative, list of factors, which may evidence Abusive Registration. Conversely, §4 of the Policy provides a non-exhaustive list of factors which may evidence that a registration is not an Abusive Registration. The Complainant relies on the grounds at §3a(i)B (blocking), §3a(i)C (unfair disruption) and §3a(ii)(confusion).
- 6.4 The key issue in this case is whether the Respondent is a legitimate reseller making a genuine, bona fide offering of goods or services under §4a(i)A of the Policy. If it is –then as the use is legitimate –it will not be Abusive. I will therefore start with this issue. The reason for this is that resellers of genuine goods --even unofficial and unauthorised ones--are permitted and fully protected by law. This is reflected in UDRP jurisprudence by the *Oki Data* principles which represent the majority view of domain name experts at WIPO—namely that a reseller/distributor can make a bona fide offering of goods and services and have a legitimate interest in a domain name, provided:
- (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; and
 - (d) the Respondent must not try to "corner the market" in domain names that reflect the trademark.

The Complainant says *Oki Data* (above) should be distinguished as a UDRP rule. However, in *Toshiba Corp. v. Power Battery Inc.* DRS 07991 the Appeal Panel said the *Oki Data* principles were broadly consistent with the

Nominet Policy on resellers—but that its own summary of the position would be 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.”*

These factors were derived from *Seiko UK Ltd -v- Wanderweb* DRS 00248 and *Epson Europe BV -v- Cybercorp Enterprises* DRS 03027—and considered in detail by the Appeal Panel in *Toshiba* (above). It would perhaps have been more appropriate if I had put the four factors in *Toshiba* (above) to the Complainant—but I had not adverted to those at the time and as the Complainant made submissions on the *Oki Data* principles at my request—I will apply those.

(a) Actual Offering of Goods and Services

The Respondent is clearly offering genuine FRONTLINE products at the site to which the Domain Names resolve. The Complainant implicitly accepts this—although it says without control of the Domain Names—it cannot check it—but that the content of the site in relation to the products is accurate or appropriate.

This factor derives from the simple rule of law that a trade mark owner cannot prevent resellers using the trade mark to sell genuine goods absent special circumstances (mainly applicable to luxury goods). Indeed in *Toshiba*, the Appeal Panel was very clear that the re-sale of genuine goods placed on the market in the EU with the consent of the trade mark owner under the trade mark is perfectly legal. It cited the leading authority --*BMW v Deenik* C-63/97(a reseller genuinely specialising in the sale of BMWs could not practically communicate that to his customers without using the BMW mark—so that an informative use of the BMW mark was necessary to guarantee the right of resale). The right of resale is protected by Arts. 6(1)(c) and 7 of the Trade Marks Directive. However it must be used honestly and not create a false impression that there is a commercial connection between two undertakings. If this was an infringement case, the Respondent would rely on Art. 7 and the previous sale of its FRONTLINE goods by the Complainant or one of its wholesalers in the EEA—and this factor is designed to reflect this. In this case—this factor is clearly met as the goods sold by the Respondent are genuine FRONTLINE goods—and the Respondent is engaged in legitimate and bona fide trade in those goods.

(b) Sells Only the Trade Marked Goods

The Complainant says that the Respondent's use fails this test as the Domain Names are also used to sell EFFIPRO branded flea and tick treatments –produced by a competitor. It relies on the earlier FRONTLINE case, DRS No. 9667. This it says is bait and switch and trade mark infringement. The Complainant says moreover—the EFFIPRO goods are listed before its own products and that might cause consumers to buy those products in preference to FRONTLINE products. The Complainant also says the line of honesty and fairness is crossed by the fact that when ordering EFFIPRO goods—consumers are presented with and must agree to the point of sale statement “*I have used FRONTLINE Spot on before and I am aware of how to use the product safely and responsibly.*” The Complainant says this may confuse customers and lead them to believe that the products are the same or perfect substitutes for each other.

It is my view that this principle is no longer valid for two reasons. Firstly, it forces resellers to specialise in one product line only –and so sellers of second hand goods could not sell a variety of items—there is no such restriction anywhere in the law and it is important to occasionally test the Policy against the law –particularly in such a fast moving area. Secondly, there have been very significant recent developments in the directly applicable area of keywords and trade mark infringement. Although keyword use is invisible –the very clear parallels with domain names are unavoidable. I note therefore that even in an identity/identity case, trade mark owners cannot now oppose use unless it is liable to adversely impact the essential origin function of the trade mark. See *Google France SARL v Louis Vuitton Malletier SA* C-236/08 to C-238/08 (advertisers' use of trademarks as keywords *to advertise competing products* is permissible and non-infringing under Art.5(1)(a)— provided there is no confusion as to whether the goods or services originate from the registered proprietor or a third party. See also *Portakabin v Primakabin*, Case C-558/08, (claimant's mark used as a keyword and advertisement *took the public to offers for used goods of the Claimant and offers for goods from the Respondent and other manufacturers*—neither misleading nor gave a greater advantage than necessary where the ads were otherwise honest and fair and the re-sales were protected by the exhaustion principle in Art. 7 and potentially by honest and fair descriptive use in Art. 6 (1) (c)). *Both were identity/identity cases under Art 5(1)(a) and the marks were used in relation to competing goods.* I note that the ECJ made no mention of “initial interest confusion” in any of the keyword cases and this raises serious questions as to its place in the law.

It is my view that the *Oki Data* principles and any other test must be updated to reflect the new law –which squarely impacts current tests in domain disputes as well as norms on honest and acceptable use online and consumer expectations as to the same. However, despite these developments what remains constant is that where an economic link/relationship is misrepresented –then the origin and other functions may be impaired and the right of resale lost—and this factor is clearly included and examined under principles (c) and (d) below.

Despite my views on this factor –this Complainant was asked to make submissions on the principles as originally stated and I will apply them in that form. There is no question that the Respondent sells competing products and fails this principle. I don't believe the order of listing is relevant and it is also my view that the point of sale statement is more likely inadvertent rather than dishonest but it is borderline in terms of fair acceptable use. I note the earlier FRONTLINE case, DRS No. 9667 regarded this as a factor but it also concerned the domain name 'thefrontlineshop.co.uk' and use of *the* represented the site was official –and so it fell foul of the *Seiko* rule –and so will be looked at below. In all, the Respondent sells competing products and fails this principle.

(c) Accurately and prominently discloses the registrant's relationship with the trademark holder.

On any analysis, this issue goes to the very heart of the inquiry --testing for confusion and a misrepresentation as to a commercial connection between the parties.

The Complainant says that this case should be distinguished from *Oki Data* as in that case the Respondent was an authorised repairer/partner whereas the Respondent in this case is not an 'authorised' reseller and has no special status. The *Oki Data* principles are not based on such status and nor is the law—Art 7 does not restrict the protection to "authorised" dealers or distributors.

However *Seiko* DRS 00248 (above) relied on by the Complainant, drew a distinction between domain names that suggest "we are *the seiko shop*" (not acceptable) and "we are *a shop selling seiko*" (acceptable). This remains a valid test and is compatible with Art. 7 and also the new keyword cases and it is this test I will apply below.

This test was applied in the *Toshiba* (above) case where the Expert found the fact that the Respondent offered products from other manufacturers reinforced the impression given in the domain name (Toshiba-battery-laptop) that it was an independent retailer although the Appeal Panel thought it crossed the line into *The* territory.

The webpage/site to which the Domain Names resolve is very clearly headed with the name of the Respondent and clearly purports to be an online retailer of products for domestic animals with the ability to provide prescription treatments and products from a licensed veterinary surgeon and says "*Our Qualified Veterinary Surgeon and his friendly team are ready to advise you and help you protect your pets. Just call. We can take your orders on the phone, or call in, we can take your orders on the premises.*" A wide variety of products are shown on the site and it does not appear on its face to be connected to any third party. No-one on reaching the site would assume any connection between these two parties in my view. There is no suggestion at the site itself that the Respondent is an 'authorised' distributor or reseller in my opinion.

The inquiry turns then to the Domain Names themselves and whether they contain a representation of a commercial connection or suggest authorisation. This I consider under principle (d) below.

(d) The Respondent must not try to "corner the market" in domain names that reflect the trademark.

This factor complements that in (c) –as certain names will block a complainant and also imply a connection and create confusion. On cornering the market, some commentators would restrict this to the .com but others would see any use with a geographic ending as suggesting the brand's local subsidiary, franchise or affiliate. The cases above and the test in *Seiko* are also relevant here.

The Complainant relies on *Buy-epson-uk.co.uk* DRS 07228 –a summary rather than reasoned decision. This does not assist. We have already referred to *Epson* DRS 0327 (above) –discussed in detail in *Toshiba* (above) where the Appeal Panel agreed with the approach in *Seiko*. The Complainant also relies on *clarityn.co.uk* DRS 07186 --where the domain name pointed to Chemist Direct UK where the Complainant's products and other pharmaceutical products were sold. The Respondent claimed it was a legitimate reseller of Clarityn products and its purpose in registering the Domain Name was to promote and sell Clarityn. The Panel found the domain name gave the impression it was endorsed by the Complainant. This is a 'cornering the market' case where the domain name also breached the *Seiko* test in my view.

I note the Complainant also relies on a passage from *Seiko* about §60 of the 1994 Trade Marks Act (and a Paris Convention provision) for a rule that an agent cannot appropriate his master's trading style but that is a statutory ground for opposing an application for a registered mark and there is no wider rule in my opinion. Further, here, as in many reseller cases, there is no agency or other relationship. Even if I am wrong –such a principle would have to be interpreted in a manner compatible with protecting the right of resale in Arts. 7 and 6.

The Complainant says it does not allow any of its wholesale or retail resellers in its distribution network to register domain names that might give them an advantage over any other reseller—and that its contract with its direct wholesale customers has clause to this effect --and so the registration disrupts its business. I don't think this is a valid concern in the face of the competing values of free movement of goods and services and fair and competitive markets--enshrined in Arts. 7 and 6.

The Domain Names in this case do not suggest they are THE FRONTLINE store –or even an official dealer or reseller in my view. The Domain Names say in effect: "*X brand does what it says on the Tin.*" To my mind this is a valid advertisement by a party genuinely selling X brand and does not make a representation that it is X brand.

Domain names are used by all manner of sellers today and consumers are familiar with the marketing of goods and services by domain names and do not assume that the mere use of a trade mark in a domain name means the website will be that of the mark owner. They do not automatically assume an economic link with

the mark proprietor – unless perhaps the name is without additions, combined with the .com or the .co.uk endings. So in this case, the Domain Names do not represent they are FRONTLINE’s official site in the UK in my view and do not corner the market or unfairly block the Complainant.

Summary on Oki Data principles

It is my view that the Respondent’s conduct is legitimate and a bona fide offering of the Complainant’s goods by a reseller acting honestly and fairly. No representation of any connection between the parties is made. The statement at the point of sale is borderline but in my view inadvertent and also insignificant.

However –principle (b) is not met –and despite my view that it is no longer valid--the Complainant made this complaint in good faith on the basis that it is a current majority view. This is a borderline case but based on (b), the statement at point of sale and the fact the Respondent has not come forward –I will find for the Complainant.

Other arguments

A blocking registration §3a(i)B

The considerations relevant to this factor have already been considered under the ‘cornering the market’ limb of the *Oki Data* principles at (d) above.

Registered for the purpose of unfairly disrupting the business of the Complainant —per §3a(i)C

This is pre-empted by the application of the *Oki Data* principles above—as the outcome of that analysis determines whether the conduct in issue is fair and legitimate or not.

Confusion —per §3a(ii)

Again, these considerations have already been considered under the ‘accurately disclosures the relationship’ limb of the *Oki Data* principles at (c) above.

I just note that the Complainant says the fame of their marks mean the Domain Names are an ‘instrument of deception’ as in *BT v One in a Million* [1999] FSR 1 where the court held that the registration of a domain name of a well-known company was actionable passing off. Today the position is accepted to be more nuanced. As the Policy recognises, bona fide use, non commercial fair use and criticism and tribute sites are permitted under the Policy. I don’t find it helpful particularly in a case where a genuine offering is made.

I also note that no evidence of confusion was tendered here and I do not believe any one was or would be confused.

7. Decision

The Complainant has Rights in a name and mark similar to the Domain Names which are an Abusive Registration and shall be transferred to the Complainant.

Signed Victoria McEvedy

Dated 30/9/11