

O-098-10

TRADE MARKS ACT 1994

IN THE MATTER OF AN APPLICATION UNDER NO 2414657B
IN THE NAME OF DISNEY ENTERPRISES INC

AND

OPPOSITION THERETO UNDER NO 98206 BY JOHN PEPIN

IN THE MATTER OF an application
under No 2414657B in the name of
Disney Enterprises Inc and
Opposition thereto under No 98206
by John Pepin

Background

1. Application No 2414657B, which is for the trade mark PIRATES OF THE CARIBBEAN, stands in the name of Disney Enterprises Inc (“Disney”) and has a filing date of 22 February 2006.

2. Following publication of the application in the *Trade Marks Journal*, Notice of Opposition was filed by John Pepin. Whilst the application covers a wide range of goods and services in classes 9, 16 and 41, the opposition is directed at the following goods and services only:

Class 9

computers; computer software; computer games; computer game cartridges; computer game discs; electronic games; video games; video game cartridges; games cartridges for use with electronic games apparatus; CDs, radios; telephones; mobile telephones.

Class 16

modelling clay; writing instruments; chalk; pens, pencils, crayons; erasers; rulers; pencil sharpeners; pen and pencil boxes and cases; pencil holders; printed computer programs.

Class 41

entertainment; sporting and cultural activities; amusement park and theme park services; entertainer services; educational and entertainment services rendered in or relating to theme parks; entertainment by means of or relating to radio and television and the Internet; cinema entertainment; presentation of live performances; theatre productions; entertainment information; provision of entertainment, education and information relating to education for accessing via communication and computer networks and via the Internet; entertainment, education and information relating to education provided in the form of websites; production, presentation, distribution, syndication, networking and rental of television and radio programmes and of films and sound and video recordings; production and rental of educational and instructional materials; providing on-line electronic publications; publication of texts, books and of magazines and of electronic books and journals on-line; information, consultancy and advisory services relating to any of the aforesaid services.

3. Mr Pepin’s opposition is based on the grounds of passing off under section 5(4)(a) of the Act. He relies on use, on the Internet since 22 July 2002, of the signs PiratesOfTheCaribbean and PiratesOfTheCaribbean.co.uk in relation to *Dissemination of advertising for others via the Internet.*

4. Disney filed a counterstatement denying the claims made and putting Mr Pepin to proof of them.

5. Both sides filed evidence and, whilst neither requested to be heard, both filed written submissions in lieu of attendance at a hearing. I give this decision after a careful study of all the material before me.

The evidence

Mr Pepin's evidence

6. In his witness statement dated 28 April 2009, Mr Pepin explains that he is a sole trader working from Woking, Surrey and that he is the registrant of the domain name piratesofthecaribbean.co.uk. He says he got the idea for registering the domain name from reading pirate stories to a friend's young son. The domain name is hosted by Netserve Consultants Ltd who registered it on 22 July 2002 with Nominet who operate the UK domain registry.

7. Mr Pepin goes on to say that in 2003 the domain name began to be used as a host website displaying banner advertising. From my reading of the evidence it seems that an advertisement is embedded into a web page which attracts traffic to another website by providing a click-through link to that other website.

8. Mr Pepin says that between 2003 and 2006 banner advertisements for Ebay, AutoEurope and Sendit.com were placed on his web page by a company called TradeDoubler. From May 2006 NameDrive who "effectively act as agents for Google™" became the host and the web page "started to have thousands of advertisements" placed on it. The advertisements placed on the web page are said to cover a vast range of products and services "at least covering and probably exceeding all of the Classes of TM that the Opponent has Opposed".

9. Mr Pepin points out that "the advertisements that are displayed change every time someone visits the website and the advertisements that are displayed are based on the keywords that the advertiser has chosen to pay for with Google™. In other words, if the advertiser has paid Google™ to display advertisements with the keywords "pirates of the Caribbean" then it is highly likely that those advertisements will be displayed on PiratesOfTheCaribbean.co.uk." He goes on to explain that "the types of advertisement placed on the website.....are not dictated by the advertisement content but by the keywords paid for by the advertiser, and by the website name. In other words an advertiser may pay Google™ for the keywords "Pirates of the Caribbean" to display their advertisements for say Mobile Phones or whatever they wished to."

10. Mr Pepin's evidence includes the following exhibits:

PEP1: Copies of correspondence;

PEP2: A printout dated 28 April 2009 of the "whois" record for the domain name showing Mr Pepin as registrant, at that date, of the domain name he relies on in these proceedings;

- PEP3: The exhibit appears to be some form of web message to a person named Calum James Lay and contains the sentence "I hope that you remember those Pirate and Treasure stories that I used to read to you some years ago..." The print is not dated, there is no indication of who might have posted the message nor where it was or is posted;
- PEP4: A copy of Mr Pepin's web page as it appeared in December 2004 as downloaded from web.archive.org. This is said to show banner advertisements for Ebay, AutoEurope and SendIt.com. The material before me does not show this. The print bears the heading "Some of the Best Web Sites". There is a reference to Ebay in that it contains the following text: "Ebay have auctions for Cars of all types from Sports to Classic Cars UK and USA";
- PEP5: Pages from the Ebay and SendIt websites. All were downloaded on 28 April 2009 and none make any reference to Mr Pepin or his domain name;
- PEP6: Copies of 5 emails from TradeDoubler which appear to relate to an application for the domain name to be used as a host website. Four are dated 6 December 2003 with the remaining one dated 7 January 2004. They are all addressed to snpepin@piratesofthecaribbean.co.uk;
- PEP7: Copies of screenprints said to show acceptance of the domain name by SendIt and which appear to be taken from the TradeDoubler site;
- PEP8: Contact details of SendIt.com Ltd who are based in Belfast;
- PEP9: A copy of a letter from NameDrive dated 28 April 2009. The letter confirms the company has hosted the website for around 3 years. It is addressed to "Dear John", but does not bear any other addressee details. Forming the rest of this exhibit are copies of webpages displayed on the site. Not all are dated but where they do bear dates all show 28 April 2009;
- PEP10: Copies said to be prints of some of the UK based companies websites linked to Mr Pepin's site. All of these are dated 28 April 2009 and, as far as I am able to see, none make any reference to Mr Pepin or his website;
- PEP11: A printout said to show traffic and revenue from Mr Pepin's web page. The printout comprises several pages listing dates between Monday, May 1 2006 and Tuesday, April 28 2009 with various columns alongside each date. The first of these pages only, showing days in March and April 2009 bears the following heading:
- "Revenue (£) Views Clicks CTR (%) Avg PPC (¢) RPM (¢)"
- No explanation of this heading is given and it is not clear how this heading relates to the numbers appearing in the six columns appearing

underneath it. No explanation is given which allows me to understand the information that might be given in this exhibit.

Disney's evidence

11. This takes the form of a witness statement dated 29 July 2009, by Joseph M Letang of Frank B Dehn & Co, Disney's legal representatives in these proceedings. Mr Letang confirms he is authorised to make his statement on behalf of Disney.

12. Mr Letang says that the application the subject of these proceedings was accepted on the basis of distinctiveness acquired through use and exhibits, at JML-A, a copy of the witness statement and attachments he says were filed during the examination procedure. In fact whilst evidence was filed in relation to the application before it progressed to publication, a review of the file shows that the evidence was returned to the applicant at its request and was never considered. The application was accepted on its own merits after amendment of the specification of goods and services.

13. Mr Letang explains that the mark applied for relates to a film PIRATES OF THE CARIBBEAN (THE CURSE OF THE BLACK PEARL) which premiered in London on 14 July 2003. Gross box office takings are said to have been not less than £28 million. The film was released on video and DVD in the UK in December 2003 and achieved gross sales of not less than £3.7 million by the date of filing of the application. The film was made available as a video and computer game in June 2003. Gross sales revenue of PC and Xbox games bearing the mark applied for are given as follows:

PC	Units	Revenue	XBX	Units	Revenue
To 31 Dec-05	57873	177366	To 31 Dec-05	47464	206457
To 31 Mar-06	75553	181627	To 31 Mar-06	48085	207842
	133426	358993		95549	414299

Mr Letang explains that the above figures are the only ones readily available and are shown in US Dollars.

14. Mr Letang states that Mr Pepin is not the only owner of domain names which include the words Pirates of the Caribbean. He gives details of other trade mark and domain name registrations owned by Disney or associated companies which consist of or contain these words (see JML-B and JML-D). In addition, at JML-C he exhibits WHOIS search results taken from the Nominet website showing details of two domain names owned by unrelated third parties which also contain these words.

15. Mr Letang states that Mr Pepin is the owner of at least 338 domain names, including american-idol.co.uk, cindycrawford.co.uk, windsorcastle.org.uk, sex-sex.co.uk, chamberofcommerce.org.uk and flashdisc.co.uk (see JML-E).

16. Mr Letang also exhibits the following:

- JML-F: a copy of a decision dated 1 July 2005 issued by the Nominet UK Dispute Resolution Service in a dispute between Caesars Entertainment Inc and S N Pepin The decision found that domain name registrations made by S N Pepin were abusive and directed they be transferred to Caesars Entertainment Inc;
- JML-G: a copy of a letter from the Trade Marks Registry relating to another trade mark application on which S N Pepin had made observations based on his ownership of the piratesofthecaribbean.co.uk domain name (the same domain name relied on by John Pepin in these proceedings);
- JML-H: an extract from The Internet Movie Database which refers to a published news article dated 22 July 2002 referring to Disney's forthcoming movie Pirates of the Caribbean. Mr Letang points out that Mr Pepin filed his domain name application the same day;
- JML-I: an extract from Wikipedia referring to the Pirates of the Caribbean ride at Disney's theme parks. Also exhibited is an article from the Times Online site dated 14 July 2003 referring to Disney's film having been based on the theme park attraction;
- JML-J: extracts from the websites of various tour operators referring to the theme parks and rides.

Mr Pepin's evidence in reply

17. Mr Pepin filed a further witness statement dated 25 September 2009. Mr Pepin states that the registration of the domain name Piratesofthecaribbean.co.uk was made in good faith on 22 July 2002, long before Disney made its application. He admits that he does own a large number of domain names, purchased he says at the beginning of 2008. He exhibits, at PEP1, articles relating to various actions involving Disney.

18. That completes my summary of the evidence filed in these proceedings insofar as I consider it necessary.

The Law

19. Section 5(4)(a) of the Act reads:

"A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented –

- (a) By virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

(b)

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an “earlier right” in relation to the trade mark”.

20. In *Reckitt & Colman Products Ltd v Borden Inc* [1990] RPC 341, Lord Oliver summarised the law of passing off as follows:

“The law of passing off can be summarised in one short general proposition- no man may pass off his goods as those of another. More specifically, it may be expressed in terms of the elements which the plaintiff in such an action has to prove in order to succeed. These are three in number. First, he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying “get-up” (whether it consists simply of a brand name or trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff’s goods or services. Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether intentional or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff. Thirdly he must demonstrate that he suffers, or in a *quia timet* action that he is likely to suffer, damage by reason of the erroneous belief engendered by the defendant’s misrepresentation that the source of the defendant’s goods or services is the same as the source of those offered by the plaintiff.”

21. In his Notice of Opposition, Mr Pepin states:

“The use of the textual Mark by the Applicant would confuse the Public as to which company they were dealing with and would therefore dilute the goodwill that has been built up in the Opponents sign/mark and damage his business. The Applicant intends using the mark in such a way that would effectively eclipse the Opponents rights in the same mark/sign and for that reason I contend the Applicant would be committing the tort of passing off.”

22. Mr Pepin claims rights in the signs relied on since 22 July 2002 this being the date on which the domain name was first registered. But it is well established that passing off does not protect a name itself (let alone a domain name that has simply been registered), but, rather, protects the property in a business, or goodwill, that could be damaged by a relevant misrepresentation. Another relevant factor is that Disney has used PIRATES OF THE CARIBBEAN and so, in reaching my decision I have to bear in mind the material date at which matters must be judged. In *Last Minute Network Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM), joined cases T-114/07 and T-115/07, it was stated:

“50. First, there was goodwill or reputation attached to the services offered by LMN in the mind of the relevant public by association with their get-up. In an action for passing off, that reputation must be established at the date on which

the defendant began to offer his goods or services (*Cadbury Schweppes v Pub Squash* (1981) RPC 429).

51. However, according to Article 8(4) of Regulation No 40/94 the relevant date is not that date, but the date on which the application for a Community trade mark was filed, since it requires that an applicant seeking a declaration of invalidity has acquired rights over its non registered national mark before the date of filing, in this case 11 March 2000.”

23. With this in mind, the material date is therefore the date of filing of Disney’s application (i.e. 22 February 2006) but also the date from which it first used the mark, particularly if this would lead to a finding e.g. that Disney is the senior user (as per *Croom’s Trade Mark Application* [2005] RPC 2), or that there had been acquiescence under the common law. I note that Disney claim the mark applied for has been used as the name of a film which premiered in London on 14 July 2003 and Mr Pepin does not dispute this.

24. I begin by considering whether Mr Pepin had goodwill at either of the material dates as without this there can be no misrepresentation or damage. In *Inland Revenue Commissioners v Muller & Co’s Margarine Ltd* [1901] AC 217 it was stated:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first.”

25. In his written submissions, Mr Pepin acknowledges that the rights he claims to have built up may be small in comparison to those of Disney, but states that they are “still legal and legitimate rights”. There is no dispute that the law of passing off can be relied upon to protect a limited goodwill (see e.g. *Stannard v Reay* [1967] FSR 140 and *Stacey v 2020 Communications* [1991] FSR 49) however any goodwill must be of more than a trivial nature (see *Hart v Relentless Records* [2002] EWHC 1984).

26. There is no dispute that the domain name piratesofthecaribbean.co.uk was first registered on 22 July 2002. It is not entirely clear from the evidence in whose name it was first registered. From JML-G it can be seen that in July 2007 it was registered to an S N Pepin and from PEP2 it now stands in the name of John Pepin. I have no evidence of whether SN Pepin and the opponent are related or are one and the same person: neither of the initials S or N denote the forename of the current registrant be it in full or abbreviated form. There is evidence that S N Pepin was operating from “...an address in Woking with a similar postcode to that of the Opponent” using the headed paper of Pepin & Co. But even if the opponent is part of that company, the registration is not in the company name. The upshot of this is that I do not know whether there has been any assignment of the registration on the domain name and if so, whether this was accompanied by any goodwill or reputation that may have accrued but, for reasons that will become clear, I do not consider it an issue on which I need further clarification.

27. From an unspecified date in 2003 the domain name began to be used as a host website displaying advertisements for others. There is no information given to explain the extent of any use at this time. In May 2006 the hosting of the website moved to NameDrive whereupon “thousands” of advertisements are said to have been placed on it but beyond this bald statement there is no detail of what, when or by whom. The letter from NameDrive exhibited at PEP9 is dated 28 April 2009 and confirms that the company has hosted the webpage “for around 3 years” and that “revenue has been generated from such advertising and visitors clicking on the advertisements that have been displayed” but no indication is given as to the value of that revenue. Mr Pepin has filed evidence (at PEP11) to show the income generated, however the manner in which this document is presented does not allow me to discern what that value might be. I have not found it necessary to seek further clarification on this as it would not assist given the earliest date shown on the document is May 1 2006, which is after the relevant date in these proceedings.

28. That Pirates of the Caribbean is well known as a film produced by Disney is not disputed. Mr Letang’s evidence states that the film premiered in London on 14 July 2003. There was, no doubt, advance publicity but as none has been provided I cannot take this into account. But as can be seen from Exhibit JML-H (which is an extract from the Internet Movie database) on 22 July 2002 there were reports, including one in the Times newspaper, relating to the forthcoming film. On the very same day, an application for registration of the PiratesOfTheCaribbean.co.uk domain name was made. Mr Pepin says that his inspiration for this name came from stories he used to read to someone called Calum James Lay (exhibit PEP3) which “was the catalyst to registration”. I have a number of issues with this exhibit and the sequence of events. The exhibit purports to be from a message left on the webpage of the PiratesOfTheCaribbean.co.uk website but it has none of the source and date details that would normally be expected and as are shown on other exhibits of this type. There is no claim to having used or set up the website prior to its registration which suggests that this message post-dates that date. If the message and the existence of the website predated the registration, it is something of a coincidence that it was not until the very same day as this Disney film announcement that registration was sought, although I make no point of this.

29. The Disney film is said to have grossed at least £28 million at the box office (with further significant sales following video and DVD release), figures which have not been disputed. A successful film will generate considerable interest amongst fans who will want to know about such things as the cast, crew, locations and production information etc. It is not difficult to see the appeal of having a website which has a name with such an attractive power.

30. Mr Pepin gives no indication that he has ever advertised or otherwise promoted his website. In the absence of such advertisement or promotion, I fail to see how anyone would have sought specifically to access it. I accept that some Internet users may have come across it but, given the date of release of the film, it seems to me that those who may have done so, did not do so in order to benefit from any advertising service that Mr Pepin might have provided but, rather, were more likely to be looking for information about the film and came across his web page as part of that search. Mr Pepin’s evidence as to the form of his web page is not extensive however, it seems to me that the nature of it is such that the person who accesses it,

simply sees a list of sponsored advertising links (see PEP9). I am aware from my own experience that this is a far from uncommon thing to come across when using the net. I am prepared to accept that some users coming across such a page may well click on an advertisement if it interests them but there is nothing to indicate that the user will take note of the website address and return to it in the future in order to access its advertisements. The attractive force for these types of user does not exist as far as Mr Pepin's business is concerned.

31. In his evidence Mr Pepin puts forward the argument that the "acceptance" by the advertisers appearing on his web page is evidence of an element of his goodwill. He says this because:

"under the Tradedoubler terms and conditions the domain name in question....have to be approved by the Advertiser. That decision whether to approve or not constitutes an evaluation of the name of the website, the content and other factors".

32. Elsewhere in his evidence he explains how the advertisers choose keywords which act as parameters in selecting on which websites their advertisements will appear. He also gives evidence that the advertisements which appear, change with each access to that page. Exhibit PEP6 shows a number of emails referring to applications for the website to be used for affiliate marketing through the host. There is no evidence that any of the advertisers actually selected Mr Pepin's web page themselves nor indeed is there any evidence which indicates that any advertisers are aware of the placing of any advertisements when the web page was accepted on the Tradedoubler programme. Similarly there is no evidence to show what the position was once NameDrive became the host company. In my view there is no attractive force bringing in custom and consequently no goodwill would be associated with Mr Pepin's domain name.

33. Mr Pepin does not give any evidence to explain how Tradedoubler, and more latterly NameDrive, came to host his domain name and web page, however, the documents exhibited at PEP6-8 suggest this was done by automated application to those companies by Mr Pepin and which was followed by an automated response. Although the evidence at PEP9 shows NameDrive to have confirmed, albeit retrospectively, that the web page has been hosted on its servers since sometime in 2006 and that it generated (unspecified) income, there is no evidence that any individual person at that company consciously knew of its existence beforehand. In any event, from all the evidence it is clear that the host company is not a customer of Mr Pepin rather he is a customer of theirs. Neither is the advertiser a customer of Mr Pepin. As he says in his evidence "if the advertiser has paid Google™ to display advertisements with the keywords "pirates of the Caribbean" then it is highly likely that those advertisements will be displayed on [Mr Pepin's website]". This indicates that both Mr Pepin and the advertiser are customers of the host company with the host company providing a link between the two.

34. In summary, in view of my finding of a lack of attractive force and the lack of figures at the material date, and, taking all of the evidence into account, I find that Mr Pepin did not have any protectable goodwill in either the sign piratesofthecaribbean

or piratesofthecaribbean.co.uk at either of the relevant dates. Absent goodwill, the objection based under section 5(4)(a) of the Act must fail.

Costs

35. The opposition having failed, Disney is entitled to an award of costs in its favour. In his written submissions, Mr Pepin states that he:

“has at all times sought to avoid the need for issuing such Opposition with communications both with the Applicant in person and the agent for them prior to and during the proceedings and has received no reply to those communications at all. For that reason the Opponent asks that even if the Applicant should succeed that the (sic) be denied costs.”

Mr Pepin filed evidence at PEP1 (some of which is marked “without prejudice”) to show he made contact with Disney (through its representatives) prior to the filing of his opposition, however, there is no onus on any applicant for the registration of a trade mark to enter into correspondence with a putative opponent.

36. For its part, Disney submits that “consideration should be given to awarding costs to the Applicant “off scale” as the Opponent has no reasonable grounds for filing and maintaining the Opposition and has therefore acted unreasonably”.

37. It is long established practice that costs in proceedings before the registrar are not intended to “punish” a losing party and neither are they intended fully to compensate parties for the expense to which they may have been put. Rather, an award is intended to represent only a contribution to that expense. Whilst Mr Pepin’s opposition has failed, there is no evidence before me to indicate that his action was vexatious in any way or that he has acted unreasonably, particularly so given that he has represented himself without any professional assistance. Neither do I have any evidence to indicate that Disney has been put to any particular expense over and above that which would normally be expected. The evidence it filed was not particularly complex or extensive consisting primarily of publicly available information or material which is said to have been prepared before these proceedings commenced. There was no hearing.

38. I therefore award costs on the following basis:

Preparing a statement and considering the other side’s statement:	£300
Preparing evidence and reviewing other side’s evidence:	£700
Preparing written submissions:	£200
Total:	£1200

39. I order John Pepin to pay Disney Enterprises, Inc the sum of £1200. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 31 day of March 2010

**Ann Corbett
For the Registrar
The Comptroller-General**

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entertainment; sporting and cultural activities; amusement park and theme park services; entertainer services; educational and entertainment services rendered in or relating to theme parks; entertainment by means of or relating to radio and television and the Internet; cinema entertainment; presentation of live performances; theatre productions; entertainment information; provision of entertainment, education and information relating to education for accessing via communication and computer networks and via the Internet; entertainment, education and information relating to education provided in the form of websites; production, presentation, distribution, syndication, networking and rental of television and radio programmes and of films and sound and video recordings; production and rental of educational and instructional materials; providing on-line electronic publications; publication of texts, books and of magazines and of electronic books and journals on-line; information, consultancy and advisory services relating to any of the aforesaid services.

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- PEP10: Copies said to be prints of some of the UK based companies websites linked to Mr Pepin's site. All of these are dated 28 April 2009 and, as far as I am able to see, none make any reference to Mr Pepin or his website;
- PEP11: A printout said to show traffic and revenue from Mr Pepin's web page. The printout comprises several pages listing dates between Monday, May 1 2006 and Tuesday, April 28 2009 with various columns alongside each date. The first of these pages only, showing days in March and April 2009 bears the following heading:
- "Revenue (£) Views Clicks CTR (%) Avg PPC (¢) RPM (¢)"
- No explanation of this heading is given and it is not clear how this heading relates to the numbers appearing in the six columns appearing

underneath it. No explanation is given which allows me to understand the information that might be given in this exhibit.

Disney's evidence

11. This takes the form of a witness statement dated 29 July 2009, by Joseph M Letang of Frank B Dehn & Co, Disney's legal representatives in these proceedings. Mr Letang confirms he is authorised to make his statement on behalf of Disney.

12. Mr Letang says that the application the subject of these proceedings was accepted on the basis of distinctiveness acquired through use and exhibits, at JML-A, a copy of the witness statement and attachments he says were filed during the examination procedure. In fact whilst evidence was filed in relation to the application before it progressed to publication, a review of the file shows that the evidence was returned to the applicant at its request and was never considered. The application was accepted on its own merits after amendment of the specification of goods and services.

13. Mr Letang explains that the mark applied for relates to a film PIRATES OF THE CARIBBEAN (THE CURSE OF THE BLACK PEARL) which premiered in London on 14 July 2003. Gross box office takings are said to have been not less than £28 million. The film was released on video and DVD in the UK in December 2003 and achieved gross sales of not less than £3.7 million by the date of filing of the application. The film was made available as a video and computer game in June 2003. Gross sales revenue of PC and Xbox games bearing the mark applied for are given as follows:

PC	Units	Revenue	XBX	Units	Revenue
To 31 Dec-05	57873	177366	To 31 Dec-05	47464	206457
To 31 Mar-06	75553	181627	To 31 Mar-06	48085	207842
	133426	358993		95549	414299

Mr Letang explains that the above figures are the only ones readily available and are shown in US Dollars.

14. Mr Letang states that Mr Pepin is not the only owner of domain names which include the words Pirates of the Caribbean. He gives details of other trade mark and domain name registrations owned by Disney or associated companies which consist of or contain these words (see JML-B and JML-D). In addition, at JML-C he exhibits WHOIS search results taken from the Nominet website showing details of two domain names owned by unrelated third parties which also contain these words.

15. Mr Letang states that Mr Pepin is the owner of at least 338 domain names, including american-idol.co.uk, cindycrawford.co.uk, windsorcastle.org.uk, sex-sex.co.uk, chamberofcommerce.org.uk and flashdisc.co.uk (see JML-E).

16. Mr Letang also exhibits the following:

- JML-F: a copy of a decision dated 1 July 2005 issued by the Nominet UK Dispute Resolution Service in a dispute between Caesars Entertainment Inc and S N Pepin The decision found that domain name registrations made by S N Pepin were abusive and directed they be transferred to Caesars Entertainment Inc;
- JML-G: a copy of a letter from the Trade Marks Registry relating to another trade mark application on which S N Pepin had made observations based on his ownership of the piratesofthecaribbean.co.uk domain name (the same domain name relied on by John Pepin in these proceedings);
- JML-H: an extract from The Internet Movie Database which refers to a published news article dated 22 July 2002 referring to Disney's forthcoming movie Pirates of the Caribbean. Mr Letang points out that Mr Pepin filed his domain name application the same day;
- JML-I: an extract from Wikipedia referring to the Pirates of the Caribbean ride at Disney's theme parks. Also exhibited is an article from the Times Online site dated 14 July 2003 referring to Disney's film having been based on the theme park attraction;
- JML-J: extracts from the websites of various tour operators referring to the theme parks and rides.

Mr Pepin's evidence in reply

17. Mr Pepin filed a further witness statement dated 25 September 2009. Mr Pepin states that the registration of the domain name Piratesofthecaribbean.co.uk was made in good faith on 22 July 2002, long before Disney made its application. He admits that he does own a large number of domain names, purchased he says at the beginning of 2008. He exhibits, at PEP1, articles relating to various actions involving Disney.

18. That completes my summary of the evidence filed in these proceedings insofar as I consider it necessary.

The Law

19. Section 5(4)(a) of the Act reads:

"A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented –

- (a) By virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

(b)

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an “earlier right” in relation to the trade mark”.

20. In *Reckitt & Colman Products Ltd v Borden Inc* [1990] RPC 341, Lord Oliver summarised the law of passing off as follows:

“The law of passing off can be summarised in one short general proposition- no man may pass off his goods as those of another. More specifically, it may be expressed in terms of the elements which the plaintiff in such an action has to prove in order to succeed. These are three in number. First, he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying “get-up” (whether it consists simply of a brand name or trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff’s goods or services. Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether intentional or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff. Thirdly he must demonstrate that he suffers, or in a *quia timet* action that he is likely to suffer, damage by reason of the erroneous belief engendered by the defendant’s misrepresentation that the source of the defendant’s goods or services is the same as the source of those offered by the plaintiff.”

21. In his Notice of Opposition, Mr Pepin states:

“The use of the textual Mark by the Applicant would confuse the Public as to which company they were dealing with and would therefore dilute the goodwill that has been built up in the Opponents sign/mark and damage his business. The Applicant intends using the mark in such a way that would effectively eclipse the Opponents rights in the same mark/sign and for that reason I contend the Applicant would be committing the tort of passing off.”

22. Mr Pepin claims rights in the signs relied on since 22 July 2002 this being the date on which the domain name was first registered. But it is well established that passing off does not protect a name itself (let alone a domain name that has simply been registered), but, rather, protects the property in a business, or goodwill, that could be damaged by a relevant misrepresentation. Another relevant factor is that Disney has used PIRATES OF THE CARIBBEAN and so, in reaching my decision I have to bear in mind the material date at which matters must be judged. In *Last Minute Network Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM), joined cases T-114/07 and T-115/07, it was stated:

“50. First, there was goodwill or reputation attached to the services offered by LMN in the mind of the relevant public by association with their get-up. In an action for passing off, that reputation must be established at the date on which

the defendant began to offer his goods or services (Cadbury Schweppes v Pub Squash (1981) RPC 429).

51. However, according to Article 8(4) of Regulation No 40/94 the relevant date is not that date, but the date on which the application for a Community trade mark was filed, since it requires that an applicant seeking a declaration of invalidity has acquired rights over its non registered national mark before the date of filing, in this case 11 March 2000.”

23. With this in mind, the material date is therefore the date of filing of Disney’s application (i.e. 22 February 2006) but also the date from which it first used the mark, particularly if this would lead to a finding e.g. that Disney is the senior user (as per *Croom’s Trade Mark Application* [2005] RPC 2), or that there had been acquiescence under the common law. I note that Disney claim the mark applied for has been used as the name of a film which premiered in London on 14 July 2003 and Mr Pepin does not dispute this.

24. I begin by considering whether Mr Pepin had goodwill at either of the material dates as without this there can be no misrepresentation or damage. In *Inland Revenue Commissioners v Muller & Co’s Margarine Ltd* [1901] AC 217 it was stated:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first.”

25. In his written submissions, Mr Pepin acknowledges that the rights he claims to have built up may be small in comparison to those of Disney, but states that they are “still legal and legitimate rights”. There is no dispute that the law of passing off can be relied upon to protect a limited goodwill (see e.g. *Stannard v Reay* [1967] FSR 140 and *Stacey v 2020 Communications* [1991] FSR 49) however any goodwill must be of more than a trivial nature (see *Hart v Relentless Records* [2002] EWHC 1984).

26. There is no dispute that the domain name piratesofthecaribbean.co.uk was first registered on 22 July 2002. It is not entirely clear from the evidence in whose name it was first registered. From JML-G it can be seen that in July 2007 it was registered to an S N Pepin and from PEP2 it now stands in the name of John Pepin. I have no evidence of whether SN Pepin and the opponent are related or are one and the same person: neither of the initials S or N denote the forename of the current registrant be it in full or abbreviated form. There is evidence that S N Pepin was operating from “...an address in Woking with a similar postcode to that of the Opponent” using the headed paper of Pepin & Co. But even if the opponent is part of that company, the registration is not in the company name. The upshot of this is that I do not know whether there has been any assignment of the registration on the domain name and if so, whether this was accompanied by any goodwill or reputation that may have accrued but, for reasons that will become clear, I do not consider it an issue on which I need further clarification.

27. From an unspecified date in 2003 the domain name began to be used as a host website displaying advertisements for others. There is no information given to explain the extent of any use at this time. In May 2006 the hosting of the website moved to NameDrive whereupon “thousands” of advertisements are said to have been placed on it but beyond this bald statement there is no detail of what, when or by whom. The letter from NameDrive exhibited at PEP9 is dated 28 April 2009 and confirms that the company has hosted the webpage “for around 3 years” and that “revenue has been generated from such advertising and visitors clicking on the advertisements that have been displayed” but no indication is given as to the value of that revenue. Mr Pepin has filed evidence (at PEP11) to show the income generated, however the manner in which this document is presented does not allow me to discern what that value might be. I have not found it necessary to seek further clarification on this as it would not assist given the earliest date shown on the document is May 1 2006, which is after the relevant date in these proceedings.

28. That Pirates of the Caribbean is well known as a film produced by Disney is not disputed. Mr Letang’s evidence states that the film premiered in London on 14 July 2003. There was, no doubt, advance publicity but as none has been provided I cannot take this into account. But as can be seen from Exhibit JML-H (which is an extract from the Internet Movie database) on 22 July 2002 there were reports, including one in the Times newspaper, relating to the forthcoming film. On the very same day, an application for registration of the PiratesOfTheCaribbean.co.uk domain name was made. Mr Pepin says that his inspiration for this name came from stories he used to read to someone called Calum James Lay (exhibit PEP3) which “was the catalyst to registration”. I have a number of issues with this exhibit and the sequence of events. The exhibit purports to be from a message left on the webpage of the PiratesOfTheCaribbean.co.uk website but it has none of the source and date details that would normally be expected and as are shown on other exhibits of this type. There is no claim to having used or set up the website prior to its registration which suggests that this message post-dates that date. If the message and the existence of the website predated the registration, it is something of a coincidence that it was not until the very same day as this Disney film announcement that registration was sought, although I make no point of this.

29. The Disney film is said to have grossed at least £28 million at the box office (with further significant sales following video and DVD release), figures which have not been disputed. A successful film will generate considerable interest amongst fans who will want to know about such things as the cast, crew, locations and production information etc. It is not difficult to see the appeal of having a website which has a name with such an attractive power.

30. Mr Pepin gives no indication that he has ever advertised or otherwise promoted his website. In the absence of such advertisement or promotion, I fail to see how anyone would have sought specifically to access it. I accept that some Internet users may have come across it but, given the date of release of the film, it seems to me that those who may have done so, did not do so in order to benefit from any advertising service that Mr Pepin might have provided but, rather, were more likely to be looking for information about the film and came across his web page as part of that search. Mr Pepin’s evidence as to the form of his web page is not extensive however, it seems to me that the nature of it is such that the person who accesses it,

simply sees a list of sponsored advertising links (see PEP9). I am aware from my own experience that this is a far from uncommon thing to come across when using the net. I am prepared to accept that some users coming across such a page may well click on an advertisement if it interests them but there is nothing to indicate that the user will take note of the website address and return to it in the future in order to access its advertisements. The attractive force for these types of user does not exist as far as Mr Pepin's business is concerned.

31. In his evidence Mr Pepin puts forward the argument that the "acceptance" by the advertisers appearing on his web page is evidence of an element of his goodwill. He says this because:

"under the Tradedoubler terms and conditions the domain name in question....have to be approved by the Advertiser. That decision whether to approve or not constitutes an evaluation of the name of the website, the content and other factors".

32. Elsewhere in his evidence he explains how the advertisers choose keywords which act as parameters in selecting on which websites their advertisements will appear. He also gives evidence that the advertisements which appear, change with each access to that page. Exhibit PEP6 shows a number of emails referring to applications for the website to be used for affiliate marketing through the host. There is no evidence that any of the advertisers actually selected Mr Pepin's web page themselves nor indeed is there any evidence which indicates that any advertisers are aware of the placing of any advertisements when the web page was accepted on the Tradedoubler programme. Similarly there is no evidence to show what the position was once NameDrive became the host company. In my view there is no attractive force bringing in custom and consequently no goodwill would be associated with Mr Pepin's domain name.

33. Mr Pepin does not give any evidence to explain how Tradedoubler, and more latterly NameDrive, came to host his domain name and web page, however, the documents exhibited at PEP6-8 suggest this was done by automated application to those companies by Mr Pepin and which was followed by an automated response. Although the evidence at PEP9 shows NameDrive to have confirmed, albeit retrospectively, that the web page has been hosted on its servers since sometime in 2006 and that it generated (unspecified) income, there is no evidence that any individual person at that company consciously knew of its existence beforehand. In any event, from all the evidence it is clear that the host company is not a customer of Mr Pepin rather he is a customer of theirs. Neither is the advertiser a customer of Mr Pepin. As he says in his evidence "if the advertiser has paid Google™ to display advertisements with the keywords "pirates of the Caribbean" then it is highly likely that those advertisements will be displayed on [Mr Pepin's website]". This indicates that both Mr Pepin and the advertiser are customers of the host company with the host company providing a link between the two.

34. In summary, in view of my finding of a lack of attractive force and the lack of figures at the material date, and, taking all of the evidence into account, I find that Mr Pepin did not have any protectable goodwill in either the sign piratesofthecaribbean

or piratesofthecaribbean.co.uk at either of the relevant dates. Absent goodwill, the objection based under section 5(4)(a) of the Act must fail.

Costs

35. The opposition having failed, Disney is entitled to an award of costs in its favour. In his written submissions, Mr Pepin states that he:

“has at all times sought to avoid the need for issuing such Opposition with communications both with the Applicant in person and the agent for them prior to and during the proceedings and has received no reply to those communications at all. For that reason the Opponent asks that even if the Applicant should succeed that the (sic) be denied costs.”

Mr Pepin filed evidence at PEP1 (some of which is marked “without prejudice”) to show he made contact with Disney (through its representatives) prior to the filing of his opposition, however, there is no onus on any applicant for the registration of a trade mark to enter into correspondence with a putative opponent.

36. For its part, Disney submits that “consideration should be given to awarding costs to the Applicant “off scale” as the Opponent has no reasonable grounds for filing and maintaining the Opposition and has therefore acted unreasonably”.

37. It is long established practice that costs in proceedings before the registrar are not intended to “punish” a losing party and neither are they intended fully to compensate parties for the expense to which they may have been put. Rather, an award is intended to represent only a contribution to that expense. Whilst Mr Pepin’s opposition has failed, there is no evidence before me to indicate that his action was vexatious in any way or that he has acted unreasonably, particularly so given that he has represented himself without any professional assistance. Neither do I have any evidence to indicate that Disney has been put to any particular expense over and above that which would normally be expected. The evidence it filed was not particularly complex or extensive consisting primarily of publicly available information or material which is said to have been prepared before these proceedings commenced. There was no hearing.

38. I therefore award costs on the following basis:

Preparing a statement and considering the other side’s statement:	£300
Preparing evidence and reviewing other side’s evidence:	£700
Preparing written submissions:	£200
Total:	£1200

39. I order John Pepin to pay Disney Enterprises, Inc the sum of £1200. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 31 day of March 2010

**Ann Corbett
For the Registrar
The Comptroller-General**