

DISPUTE RESOLUTION SERVICE

D00017732

Decision of Independent Expert

JAKKS Pacific, Inc.

and

Trifega Ltd

1. The Parties:

Lead Complainant: JAKKS Pacific, Inc.
JAKKS Pacific, Inc.
2951 28th Street
Santa Monica
90405
United States

Respondent: Trifega Ltd
Sovereign House
14-16 Nelson Street
Douglas
IM1 2AL
Isle Of Man

2. The Domain Name(s):

jakks.co.uk

3. Procedural History:

The Procedural History of this Complaint is as follows:
20 July 2016 20:19 Dispute received
21 July 2016 12:58 Complaint validated
21 July 2016 13:01 Notification of complaint sent to parties
08 August 2016 10:30 Response received
08 August 2016 10:30 Notification of response sent to parties
11 August 2016 02:30 Reply reminder sent

15 August 2016 13:46 Reply received
15 August 2016 13:46 Notification of reply sent to parties
17 August 2016 13:15 Mediator appointed
18 August 2016 13:50 Mediation started
27 September 2016 10:03 Mediation failed
27 September 2016 10:03 Close of mediation documents sent
07 October 2016 02:30 Complainant full fee reminder sent
07 October 2016 17:17 Expert decision payment received
12 October 2016 the Expert and the Parties were notified of the was notified of the Expert's appointment which was to commence on 17 October 2016.

I James Bridgeman, 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 such a nature as to call in to question my independence in the eyes of one or both of the parties.

4. Factual Background

The Complainant is a leading designer, manufacturer and marketer of toys and consumer products sold throughout the world, with its headquarters in Santa Monica, California and offices in the United Kingdom, Canada, Germany, Mexico, Hong Kong and China. The Complainant has offices in a number of jurisdictions around the world, including a UK office with 15 employees. Products bearing the JAKKS trademark are also sold through the online retail websites such as those of Amazon, Tesco, Wilko, Costco, Toys R Us, Target and Wal-Mart and the Complainant has a YouTube channel promoting its goods.

The Complainant has had average annual sales exceeding USD \$600 Million over the past 10 years and in its last published annual accounts, the Complainant reported net sales in Europe amounting to approximately USD \$25 million.

The Complainant is the registered owner of a large portfolio of trade marks including the following:

- United Kingdom Trademark JAKKS PACIFIC registration number UK00002292303 for goods in multiple classes filed on February 8, 2002 and entered into the register on October 11, 2002 Class 9, Class 16, Class 20, Class 21, Class 28;
- United Kingdom Trademark JAKKS registration number UK00002392072 for goods in multiple classes filed on May 16, 2005 and entered into the register on April 20, 2007 for goods in Class 9, Class 16, Class 20, Class 21, Class 25, Class 28;
- European Union Trademark JAKKS registration number EU004471249 with a seniority date May 16, 2005, filed on June 3, 2005 and entered into the register on February 5, 2009 for Classes 9, 16, 20, 21 and 28 with the aforementioned goods from each respective class under UK00002392072;
- European Union Trademark JAKKS PACIFIC, registration number EU004180915 registered in the under registration identification with a seniority date on February 8, 2002, filed on December 7, 2004 and entered into the register on May 15, 2006 for Classes 9, 16 and 28;

- United States Trademarks JAKKS registration number 4547867, registered in International Class 28 claiming first use in commerce on February 2, 1997;
- United States Trademark JAKKS registration number 4675589 registered in International Class 31 claiming first use in commerce on October 31, 2006;
- United States Trademark JAKKS PACIFIC registration number 3345717 registered in International Class 9 claiming first use in commerce on April 30, 2005;
- United States Trademark JAKKS PACIFIC registration number 3280882 registered in International Class 18 claiming first use in commerce on December 31, 2005;
- United States Trademark JAKKS PACIFIC registration number 3433001 registered in International Class 28 claiming first use in commerce on April 30, 2006;
- United States Trademark JAKKS PACIFIC registration number 3341610 registered in International Class 31 claiming first use in commerce on October 31, 2006;
- A number of registered trademarks in China and Hong Kong, in multiple classes for the word marks JAKKS and JAKKS PACIFIC as well as specialty classes such as Chinese characters, and the word marks JAKKS and JAKKS PACIFIC in Canada, Australia, and Mexico.

The Complainant has an established Internet presence with a commercial website available to the public at <www.jakks.com>, an internal company site at <www.jakks.net>, and an online store for the public <www.jakks.org>, <www.jakkscares.com>, <www.jakksdolls.com>, <www.jakksfigures.com>, <www.jakksonline.com> and www.jakksstore.mybigcommerce.com. The Complainant also owns country specific domain names including <jakks.hk>, <jakks.com.hk>, <jakks.co.in>, <jakks.in>, <jakks.net>, and <jakks.net.cn> and wishes to establish a country specific website in the UK using the .co.uk country code top level domain to support the UK local office and business growth in the region.

There is little information about the Respondent other than that it is a limited company which holds a portfolio of Internet Domain Names.

The disputed domain name was registered on 23 April 2006.

5. Parties' Contentions

Complaint

The Complainant submits that the disputed domain name consists solely of the Complainant's JAKKS trademark and that the Respondent has not shown that it is in any way a company or individual that has any legitimate interest in the trademark or word JAKKS, nor in the disputed domain name.

The Complainant submits that the term JAKKS both is the Complainant's trademark, and for ease of marketing and advertising is commonly used as the shortened version of the company's formal company name.

The Complainant further submits that the disputed domain name is an Abusive Registration in the hands of Respondent because it was primarily registered with the intent of selling, renting, or otherwise transferring it to the Complainant or to a competitor for a profit as evidenced by the fact that Respondent has owned the domain for a number of years, has not built a website at the domain name address, and has refused reasonable offers made by the Complainant to purchase it.

The Complainant submits that the Respondent has merely kept the domain name parked and available for sale since at least 2013. Additionally, the Complainant submits that the Respondent is attempting to sell the disputed domain name for amounts greatly in excess of the costs associated with acquiring the name. Complainant attempted to anonymously acquire the disputed domain name from the Respondent and offered USD \$650 to which Respondent countered with an offer to sell for USD \$11,796. After Complainant made an increased offer of USD \$750 the Respondent ended the negotiation with no apparent intentions to negotiate a reasonable value for the domain name. The Complainant tried once more to acquire the domain name and offered the higher sum of USD \$1200 to which Respondent countered with an offer to sell the disputed domain name for USD \$11,181.

The Complainant further submits that the disputed domain name registration has prevented the Complainant from exercising its rights to register the disputed domain name and to build a website at that address.

The Complainant submits that it is a well-known company that has been doing business with major retailers throughout the world including the UK, the EU, and the United States for over 20 years. The Complainant submits that the Respondent knew or should have known about the Complainant due to the large amount of sales throughout Europe, the Complainant's local office in the UK, and the multitude of registered domains and trademarks that consist of or incorporate the word JAKKS owned and used by the Complainant. Therefore, it is clear that the Respondent abusively registered the domain name to block the Complainant from registering it to build a website, and has instead held it hostage awaiting a payday.

The Complainant furthermore submits that the disputed domain name was primarily registered to unfairly disrupt Complainant's business since Respondent has no clear legitimate interest in the trademark, the word JAKKS or the disputed domain name and the disputed registration is blocking the Complainant from obtaining the country specific domain name which it desires to use to promote its business in the UK.

The Response

In Response the Respondent submits that when the disputed domain was registered on 23 April 2006, the Complainant did not have any office or significant presence in the UK to suggest that it was "commonly-known" at that time and the Complainant has provided no proof to show it conducting business in the UK.

The United Kingdom and the European Union trademarks relied upon by the Complainant post-date the registration of the disputed domain name on 23 April 2006. The United States Trademarks and the Hong Kong Trade Marks are irrelevant to the United Kingdom and in any event the Complainant has not provided any proof of first use in commerce on 2 February 1997 and the first use in commerce on October 31, 2006 claimed by the Complainant post-dates the registration of the disputed domain name on 23 April 2006.

The Respondent denies that the disputed domain name is identical or similar to the JAKKS PACIFIC trademark which is significantly different from the domain name in issue. The Respondent concedes that despite the fact that the disputed domain name was registered before the Complainant's trademarks were registered, this Expert will still undoubtedly conclude that Complainant has rights over the name.

The evidence provided shows that the Complainant's domain name <jakks.com> was registered in 1998 to and held by a third party until at least 2006 and there was no website associated with JAKKS PACIFIC until 2008.

The Respondent denies that the disputed domain name was primarily registered by the Respondent with the intent of selling, renting, or otherwise transferring it to the Complainant or a competitor for a profit. The DRS is very specific in this regard and refers to selling to a complainant or a competitor ONLY. The disputed domain name was registered to sell to anyone as evidenced by the Respondent's reply to the "anonymous" offer by the Claimant via Sedo.

The Respondent states that while it is impossible to prove this negative, the Respondent asserts that it had no knowledge of the Complainant's brand in 2006 and only came to know about it through this Complaint process.

With regard to the submission that the Respondent has owned the disputed domain name for a number of years, has not established a website using the disputed domain name, and has refused reasonable offers made by Complainant to purchase it: The Respondent argues that the Respondent and millions of other people own internet domain names without establishing websites. The Respondent denies that the Respondent has merely kept the domain name parked and marked for sale since at least 2013. It has been available to purchase by anyone since 2006 when it was registered. It is not abusive to hold a domain name without establishing a website.

The Respondent denies that it is engaged in an abusive attempt to sell the disputed domain name for amounts greatly in excess of the costs associated with acquiring the name and says that what constitute "reasonable offers" is subjective.

The Respondent further denies that the disputed registration has prevented the Complainant from exercising its rights to register the disputed domain name to establish a website, arguing that the disputed domain name was registered before the Complainant had any rights.

The Respondent further denies that it did or should have known about the Respondent due to the large amount of sales throughout Europe, the local office in

the UK, and the multitude of registered domains and trademarks already owned by the Complainant that contain the word JAKKS arguing that the notoriety of the JAKKS mark today and screenshots of Amazon a few months ago as provided in evidence by the Complainant do not go to prove that the brand was known to anyone at the time of registration of the disputed domain in 2006. No proof has been provided of "large amount" of sales in Europe in 2006, no evidence of trading in the UK in 2006, and none of the trade marks relied upon by the Complainant were registered when the disputed domain was registered.

The Respondent further denies that the disputed domain name was primarily registered to unfairly disrupt the Complainant's business since the Respondent has no clear legitimate interest in the trade mark or word JAKKS or the jakks.co.uk domain. If this were true the Complainant would surely have made contact sooner as the disputed domain name was registered over 10 years ago.

The domain was registered along with other available surnames and personal names such as bruce.co.uk and kyle.co.uk.

The Respondent submits that while the Complainant may have "reserved" some of the newer domain name extensions as part of its global marketing, it clearly purchased <jakks.com> very late in the game and now the Complainant is trying to reverse name-jack the disputed domain name without wanting to pay a fair price for it.

Finally the Respondent states that the Complainant at no point contacted the Respondent directly via the contact us form on the page to discuss their rights over the domain, instead choosing to "anonymously" approach through Sedo. When it was clear the price was too much, the Complainant instead chose to gamble on the legal route.

Reply

In Reply the Complainant submits that the Complainant has had a significant presence in the UK and Europe since the early 2000s. According to publicly available reports to the United States Securities and Exchange Commission ("10K filings"), which were exhibited to the Reply, the European sales via JAKKS Pacific/Kidz Biz Ltd. from 2001 to 2006 amounted to USD \$29,303,000 (2001), USD \$39,414,000 (2002), USD \$35,547,000 (2003), USD \$37,000,000 (2004), USD \$38,620,000 (2005), \$30,169,000 (2006). The Complainant's earliest accessible archived sales data shows sales in 2003 to over 200 unique customers in the UK for a total sales of approximately \$6,800,000. A customer list has been exhibited in the Complaint.

Regarding the Respondent's questions on the lack of proof regarding the first use in commerce: The Complainant submits that the USPTO recognized its Statement of Use filed on 14 April 1999 claiming a date of first use of 2 February 1997, all well prior to Respondent's registration of the disputed domain name <jakks.co.uk>.

Addressing the Respondent's arguments that the Complainant did not acquire the domain name <jakks.com> until 2008 and that there is no evidence of any website established by the Complainant when the disputed domain name was registered, the Complainant merely states that the registration history of <jakks.com> is not

relevant to JAKKS' rights to use jakks.co.uk based on its longstanding and well known use of the name JAKKS in Europe generally, and specifically the UK.

The Respondent's claim that the domain was registered along with other available surnames and first names is specious and unpersuasive as the word JAKKS is not a traditional surname or first name. The Complainant submits that the mark JAKKS is a unique and fanciful word meant to evoke the toy "jacks". It is highly unlikely that anyone registering surnames and first names would register the unique double "k" spelling of the word unless they were specifically targeting the well-known, existing, tradename JAKKS.

Finally the Complainant submits that it attempted to negotiate a fair sales price for the domain name with the Respondent, but the Respondent's outrageous and unreasonable counteroffers clearly show that they are trying to exploit the Complainant, the rightful trade mark owner, by holding the disputed domain name hostage.

6. Discussions and Findings

In order for the Complainant to succeed in this Complaint, paragraphs 2.a and 2.b of the DRS Policy require the Complainant to prove on the balance of probabilities that

- i. the Complainant has Rights in respect of a name or mark which is identical or similar to the disputed domain name; and
- ii. the disputed domain name, in the hands of the Respondent, is an Abusive Registration.

Paragraph 1 of the DRS Policy defines "Abusive Registration" as meaning 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 has taken unfair advantage of or has been unfairly detrimental to the Complainant's Rights.

Identical or Similar

The Complainant has established that it has rights in the trade marks JAKKS and JAKKS PACIFIC through its above-listed trademark registrations and extensive use of the marks in international commerce including in the UK.

Having compared the disputed domain name with the Complainant's JAKKS and JAKKS PACIFIC trade marks, this Expert finds that the disputed domain name is identical to the former and similar to the latter as the word JAKKS is the dominant and more distinctive element of the JAKKS PACIFIC mark. The ccTLD <.uk> extension may be ignored for the purpose of these comparisons in this case.

The Complainant has therefore succeeded in the first part of the test in paragraph 2 of the DRS Policy.

Abusive Registration

The Respondent asserts that it had no knowledge of the Complainant's rights when the disputed domain name was registered, that it did not register the disputed domain name in order to sell it to the Complainant or to a competitor of the Complainant for valuable consideration in excess the Respondent's documented out-of-pocket expenses; and that it has offered the disputed domain name for sale to all members of the public since 2006. The Respondent asserts that it has held the disputed domain name since 2006 without establishing a website at that address and that it is entitled so to do.

Taking each of these arguments in turn:

On the balance of probabilities this Expert rejects the Respondent's submission that the registrant of the disputed domain name was unaware of the Complainant and its business when the disputed domain name was registered. The Complainant has furnished evidence of use going back to 2 February 1997 in the USA.

Even if it were accepted that the registrant was not aware of the Complainant's USA enterprise, the applications for both UK registered trade marks JAKKS PACIFIC registration number UK00002292303, filed on February 8, 2002 and JAKKS registration number UK00002392072 filed on May 16, 2005 each pre-date the registration of the disputed domain name on 23 April 2006.

An unsatisfactory aspect of this case however is the manner in which the Complainant has responded to the Respondent's arguments that the Complainant did not acquire the gTLD domain name <jakks.com> until 2008 and that there is no evidence of any website established by the Complainant when the disputed domain name was registered.

The Complainant has merely stated that the registration history of <jakks.com> is not relevant to JAKKS' rights to use jakks.co.uk based on its longstanding and well known use of the name JAKKS in Europe generally, and specifically the UK. This Panel is of the view that this information is indeed relevant because the Complainant pleaded in the Complaint that its ownership of its website and this gTLD domain name goes to prove its reputation and goodwill. It is unsatisfactory that the Complainant then refuses to provide the evidence to support this assertion. In the circumstances this Panel must therefore take the inference that the Complainant may have neither owned the domain name <jakks.com> nor had any website established when the disputed domain name was registered.

Furthermore the Complainant has over-stated its reputation in the UK in 2003. While it was significant with over 200 unique customers in the UK with total sales of approximately \$6,800,000 it is more than possible that someone would not be aware of it or its reputation.

This Panel however notes that the disputed domain name is identical to the Complainant's very distinctive trade mark JAKKS. It is improbable that this name was chosen and registered for any reason other than to create an association with the Complainant's JAKKS mark. The Respondent's explanation is that the disputed domain name was chosen as a personal name. The spelling of the disputed domain name is quite different from the name "Jack" or "Jack's". This Panel does not accept this explanation and finds that on the balance of probabilities the disputed domain name was in fact chosen and registered because of its reference to the Complainant's trademark and goodwill. The Complainant was a large and expanding enterprise at the time of registration of the mark, notwithstanding that it may not have had a significant Internet presence at that time.

Furthermore, the Respondent's assertion that the domain name was registered without actual knowledge of the Complainant is improbable because the registrant would most probably have become aware of the prior registration of the gTLD <jakks.com> during the registration process.

The Respondent canvasses a narrow construction of Paragraph 3.a.i.A of the DRS Policy. Paragraph 3.a.i.A provides that among the non-exhaustive list of factors that a Panel may take into account as indicating Abusive Registration are circumstances indicating that the disputed domain name was registered for the purposes of selling, renting or otherwise transferring the disputed domain name to the Complainant or to a competitor of the Complainant, for valuable consideration in excess of the Respondent's documented out-of-pocket costs directly associated with acquiring or using the Domain Name. The Respondent argues that it offers the disputed domain name for sale to the general public and therefore this Paragraph does not apply as it refers only to plans to sell to the Complainant or its competitors. The Respondent does not however take into account that even if such a narrow interpretation were to be accepted, the circumstances listed in Paragraph 3 are expressly described as being a "non-exhaustive list". In the present case the fact that this unique and distinctive domain name was chosen and registered in 2006, when the Complainant had established a significant business and reputation in the UK, satisfies this Panel that on the balance of probabilities the disputed domain name was registered in order to sell it to either the Complainant which would wish to protect its own Rights or to some third party that would be interested in taking predatory advantage of the Complainant's rights. This intention constitutes an Abusive Registration within the definition quoted above.

While trading in domain names for profit, and holding a large portfolio of domain names, are of themselves lawful activities, and this is acknowledged by DRS Paragraph 4.d., it is well established that the passive holding of a domain name for the purposes of taking predatory advantage of a complainant's trademark, reputation and goodwill as is the situation in the present case.

In the circumstances this Expert finds that for the above reasons and on the balance of probabilities the disputed domain name is an Abusive Registration in the hands of the Respondent.

Reverse Domain Name Hi-Jacking

It appears that the Complainant was not concerned with registration of the <.co.uk> gTLD when the disputed domain name was registered. Also this Panel has inferred from the evidence that on the balance of probabilities, the Complainant had no Internet presence at the time that the disputed domain name was registered. It appears that the Complainant saw the need and desirability of owning the disputed domain name many years after it was registered. These facts in themselves might in other circumstances indicate reverse domain name hi-jacking.

However this Panel has found on the evidence that the disputed domain name is an Abusive Registration in the hands of the Respondent because it was chosen and registered to take predatory advantage of the Complainant's JAKKS trademark, reputation and goodwill. Furthermore the Respondent had at the time that the disputed domain name was registered and has since acquired no rights whatsoever in the disputed domain name. In the circumstances this Panel finds that the Respondent has failed to prove that the Complainant is engaged in reverse domain name hi-jacking.

7. Decision

This Expert directs that the disputed domain name <jakks.co.uk> be transferred to the Complainant.

Signed: JAMES BRIDGEMAN
Expert

Dated 18 October 2016