

# CHANNEL ISLANDS DOMAIN DISPUTES

C.I.D.D. DOMAIN DISPUTE SERVICE AND ARBITRATION  
A TIMELY SERVICE

## IN THE CASE OF THE DOMAIN NAME IBM.GG

10<sup>th</sup> February 2018

International Business Machines Corporation

(Complainant)

- v -

Jonathan Stevens, Pres. & CEO, Monstar Inc.,( jon@berlin.com ).

(Respondent)

DRAFT

1. This Complaint is submitted in relation to IBM.gg. by International Business Machines Corporation of 1 North Castle Drive, Armonk, NY 10504, USA, via IBM, UKIPLAW, MP 110, Hursley Park, Winchester SO21 2JN in line with the dispute resolution service ("DRS") and the Channel Islands Domain Disputes Rules ("C.I.D.D.").
2. The Respondent according to the Channel Islands Registry is Jonathan Stevens, Pres. & CEO, Monstar Inc., jon@berlin.com and Mike Wolfe, CMO, Anon Labs, Mike@politician.com.
3. According to the Claimant, Mr Wolfe purports to represent Jonathan Stevens. This appears evident from copy email responses provided in evidence.
4. Respondent details were provided pursuant to the exemptions in the Data Protection (Guernsey) Law 2000.
5. International Business Machines Corporation is an internationally renowned computer company and its IBM trademark is internationally famous.
6. This dispute concerns the domain name "ibm.gg" with date of registration of 10 February 2017.
7. Complainant owns and has owned trademark registrations for IBM in 170 countries all around the world for several decades, and for broad range of goods and services, including, although not limited to, information technology related goods and services. More particularly, the Complainant owns the following trademarks in Guernsey:

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<u>Mark Number</u>	<u>Mark Text</u>	<u>Filing Date</u>	<u>Status</u>	<u>Nice Classes</u>	<u>Vienna Codes</u>	<u>Image</u>
GGGT3038	IBM	12-Dec-1979	Registered	9, 16		N/A
GGGT3039	IBM	12-Dec-1979	Registered	9, 16	27.5.17	

8. Complainant contends further that the IBM trademark is a world famous trademark. Tracing its roots to the 1880s, Complainant is and has been a leading innovator in the design and manufacture of a wide array of products that record, process, communicate, store and retrieve information, including computers and computer hardware, software and accessories.
9. The Respondent has been contacted and has not provided a response to the registry or to the CIDD Domain Arbitration service or Adjudicator.
10. No explanation of the Respondent's choice of IBM has been made in light of the lack of Response in this case.
11. The IBM trademark is distinctive and therefore it is difficult to imagine someone randomly choosing three letters composing the trademark to register as a domain name or being unaware of the IBM corporation. It is clear that the Complainant's mark is a famous and Well-Known Marks entitled to special protection.
12. The Adjudicator finds that the Respondent (Jonathan Stevens) and the Respondent's representative (Mike Wolfe) have both been in touch with IBM offering the domain for sale. The protracted correspondence summarised with Complainant **Annexes 7.1 to 7.5**, including:
  - a. Jon Stevens emailed IBM on March 28 to ask "Would your corporation like to purchase this asset before outsider offers are entertained?"

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- b. Mike Wolfe asks on June 20 2016 “Our team is merely seeking an update on your intrigue toward the opportunity to acquire ibm.gg. The proprietor desires a status report so he may know if seeking a replacement asset is warranted at this time” to which IBM offered Mr Stevens \$100 for the transfer of ibm.gg with an acceptance date requested of July 5 2017 but received no response to this email.
  - c. On the 17 August 2017, IBM contacted Mr Stevens again in order to ascertain what figure would be acceptable to him.
  - d. On September 8<sup>th</sup>, IBM received a response indicating that Mr Stevens collection of domains are worth in the region of \$37 million dollars.
  - e. On September 18<sup>th</sup>, Mr Stevens indicated that the ibm.gg is worth \$9.5 million dollars to him (**Annex 7.5**).
13. Alleged representative, Mr. Mike Wolfe, “CMO, Anon Labs” is known within the C.I.D.D. service following the fifa.gg ruling, but nothing turns on this.
14. In “Telstra Corporation Limited v. Nuclear Marshmallows, WIPO Case No. D2000-0003 the panel found that the passive holding of a domain name amounted to bad faith where, among other factors, the Complainant (i) had a strong and widely known trademark, (ii) the Respondent failed to provide evidence of actual or contemplated good faith use, and (iii) it was “not possible to conceive of any plausible actual or contemplated active use of the domain name by the Respondent that would not be illegitimate, such as by being a passing off, an infringement of consumer protection legislation, or an infringement of the Complainant’s rights under trademark law.” The first two limbs of Nuclear Marshmallows are made out in this case. The Adjudicator is of the opinion that there are plausible actual or contemplated uses of the domain name that would not be illegitimate, or amounting to passing off or an infringement of consumer protection legislation or an infringement of the Complainant’s rights under trademark law, but also finds that pursuant to the lack of response, it was not possible to determine whether the Respondent had plausible actual or contemplated uses of the

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domain name that would not be illegitimate, or amounting to passing off or an infringement of consumer protection legislation or an infringement of the Complainant's rights under trademark law.

15. In the circumstances that the Respondent offered to sell the domain name at a considerably inflated price to the Complainant, the Adjudicator takes the view that the case falls within the ambit of *BT v One in a Million*, although clearly the use of the internet has moved on because it is no longer the case, as stated in the judgment that "*Members of the public would not ordinarily have a domain name. They would subscribe to a Service Provider and have an e-mail address.*"
16. The Adjudicator has also considered *Direct Line Group Ltd v Direct Line Estate Agency* (1997) FSR 374 and *Glaxo Plc v Glaxowellcome Ltd* (1996) FSR 388. Those were cases where interlocutory relief was granted which prevented use of company names that had been registered with, it seems, either an intention of trading upon the plaintiff's reputation or transferring the name to another who might
17. The Adjudicator has considered the registration of *ibm.gg* and its offer for sale at inflated price "before outsider offers are entertained" and is satisfied that although there is no passing-off the circumstances of the offer for sale *before outsider offers are entertained* changed the character of the domain name and operated to convert the domain into an "instrument of deception" because although there is no evidence that the domain had been used as such by the Respondent, it was clearly being envisaged as an instrument that could be sold to someone else and that the someone else would be likely to consider using it as such. Any envisaged sale was also likely to be calculated to infringe the plaintiff's rights in future.
18. In the *One in a Million* case Mr Wilson QC, who appeared for the appellants, accepted that where a name was inherently deceptive, in the sense that use by a trader was bound to cause passing-off unless special remedial measures were taken, injunctive relief was appropriate despite the fact that the name had not actually been used to

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pass-off and that such a name was a true instrument of fraud, but asserted that if the name could be used for a legitimate purpose, it was not a vehicle of fraud.

19. It is clearly the case that once it is established that there is a more than trivial risk of the domain name being an instrument of fraud, then the onus lies on the Respondent to show that the name was of such a character that it could be put to legitimate use by the registrant/Respondent. In the absence of response, the Respondent has failed to show any legitimate use of the name and the Respondent's actions in approaching the Complainant to sell the domain and to do so at a price inflated beyond reasonable market conditions and price tend to confirm its use in the hands of any third party as an instrument of fraud. The legitimate use is a low hurdle to establish to overturn the possibility of use as instrument of fraud, and by way of example, a domain name such as mandarin.com would be able to easily overcome the low hurdle in relation to both instrument of fraud and trademark infringements by showing multiple possible uses such as selling orange-type fruits, selling mandarin services, selling services to Chinese businesses.
20. The Respondent has failed to provide any response about its motives and intentions save the use of a veiled threat of accepting outsider offers.
21. As a result, the Adjudicator finds that the domain name as evidenced as intended to be used by the Respondent constitutes an instrument of fraud.
22. In relation to the IBM.gg domain name, the Adjudicator also considers that the Respondent has registered the name as a blocking name, alternatively in bad faith, alternatively as a cyber-squatter
23. The Adjudicator result of the finding of the instrument of fraud has various consequences:
  - (i) The Adjudicator does not need to consider the nature of the correspondence between IBM and the Respondent. Whilst it is clear that the offer for sale at an inflated price can be placed before the Court, bona-fide correspondence between parties which evidence an intention to seek to settle the matter, must be without prejudice (whether

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marked as such or not) and therefore a body sitting in judicial or quasi-judicial capacity should not, except in extra-ordinary circumstances consider that correspondence.

(ii) The Adjudicator does not need to consider whether the registration having potentially been legitimate (such as for example for Infernally Beautiful Models) converted following the offer to stand as an abusive domain holding (or an abusive domain registration upon renewal) and held primarily for the purposes of selling, renting or otherwise transferring the ibm.gg domain to IBM at a price greater than the Respondent's costs.

(iii) Since the public whois provides only limited data on the Registrant, the Complainant had established bona-fide reasons to obtain the full details of the Registrant which was provided by the .gg Registry under the exemptions within the Guernsey Data Protection legislation but appears to have obtained further details of the Registrant from a third Party domain information provider, Domain Tools, which data appears to have been collected in breach of the terms and conditions of the Registry and potentially collected in breach of the Guernsey Data Protection legislation. ((It was however provided in accordance with the exemptions within the Guernsey Data Protection legislation). It would normally fall to the adjudicator to consider whether it could to rely upon data collected unlawfully, even if subsequently provided within the exemption and whether this falls within a 'Fruits of the Poisoned Tree" argument, in this case, no such consideration arises because prior to the third party search, the Complainant had also approached the Registry which provided the full information it held on the Registrant as set out above and because any consideration is unnecessary due to the finding of instrument of fraud.

24. The Adjudicator having taken into consideration the pattern of active solicitations that the Respondent made to sell the Domain Name at significant costs and to sell to IBM at significantly above the "out of pocket expenses" finds

(i) Whilst prior domain adjudications within UDRP or similar processes do not create case-law that adjudicators should consider because they have not been fully argued as

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would be expected in a Court case, this non-use of UDRP decisions and the requirement to consider each case on its own facts does not apply to Court Cases. The domain name, in the hand of the Registrant, falls within the English High Court definition in the case of *BT Plc v One in a Million* [1999] FSR1 and *NMBA v Freeman* [2001] E.B.L.R. 13 case of a name which whilst not inherently leading to passing off is, in the circumstances set out herein, an instrument of fraud;

(ii) the Respondent has, on the balance of probability, engaged in registering a .gg domain related to a well-known and famous brand/trade mark.

25. Having therefore determined that the use and/or registration and/or continued registration of the Domain Name IBM.gg in conjunction with Respondent's behaviour represents an abusive or improper registration in the hands of the Respondent and an instrument of fraud, the Adjudicator informed the Registry that a decision had been made to that effect.

The Registry then disclosed that the Respondent had made a response to the Complaint, but had subsequently requested that the response be withdrawn. The Adjudicator having made a determination and the Respondent having filed a response, the Adjudicator had jurisdiction to consider that response albeit withdrawn and considered the same. Nothing turns on that consideration save that the correspondence led to the Adjudicator requesting the .gg Registry to provide a list of .gg and .je domains registered by the Respondent and notes from the data provided by the .gg Registry a registration by the Respondent of .gg domain names including *fifa.gg* (already adjudicated upon and transferred) and *ibm.gg*. Accordingly it would appear that Mr John Roundstone and Mr Jonathan Stevens, Monstar Inc are one and the same person.

### 26. CONCLUSION

The Adjudicator therefore:

a) accepts the Complainant's assertion that the use and registration of the Domain Name IBM.gg in conjunction with Respondent's behaviour represents an abusive or

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improper registration in the hands of the Respondent and/or constitutes an instrument of fraud.

b) In relation to the IBM.gg domain name, the Adjudicator also considers that the Respondent has registered the name as a blocking name, alternatively in bad faith, alternatively as a cyber-squatter; and

c) concludes that the Registry should transfer the domain IBM.gg to the name and ownership of the Complainant; and

d) At the time of the fifa.gg case, the domain names fifa.gg, adidas.gg, att.gg, comcast.gg, ibm.gg, pepsi.gg, playstation.gg, sony.gg, tencent.gg, and toyota.gg were notified by the Registry as being in the hands of the same registrant. Accordingly the Adjudicator has determined a prima-facie case that Mr John Roundstone and Mr Jonathan Stevens appear to be the pseudonyms of the same person.

Accordingly as at the time of the fifa.gg case, the domain names fifa.gg, adidas.gg, att.gg, comcast.gg, ibm.gg, pepsi.gg, playstation.gg, sony.gg, tencent.gg, and toyota.gg were registered to the same registrant, the Adjudicator has requested a warning marker be placed on all of those domains to the effect that there are two findings of cybersquatting or other bad faith registration or use of .gg domains in respect of those linked domains and that where a finding of a third such bad faith registration or use of .gg domain arises in relation to those domains in the future, all of the remaining domains for the purposes of CIDD will have a reversal of the burdens of proof of registration rights.

*Nick Lockett*

Nick Lockett  
Adjudicator  
C.I.D.D.  
10<sup>th</sup> February 2018