



WIPO Arbitration and Mediation Center

ADMINISTRATIVE PANEL DECISION

Spice Entertainment Inc. v. AWOS and Steve Fleming

Case No. D2006-0114

1. The Parties

The Complainant is Spice Entertainment Inc., Chicago, Illinois, United States of America.

The Respondents are AWOS and Steve Fleming, Honolulu, Hawaii, United States of America.

2. The Domain Name and Registrar

The disputed domain name <spicehotel.com> is registered with eNom.

3. Procedural History

The Complaint was filed with the WIPO Arbitration and Mediation Center (the "Center") on January 26, 2006. On January 26, 2006, the Center transmitted by email to eNom a request for registrar verification in connection with the domain name at issue. On January 26, 2006, eNom transmitted by email to the Center its verification response confirming that the Respondent is listed as the registrant and providing the contact details for the administrative, billing, and technical contact. In response to a notification by the Center that the Complaint was administratively deficient, the Complainant filed an amendment to the Complaint on February 2, 2006. The Center verified that the Complaint together with the amendment to the Complaint satisfied the formal requirements of the Uniform Domain Name Dispute Resolution Policy (the "Policy"), the Rules for Uniform Domain Name Dispute Resolution Policy (the "Rules"), and the WIPO Supplemental Rules for Uniform Domain Name Dispute Resolution Policy (the "Supplemental Rules").

In accordance with the Rules, paragraphs 2(a) and 4(a), the Center formally notified the Respondent of the Complaint, and the proceedings commenced on February 10, 2006. In accordance with the Rules, paragraph 5(a), the due date for Response was set at March 2, 2006. The Response was filed with the Center on March 2, 2006.

Subsequently, the Complainant delivered a “Supplemental Evidentiary Submission”.

The Center appointed Edward C. Chiasson Q.C., Peter L. Michaelson and Gordon Harris as panelists in this matter on March 28, 2006. Each member of the Panel submitted a Statement of Acceptance and Declaration of Impartiality and Independence, as required by the Center to ensure compliance with the Rules, paragraph 7. The Administrative Panel finds that it was properly constituted.

4. Factual Background

The following information derives from the Complaint and material delivered with it. The Complainant submits that Whois Privacy Protection Service, Inc. (“WPPS”) should be named as a respondent in light of its refusal to exercise its unfettered discretion to disclose its customer’s identity in response to any of the written and oral requests that it received from the Complainant before the Complainant filed its Complaint.

The Complainant is a subsidiary of Playboy Enterprises, Inc. (“Playboy”) and, like Playboy, is a forerunner in the development and distribution of multi-media entertainment for adult audiences. The Complainant operates eight movie networks- Spice, Spice 2, Spice Live, Spice Hot, Spice Platinum, Spice Ultimate, Hot Net, and Hot Zone-available via cable and satellite direct-to-home. The Complainant also operates several popular Internet websites, including “www.spicetv.com” and “www.spicetvstore.com”, as well as an online video-on-demand theater at “www.spicevod.com”. United States’ subscribers to the Complainant’s networks totaled over 90 million viewers in 2004. Outside of the United States, Playboy and Complainant branded TV networks were available in approximately 40.5 million households in 2004.

The Complainant owns numerous trademark registrations for SPICE and trademarks that incorporate SPICE in the United States and worldwide, including SPICE HOT, SPICE PLATINUM, SPICE PLATINUM LIVE, SPICETV, SPICETV.COM, SPICE CLUB, SPICE TV CLUB, and SPICE CLIPS, which have been used by the Complainant since at least as early as 1990, in connection with adult entertainment services, including the Complainant’s popular television and online programming.

On June 7, 2004, the Complainant filed a trademark application for the mark SPICE HOTEL, Serial No. 78,431,036, covering cable television, television broadcasting, and satellite transmission services, all featuring adult entertainment.

The Complainant’s trademark rights in SPICE are equally extensive outside of the United States. The Complainant holds over 225 registrations for SPICE and trademarks that incorporate SPICE in 93 countries. Together with its common law rights, the Complainant’s rights in SPICE are referred to herein as the “Spice Marks.”

The Complainant has spent hundreds of thousands of dollars and has expended significant effort in developing content for the Spice networks and websites and advertising and promoting the Spice Marks throughout the world. As a result of such advertising and expenditures, the Complainant has established immense goodwill in the marks.

The subject domain name consists of the name of a hit television series developed by the Complainant and shown on the Spice networks. The Complainant first used SPICE HOTEL in May 2004 when it launched *Spice Hotel*, a television series featuring adult

film stars interacting with telephone callers and has used the mark continuously since that time. *Spice Hotel* quickly attained popularity, and past episodes of *Spice Hotel* are available for sale on DVD. The Complainant advertises *Spice Hotel* on DVD on the Spice networks, on the Spice website and in the Complainant's printed catalog.

The Respondents have no connection or affiliation with the Complainant or any other discernable intellectual property rights in SPICE or SPICE HOTEL.

The Respondents are not known by SPICE HOTEL and have never used the subject domain name in connection with a *bona fide* offering of goods and services. Since receiving notice of objection from the Complainant, the Respondents changed both the registrant data in the Whois report and the website content on multiple occasions.

The Respondents have not applied for or hold any trademark registrations for SPICE HOTEL, or any trademarks incorporating SPICE. The Respondents have not registered or applied to do business under that name with any governmental agency or maintained a telephone directory listing under that name.

At the time the Complainant filed its Complaint, the registrant of the domain name was WPPS, a so-called "domain name proxy service" that maintains domain name registrations in its name in order to shield the identity of the true or beneficial registrant from disclosure.

The true or beneficial owner of the subject domain name is the Respondent Steve Fleming, the original registrant and the registrant of record when the Complainant first sent notice of its objection. After the Complainant filed its Complaint, WPPS transferred its registration to Steve Fleming and the Center directed the Complainant to file an Amended Complaint naming him as the Respondent.

The subject domain name was registered on July 25, 2004, after *Spice Hotel* had been on the air for several months and had attained substantial popularity and after the Complainant's trademark application for SPICE HOTEL was on file in the United States Patent & Trademark Office.

The Respondents used the domain name to host a website offering adult entertainment for sale in direct competition with the Complainant.

In registering the domain name, Mr. Fleming provided an address in Hawaii; the email address that he provided appeared to be for an individual residing in Great Britain.

Upon discovering the Respondent's registration of the subject domain name the Complainant's law department sent a letter explaining that the registration and use of the subject domain name violated United States trademark laws and asking the Respondent to cease.

Subsequent to sending the letter, access to the website to which the subject domain name resolved was disabled and the name of the registrant as shown in the Whois report was changed to "Michael Derbyshire" and the address from one in Hawaii to one outside of the United States in Cheshire, England.

Mr. Derbyshire has no connection or affiliation with the Complainant and has no discernable intellectual property rights in SPICE or SPICE HOTEL.

The Complainant's outside counsel then sent a cease and desist letter to Mr. Derbyshire

based on the new data contained in the Whois report. Shortly after the letter was delivered, the registrants engaged WPPS's "domain name proxy service" to conceal their identity and contact information from further disclosure.

WPPS is affiliated with the domain name registrar, eNom, and operates a service pursuant to which it collects a fee from domain name registrants in exchange for holding such registrants' domain name registrations in its name, thereby shielding the true identity and contact information of such registrants from disclosure. Pursuant to the agreement entered into between WPPS and its customers, WPPS has the unilateral right to terminate the agreement and disclose its customers' contact information.

The Complainant notified WPPS, both orally and in writing, of the Complainant's intent to pursue legal action against the registrant of the subject domain name and asked WPPS to disclose its customer's contact information for that purpose.

On June 7, 2005, WPPS's Legal Compliance Officer informed the Complainant's Senior Manager, Intellectual Property Enforcement, that WPPS was holding the domain name in its name on behalf of "Michael Derbyshire."

Subsequently, the registrant of the subject domain name resumed efforts to benefit from the value of SPICE and SPICE HOTEL developed by the Complainant by using the website to which the subject domain name resolved to host websites operated by so-called "domain traffic monetization programs." These websites display links to, and advertisements for, third-party websites, diverting the attention of consumers (and their spending power) looking for the Complainant's unrelated websites. In this way, the registrant of <spicehotel.com> capitalized on the fact that many Internet users will try to reach Spice and learn more about *Spice Hotel* by typing <spicehotel.com> in their browsers or using "Spice" or "Spice Hotel" as search terms in search engines such as Google or Yahoo!, which weigh the content of domain names in formulating the search results.

The websites advertised on the website to which the subject domain name resolves do not make any reference to SPICE or SPICE HOTEL and are not operated by entities that have any interest in those marks.

More recently, the website to which the subject domain resolves has again been used to host a website selling adult entertainment in competition with the Complainant.

In the autumn of 2005, the subject domain name resolved to another website controlled by the Respondent Fleming, "www.a-world-of-sex.com", which offers adult entertainment, including adult videos, for sale on a subscription basis.

The subject domain name is being used to host a website featuring links to websites offering subscription adult entertainment for sale in direct competition with the Complainant. None of the websites featured on the website to which the subject domain name resolves makes any reference to SPICE or SPICE HOTEL and none are operated by entities that have any interest in those marks. The Complainant believes that when an Internet user reaches such a website via a link on the website to which the subject domain name resolves, the registrant receives a commission or other compensation from that website operator.

The following information derives from the Response.

The Respondent Fleming identifies his address as Milnrow, Manchester, England. He

intends to change the registration once the present dispute is resolved.

There are numerous examples of sites using the term 'spice'. Some are even being used for 'adult entertainment' related sites.

The Respondents had never had or rented cable TV and had never even heard of the show *Spice Hotel* until Mr. Fleming received the initial email from the Complainant's legal department in early 2005.

At the time of registering the subject domain name the Respondents were more involved with the "adult entertainment" industry than at present. Because the subject domain name was available the Respondents concluded the subject domain name would make an ideal name for such a site. The name originally was intended to be used as an adult entertainment site because of the words which the Respondents say "spice" connotes ("hot", "zesty", "excitement") and the associations with hotel: a place where something *spicy* could happen.

The Respondents state the phrase "spice hotel" also is related to the term "whore house" giving it even more of an adult theme thus making it even more attractive for the initial intended use.

On discovering that the Complainant's TV show existed, after receiving its first email, the Respondents removed the Internet site to which the subject domain name resolved while deciding what other way to use the subject domain name. It was not the Respondents' intention then and is not their intention now to infringe on the Complainant's trademarks.

In accordance with these proceedings and wishing to comply fully the Respondents decided to remove the adult entertainment site and elected to simply park the subject domain name until this dispute is resolved.

The Respondents say, "...the [subject] domain [name]...was never registered to capitalize on the Playboy TV show of the same name...."

Being a professional Web developer who has been involved in the Internet for over ten years the Respondent Fleming has many domain names and from time to time, sells them, gives them away, either as gifts or, as is the case with the subject domain name, as part of a larger business deal.

The Respondents say that they gave the subject domain name to Mr. Derbyshire because he believed he might be able to develop it. He had no intentions to use it as an adult related site. On receiving the letter from the Complainant's legal department Mr. Derbyshire conveyed to the Respondents his reluctance to continue being the legal registrant of the domain name and returned it to the Respondents.

Mr. Derbyshire has most, if not all, of his domains under the WPPS scheme, which is provided by all of the largest domain registrars including GoDaddy, Enom, NameCheap and many others and did so with <spicehotel.com>. When Mr. Derbyshire returned the subject domain name to the Respondents, the 'whois protection' was still in place and they left it that way.

The Administrative Panel has not relied on the Complainant's "Supplemental Evidentiary Submission".

5. Parties' Contentions

A. Complainant

In refusing to identify its customer, WPPS has unnecessarily increased the complexity and costs of these proceedings to Complainant and substantively interfered with Complainant's ability to seek redress.

It is the Complainant's position that that the subject disputed domain name, "...is identical to [its] SPICE HOTEL trademark and confusingly similar to [the] Complainant's SPICE trademark and family of trademarks incorporating SPICE".

Referring to the multiple websites which are found through the website to which the subject domain name resolves the Complainant asserts, "...the registrant of the subject the domain name capitalized on the fact that many Internet users will try to reach the Complainant and learn more about *Spice Hotel* by typing *spicehotel.com* in their browsers or using 'Spice' or 'Spice Hotel' as search terms in search engines such as Google or Yahoo!, which weigh the content of domain names in formulating the search results".

The Complainant contends that: "[t]he fact that the [subject] domain name was used to resolve to a commercial website operated by [the Respondent] Fleming *after* [he] was notified by [the Complainant] that such use was infringing and *after* [he] appeared to have transferred his registration to Mr. Derbyshire is...compelling evidence that [the Respondent] Fleming remained the beneficial owner of [the subject domain name]. And, indeed, WPPS has now disclosed that its customer is 'AWOS Steve Fleming'" (emphasis in original).

In addition to the facts alleged to establish the first two criteria of the Policy, to support bad faith, the Complainant asserts that the Respondents uses the website to which the subject domain name resolves to advertise products that are unrelated and products that compete with the Complainant.

B. Respondents

The Respondents state that the term "SPICE" is a generic word and is ineligible to be trademarked. Spice is a diluted word meaning many different things to many different people. Many different Websites openly use the term "SPICE".

They ask rhetorically: "Would the Complainant make claims that SPICEGIRLS.COM is 'infringing on their trademark' as one would assume the girls that host Spice TV's show's and appear in them are commonly known as 'The Spice Girls'? I think not."

The Respondent Fleming says: "As a UK citizen I am only to aware and familiar with 'The Spice Girls' and their movie 'SpiceWorld'. The group was formed in 1994. Nobody ever assumed or confused them, their name or their movie with having anything to do with the 'adult entertainment' industry and similarly do not to this date."

The Respondent Fleming states that he is in the adult entertainment industry and that he chose the subject domain name to further his commercial interests with no knowledge of the Complainant's use of the words "spice hotel".

The Respondents assert that they have not attempted to hid their identity or correct

address.

The Respondents deny that they registered or are using the subject domain name in bad faith.

6. Discussion and Findings

Paragraph 4(a) of the Policy requires the Complainant to prove that:

- (i) the domain name is identical or confusingly similar to a trademark or service mark in which the Complainant has rights; and
- (ii) the Respondent has no rights or legitimate interests in respect of the domain name; and
- (iii) the domain name has been registered and is being used in bad faith.

Paragraph 4(b) provides for the implication of evidence of bad faith in a number of circumstances:

- (i) circumstances that indicate that the Respondent has registered or has acquired the domain names primarily for the purpose of selling, renting, or otherwise transferring the domain names registration to the Complainant who is the owner of the trademark or service mark or to a competitor of the Complainant, for valuable consideration in excess of the Respondent's documented out-of-pocket costs directly related to the domain names;
- (ii) registration of the domain names in order to prevent the owner of the trademark or service mark from reflecting the mark in a corresponding domain name, provided that the Respondent has engaged in a pattern of such conduct;
- (iii) registration of the domain names primarily for the purpose of disrupting the business of a competitor;
- (iv) by using the domain names, intentionally attempting to attract, for commercial gain, Internet users to the Respondent's website or other online location, by creating a likelihood of confusion with the Complainant's mark as to the source, sponsorship, affiliation, or endorsement of the website or location or of a product or service on the website or location.

These are illustrative and do not represent the only circumstances from which may arise evidence of bad faith.

The parties rely on previous domain name dispute decisions. While often these are helpful, they are neither controlling nor binding on this Administrative Panel.

The Administrative Panel is not prepared to add WPPS as a Respondent. To do so would for the reasons advanced by the Complainant would be outside the boundaries of inquiry in this proceeding.

Neither the Rules nor the Policy allow for unsolicited submissions. Paragraph 12 of the Rules states that "the Panel may request, in its sole discretion, further statements...from

either of the Parties.” The Panel has not made any such request regarding this proceeding. Rather, the Panel agrees with the Panel in *Gordon Sumner, p/k/a Sting v. Michael Urvan*, WIPO Case No. D2000-0596 that supplementary submissions should be allowed only in exceptional cases, and only when the party making such a submission explains why the material in the submission could not have been submitted with the Complaint (or Response).

Although the Respondents did not object to or comment on the Complainant’s deliver of its additional submission, in the circumstances of this case, the Administrative Panel saw no need to rely on it and has not done so.

A. Identical or Confusingly Similar

The Complainant relies on its long use of the word SPICE and its registered trademarks.

The Respondent asserts that the word “spice” is generic and “...ineligible to be trademarked”. A UDRP proceeding is not an appropriate forum to look behind the registration of trademarks.

The fact that others have used the word “spice” in various contexts is not a basis on which this administrative panel should embark on an examination of the legitimacy of the Complainant’s trademark registrations.

The Complainant’s has rights to the words SPICE through use and registration in the context of adult entertainment. It applied to register SPICE HOTEL as a trademark.

The subject domain name differs from the Complainant’s mark SPIC” only by the addition of the word “hotel and the use of .com. The latter is inconsequential.

Because of the extensive use by the Complainant of the word SPICE in the context of adult entertainment, the subject domain name is confusingly similar to the Complainant’s mark SPICE.

It also is identical to the Complainant’s mark “spice hotel”

The Administrative Panel is satisfied that the Complainant has met the requirements of paragraph 4(a)(i) of the Policy.

B. Rights or Legitimate Interests

Competition *per se* is not a foundation for a finding that a respondent does not have a legitimate interest in a domain name, but trespassing on the intellectual property rights of another calls into question the legitimacy of a respondent’s interests.

In this case, the Respondents appear to recognize this distinction because they assert that they do not want to trespass on the Complainant’s trademark rights.

The Respondents’ difficulty is that their position is based on questioning the Complainant’s trademark rights, an issue the Administrative Tribunal is not prepared to entertain. That is, we must take those rights as they are.

The Respondents are not authorized to use the Complainant’s mark. They are not known by them.

The Respondent Fleming is knowledgeable about the adult entertainment industry. Although he denies knowledge of the Spice-Hotel initiative of the Complainant, he does not suggest that he was not aware of the Complainant's use of SPICE in the adult entertainment industry.

It is not legitimate to use the mark of a complainant to compete directly for custom and trade in the industry in which a complainant has established the presence of that mark.

The Administrative Tribunal is satisfied that the Complainant has met the requirements of paragraph 4(a)(ii) of the Policy.

C. Registered and Used in Bad Faith

The Respondents registered the subject domain name with the intention of using it in the adult entertainment industry. Mr. Fleming states that, he was active in the adult entertainment industry at that time he registered the subject domain, but that he did not know of the Complainant's Spice-Hotel venture and did not seek to capitalize on it. He does not say that he was unaware of the Complainant's use of SPICE to market its adult entertainment products.

The Administrative Panel concludes that the initial registration was designed to capitalize on the Complainant's use and development of SPICE. The Respondents provide good reasons why that word is significant in the adult entertainment industry and the focus of the use of that word by the parties is in that context. The fact that the word is used in other contexts is not relevant to the present inquiry. The registration was in bad faith.

The issue becomes whether the use of the subject domain name is bad faith. The Administrative Panel concludes that it is.

Much has been said of the identification of the registrant of the subject domain name. As a general proposition, whether it is appropriate to hide the identity of registrants is not a question that must be resolved in this case, but those who incorporate the marks of others in domain name must be prepared to address inferences that arise from using methods to hide their identities from complainants who seek to protect their interests in such marks.

The timing of using the masking system is suspect in this case. No reason is given for it and it does not accord with the assertion that Mr. Derbyshire always uses the system. In this case he does not appear to have done so until the Complainant undertook initiatives to protect its interests.

It is asserted that the subject domain name is inactive, but the Complainant provides information that it is not and as of April 20, 2006, the website to which the subject domain name resolves links to adult entertainment sites, a business in which the Complainant also is involved.

The Administrative Panel has been concerned with attempting to address contested issues of fact in this type of proceeding, but is satisfied on the objective facts presented to it by the parties that the Respondents continue to use the subject domain name in bad faith.

The Administrative Panel is satisfied that the Complainant has met the requirements of

paragraph 4(a)(iii) of the Policy.

7. Decision

Based on the information provided to it and on its findings of fact, the Administrative Panel concludes that the Complainant has established its case.

The Complainant requests transfer of the subject domain name <spicehotel.com> to it. The Administrative Panel so orders.

Edward C. Chiasson Q.C.
Presiding Panelist

Peter L. Michaelson
Panelist

Gordon Harris
Panelist

Dated: April 21, 2006