

## DISPUTE RESOLUTION SERVICE

### DRS 07175

Decision of Appeal Panel

Dated 11 September, 2009

FirstRungNow Ltd

and

Paul Holmes

#### 1. The Parties:

Complainant/Appellant:

FirstRungNow Ltd  
42 Devonshire Place  
Brighton  
East Sussex  
BN2 2HS  
UK

Respondent:

Paul Holmes  
UK Reg, Discovery House  
154 Southgate Street  
Gloucester  
Gloucestershire  
GL1 2EX  
UK

The prime mover behind the Complainant is Ms Helen Adams. For the purposes of this decision the Panel treats Ms Adams and her company, FirstRungNow Ltd., as one, save where otherwise indicated.

Similarly, the Respondent is the proprietor of a corporate vehicle for his business, Firstrung.Com Ltd., and for the purposes of this decision the Panel proposes to treat the Respondent and his company as one.

## 2. The Domain Names:

<firstrung.co.uk>  
<first-rung.co.uk>

For reasons which will become apparent below, the Panel proposes to decide this dispute by reference to the first of the domain names, <firstrung.co.uk> (“the Domain Name”).

## 3. Procedural Background

This is an appeal from a decision of Niall Lawless, the Expert appointed by Nominet to decide this dispute.

The process is governed by the *Procedure for the conduct of proceedings under the Dispute Resolution Service* (“the Procedure”) and the decision is made in accordance with the *Dispute Resolution Service Policy* (“the Policy”). Both of these documents are available for inspection on the Nominet website (<http://www.nominet.org.uk/disputes/drs>).

The decision (in favour of the Respondent) was issued on 6 July 2009. The procedural background leading up to the decision is set out in the decision, which is published on the Nominet website.

On 13 July the Appeal Notice was lodged, together with payment of the relevant fees, and on 27 July the Appeal Response was received from the Respondent.

On 3 August the Appeal Panel was appointed comprising Tony Willoughby, David King and Claire Milne, each of them having confirmed to Nominet 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 a such a nature as to call in to question my independence in the eyes of one or both of the parties.”*

## 4. Procedural Issues

On 7 August Nominet received a request from the Complainant to make a non-standard submission in accordance with the Procedure paragraph 13b. This followed earlier such requests by the Complainant on 15 July (soon after appealing) and by the Respondent on 18 June 2009 (during the original Decision stage). The Expert did not admit the Respondent’s non-standard submission. The Panel has seen the full texts of the two earlier non-standard submissions and decided not to admit either of them for the purposes of the appeal, on the grounds that they do not add anything helpful to reaching a decision to the evidence before the Panel. The Panel has also decided not to admit the Complainant’s non-standard submission dated 7 August, because admitting it seems very unlikely to add anything helpful but would lead to further delay in this already long-drawn out case..

The Complainant has objected to the introduction into the evidence by the Respondent of Without Prejudice correspondence between the parties.

The Expert declined to exclude that evidence as does the Panel. Paragraph 6 of the Policy, which is headed “Without Prejudice”, reads:

“a. Documents and information which are 'without prejudice' (or are marked as being 'without prejudice') may be used in submissions and may be considered by the Expert except that the Expert will not consider such materials if:

- i. they are generated within Informal Mediation; or
- ii. the Expert believes that it is in the interests of justice that the document or information be excluded from consideration.”

The Panel notes that the correspondence in question was put before the Registrar in the UK opposition hearing relating to the Complainant's trade mark application for FirstRung (word) referred to in Section 5 below and quotes from that correspondence appear in his decision. The correspondence played an important part in that decision and is material to this decision.

As is normal practice for appeals under Nominet's Procedure, the Panel has examined all the evidence provided and admitted, and reconsidered both parties' contentions against the criteria contained in Nominet's Policy. The evidence comprises the following:

**Documents submitted by the Complainant:**

Registration Certificate for TM 2332458, registered 5 December 2003 (application filed 20 May 2003)

IPO register entry for TM 2469999, registered 17 April 2009

The following press articles:

- Daily Telegraph - date unknown
- Newbury News - in or around November 2003
- Reading Central - 15 January 2004
- Icliverpool.co.uk - 28 January 2004
- Mortgage Introducer Magazine - 31 January 2004
- The Observer - 15 February 2004
- Mortgage Magazine - March 2004
- Wiltshire Guardian - date unknown
- Times Educational Supplement - 16 February 2004
- The Sun - 25 May 2004
- St Albans and Harpenden Review - 2 June 2004
- HSBC Your Money magazine - 2004
- Cambridge News Online - 12 June 2004
- The Scotsman - 3 July 2004
- Mortgage Magazine - July 2004
- Mortgage Advisor Magazine - September 2004
- Lincolnshire Echo - 14 January 2005
- What Mortgage Magazine - January 2005
- Berkshire Property Chronicle - 21 January 2005
- The People - May 2005
- Mortgage Advisor & Home Buyer Magazine - September 2004
- Yourmortgage.co.uk - date unknown

Waybackmachine print out for Complainant's website, 2003-2007

Alexa usage graph for firstrung.co.uk, 2004-2006

Witness statements re confusion, 2007-8

E-mails between Complainant and Respondent on 1 June 2005

Decision of Office for Harmonization in the Internal Market re Complainant's opposition to Respondent's application for registration of "firstrung" as a trade mark - 28 November 2008

Further evidence re confusion – Google alerts November 2006 and search 24 April 2009, e-mails from Robert Gaunt and Pricilla Kamale to Complainant, 2007-8

E-mails between Complainant and Respondent on 11 July 2006

Companies House Webcheck report re Firstrung.Com Limited, 24 April 2009

**Documents submitted by the Respondent:**

E-mails between Complainant and Respondent of 11 July 2006, 17 July 2006, 22 March 2007, 23 March 2007 and 13 June 2007 (included in text of Respondent's Response to the Complaint)

Fax from Hammonds (Respondent's solicitors) to Clare Griffiths (Complainant's solicitor) - 31 August 2006

Google searches, 2009

IPO Decision re Complainant's application for registration of "FirstRung" as a trade mark and Respondent's opposition - 15 January 2009

Press articles on-line by Mortgage.org.uk, Assetz Property News Service and houseladder.co.uk - May 2009

## 5. Factual Background

As will be seen this administrative proceeding is a part of a dispute which has been raging between the parties over their claims to rights in respect of names and marks comprising or including the term 'first rung'. Both parties are engaged in the provision of online advisory services primarily directed to persons seeking to get on the first rung of the property ladder in the UK.

The dispute has been wide-ranging, but the Panel has not felt it necessary to recite all the details of the dispute. For the purposes of this administrative proceeding the following will suffice.

The Domain Name, <firstrung.co.uk>, was registered by the Respondent on 20 November 1999<sup>1</sup>.

On 8 October, 2002 the Respondent incorporated the company, Firstrung (UK) Ltd., which registered the domain name <firstrung.com>, on 5 April, 2003.

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<sup>1</sup> The second of the disputed domain names, <first-rung.co.uk>, was registered on 10 May, 2005. The Panel takes the view that the second of the domain names stands or falls with the first. In other words, if the Domain Name is an Abusive Registration under the Policy, so is <first-rung.co.uk>, but not otherwise. Accordingly, as indicated in Section 2 above, the Panel proposes to decide this dispute by reference to the Domain Name.

On 20 May, 2003 the Complainant filed application for FirstRungNow (device) under number 2332458 as a trade mark in classes 36, 42 and 45 for *inter alia* "introduction agency services for people arranging joint ownership or renting of properties". The registration came through on 5 December, 2003

In November 2003 the Complainant commenced trading online via a website connected to the domain name <firstrungnow.com>, which the Complainant registered on 24 April, 2003. At that time the main focus of the Complainant's business was the provision of advisory and introduction services to people wishing to get on the first rung of the property ladder, who might have difficulty bearing the financial burden of so doing on their own.

In the course of 2004 and 2005, the Complainant's business achieved a significant volume of publicity in the press and on radio and television.

On 1 June 2005 the following email correspondence took place between the parties:

The Respondent emailed the Complainant stating "Could you please cease and desist from naming your forum "firstrung". I fear that it may cause confusion with firstrung.co.uk".

The Complainant replied "We will look into this. I imagine when you named your site you might have 'expected' some confusion? We will get back to you".

The Respondent riposted "the domain names firstrung.co.uk/com/net have been secured for several years. I suspect the confusion could have been prevented if, upon discovering this, you had chosen to not simply add 3 letters to a widely known generic term."

The Complainant came back with "When we bought FirstRungNow.co.uk and .com, Firstrung.co.uk was not in use. It was our intention to differentiate when we chose to use our domain names. Unless you had intended some confusion it might have been wise to choose a domain name which was not such a widely known generic term and not so similar to our own."

These were the opening exchanges in a dispute between the parties which has continued for over 4 years and of which this administrative proceeding is but a part.

According to records by alexa.com, during the first 8 months of 2006 the website [www.firstrung.co.uk](http://www.firstrung.co.uk) attracted a measurable amount of traffic, while during 2005 it had attracted almost none.

On 8 June, 2006 the Complainant applied for registration of FirstRung (word) as a trade mark in classes 35, 36 and 41.

During July 2006 the Complainant sent to the Respondent emails containing the passages quoted below:

On 11 July, 2006: "... we are FirstRungNow.com not FirstRung.co.uk. We never call ourselves FirstRung.co.uk nor do we try and pretend that we are FirstRung.co.uk. We make it clear on our website that there is no connection between the 2 organisations and have done since you first complained!"

On 17 July, 2006: "My understanding from you and your website is that you are the owner of the FirstRung trade mark and words."

On 30 July, 2006 the Respondent applied for registration of FIRSTRUNG (word) as a Community Trade Mark for services in class 36. The Complainant opposed on the basis of its prior UK trade mark rights. The opposition succeeded on the basis of likelihood of confusion with the Complainant's trade mark.

On 12 December, 2006 the Respondent filed an opposition to the Complainant's trade mark application for FirstRung (word) claiming that (i) the Respondent could restrain use of the mark applied for by way of a passing off action and (ii) the application had been made in bad faith. The decision in that opposition proceeding was issued on 15 January, 2009. The registrar found in favour of the Respondent on the second ground of opposition, but not on the first ground.

In late 2007 and early 2008 the Complainant obtained witness statements from three people describing how they had been confused, believing that the Respondent's website connected to the Domain Name was in some way associated with the Complainant.

At the time of the complaint, internet searches on the term "first rung" and variants show many links to the Respondent's business.

## 6. The Parties' Contentions

The parties' contentions are set out in detail in the Expert's decision at first instance. In essence they are as follows:

1. The Complainant accepts that the Domain Name registration pre-dates the Complainant's trade mark rights, but contends that the Respondent's first use of the Domain Name post-dates the Complainant's rights and was calculated to cause confusion with the Complainant's business and has caused confusion with the Complainant's business.
2. The Respondent contends that since both his registration of the Domain Name and his trading offline through the company, First Rung (UK) Ltd., predate the Complainant's rights his rights are superior to those of the Complainant. He says that to the extent that there may have been any confusion it is the fault of the Complainant in that (i) the Complainant was aware of the existence of the Domain Name when it adopted its name and could have selected a different name and (ii) the Complainant changed the focus of its business in 2007 from a dating agency to the provision of financial and other broader property services of the kind being provided by the Respondent.
3. The Respondent contends that the Complainant is guilty of Reverse Domain Name Hijacking.

In the Appeal Notice and Response, the parties largely reiterate these contentions. The Respondent also refers to the current financial status of the Complainant, a matter which is irrelevant to this proceeding.

## 7. Discussion and Findings:

### General

The Complainant is required under clause 2b of the Policy to prove to the Expert 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 Domain Name; and*

*ii the Domain Name, in the hands of the Respondent, is an Abusive Registration.*

### **Complainant's Rights**

"Rights" are defined in the Policy and in the Procedure. Rights "includes, but is not limited to, rights enforceable under English law".

The Respondent does not contest the submission on the part of the Complainant that it has

Rights in the name FirstRungNow, a name under which it has traded since late 2003 and which is the prominent textual element of the Complainant's registered trade mark detailed in Section 5 above.

The Panel is satisfied that the Complainant has Rights in a name, which is similar to the Domain Name, as it differs from it only by the addition of the neutral word "now".

### **Abusive Registration**

*Factors to be considered*

Paragraph 1 of the Policy defines "Abusive Registration" as 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 took unfair advantage of or was unfairly detrimental to the Complainant's Rights.*

A non-exhaustive list of factors, which may be evidence that the Domain Name is an Abusive Registration, is set out in paragraph 3 of the Policy. These include:

*3.a.ii Circumstances indicating that the Respondent is using the Domain Name in a way which has confused people or businesses into believing that the Domain Name is registered to, operated or authorised by, or otherwise connected with the Complainant;*

On the other hand, paragraph 4 of the Policy sets out a list of factors that may be evidence

that the Domain Name is not an abusive registration, including:

*4.a.i Before being aware of the Complainant's cause for complaint (not necessarily the "complaint" under the DRS), the Respondent has (A) used or made demonstrable preparations to use the Domain Name or a domain name which is similar to the Domain Name in connection with a genuine offering of goods or services;*

*The issues in this case*

There being no dispute that the Respondent registered the Domain Name in 1999, long before the Complainant commenced use of its FirstRungNow name and trade mark, the sole issue in this case is whether the Respondent has subsequently used the Domain Name “in a manner which took unfair advantage of or was unfairly detrimental to the Complainant’s Rights”.

When did the Respondent first make use of the Domain Name? The earliest independent evidence before the Panel comes (ironically) from the Complainant who acknowledged the existence of the Respondent’s website connected to the Domain Name in the email exchange between the parties on 1 June, 2005 and quoted in Section 5 above. The Panel has before it no evidence as to the nature and extent of the website at that time.

The Respondent claims to have made use of the Domain Name in 2004, but has produced no evidence of any use prior to 2007 and by use of ‘robot txt’ has rendered it impossible for a third party to verify the position by way of the WaybackMachine, the webarchive device which he has himself used in his evidence for the purpose of showing the Complainant’s use of its website. Again, it is evidence supplied by the Complainant which shows activity involving the Domain Name during the first eight months of 2006.

It is clear, however, from the witness statements filed by the Complainant, that there has been confusion of a substantial (in the sense of not insubstantial) nature between the parties’ websites and stemming directly from the similarity of their respective domain names, which they both use in the property services field and directed to first time buyers seeking to get onto the first rung of the property ladder. That confusion was always likely and has been known by the parties to be likely is apparent from their email exchange on 1 June 2005:

*On 1 June, 2005 the Respondent emailed the Complainant stating “Could you please cease and desist from naming your forum “firstrung”. I fear that it may cause confusion with firstrung.co.uk”.*

*The Complainant replied “We will look into this. I imagine when you named your site you might have ‘expected’ some confusion? We will get back to you”.*

*The Respondent riposted “the domain names firstrung.co.uk/com/net have been secured for several years. I suspect the confusion could have been prevented if, upon discovering this, you had chosen to not simply add 3 letters to a widely known generic term.”*

*The Complainant came back with “When we bought FirstRungNow.co.uk and .com, Firstrung.co.uk was not in use. It was our intention to differentiate when we chose to use our domain names. Unless you had intended some confusion it might have been wise to choose a domain name which was not such a widely known generic term and not so similar to our own.”*

As the Registrar stated in his decision in the opposition proceedings relating to the Complainant’s application to register “FirstRung” as a trade mark, “Owing to the proximity of the signs FirstRung and FirstRungNow being used in the same field of activity, it is a racing certainty that confusion will occur and the parties do not dispute that confusion has occurred and will occur”.

There being no verifiable evidence before the Panel that the Respondent made any



substantial commercial use of the Domain Name (or the name “First Rung”) prior to the Complainant’s use of its name “FirstRungNow”<sup>2</sup>, the Panel concludes that it was the Respondent’s use of the Domain Name which gave rise to the confusion.

Thus, it is not surprising that the Complainant contends that paragraph 3.a.ii. of the Policy comes into play, namely “*Circumstances indicating that the Respondent is using the Domain Name in a way which has confused people or businesses into believing that the Domain Name is registered to, operated or authorised by, or otherwise connected with the Complainant*”.

However, as identified by the Expert in his decision at first instance, paragraph 3.a.ii of the Policy needs to be read in context. For a domain name to constitute an Abusive Registration under the Policy there has to have been wrongdoing of some kind, which can be laid at the registrant’s door. The mere fact that confusion has occurred and is likely to occur is not enough.

The factors which the Panel has weighed in the balance are:

1. The fact that the Domain Name comprises what is in essence a very well-known expression in the house purchase context referring to the first rung of the property ladder
2. Both parties are engaged in the provision of property-related services
3. The Respondent was the first to raise a complaint, apparently unaware of the Complainant’s trade mark rights
4. When complaint was raised (by the Respondent), the Complainant’s reaction included recognition of the Respondent’s rights
5. The Complainant believed that its choice of domain name was sufficient to distinguish its business from anything for which the Domain Name was likely to be used. The email exchange on 1 June, 2005 shows that the Complainant was aware of the Domain Name when it registered its <firstrungnow.com> domain name.
6. In consequence, since June 2005 the Respondent has been ‘permitted’ to trade by way of the Domain Name and has over the intervening years developed a business under and by reference to the name
7. The extraordinary failure of the Respondent to back up his claims to previous use of the Domain Name notwithstanding the clear need to do so, underlined in the Registrar’s decision
8. The use by the Respondent of ‘robot.txt’ to prevent access to his website record via the WaybackMachine

The Respondent’s use of the Domain Name has clearly caused confusion of the kind contemplated by paragraph 3.a.ii of the Policy. However, while the last two ‘factors’ have left the Panel with some misgivings as to the Respondent’s entitlement to take the benefit of Paragraph 4.a.i.A of the Policy, overall the Panel has not been persuaded by

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<sup>2</sup> The lack of any evidence from the Respondent as to his prior use of the Domain Name and the name, FirstRung, is particularly surprising in light of the Registrar’s criticism (to the same effect) of the Respondent’s evidence in the aforementioned opposition proceedings.

the Complainant on the balance of probabilities that the Respondent's use of the Domain Name was actuated by anything other than a reasonable desire to use a descriptive term commonly used in the field of activity in which both parties are players.

The Panel is not persuaded that the Domain Name in the hands of the Respondent is an Abusive Registration.

At the same time, the Panel is persuaded that the Complainant genuinely believes in the merits of the case that she is putting forward, and that accordingly this is not an instance of Reverse Domain Name Hijacking (as alleged by the Respondent).

These conclusions bear out what occurred to all three members of the Panel when reading the case papers. The dispute is a complex one with a history going back 10 years if one takes the date of registration of the Domain Name and over 4 years if one takes the opening email exchange in June 2005 as the starting point. It has been fought out in correspondence and in both the UK and the EU trade mark registries, and as the original Expert remarked, has generated considerable bad feeling on both sides. Administrative proceedings under the Policy are not ideal for resolving such disputes and particularly where, as here, the Panel is far from certain that it has all the relevant facts before it.

## 8. Decision

Accordingly, we find that the Complainant has Rights in respect of a name or mark, which is similar to the Domain Name, but we are not satisfied on the evidence before us that the Domain Name in the hands of the Respondent is an Abusive Registration. We therefore determine that the appeal against the Expert's decision fails. We also find that this is not a case of Reverse Domain Name Hijacking.

Tony Willoughby, David King and Claire Milne

Dated: 11 September, 2009