

DISPUTE RESOLUTION SERVICE

D00008850

Decision of Independent Expert

Parasols Direct

and

Cushions Direct Limited

1. The Parties:

Complainant: Parasols Direct
Unit 104I
Business & Innovation Centre
Sunderland
Tyne and Wear
SR5 2TJ
United Kingdom

Respondent: Cushions Direct Limited
10, 11 Heron Avenue
Heron Avenue
Wickford
SS11 8DL
United Kingdom

2. The Domain Name(s):

parasols-direct.co.uk

3. Procedural History:

3.1 On 15 July 2010 the Complaint was filed with Nominet in accordance with the Nominet UK Dispute Resolution Service Policy (the Policy). Nominet validated the Complaint and sent a copy of the Complaint to the Respondent on 19 July 2010 advising the Respondent that the Complainant was using Nominet's dispute resolution service to complain about the registration or use of the Domain Name, and allowing the Respondent 15 working days within which to respond to the Complaint.

3.2 A Response was received by Nominet on 23 July 2010. The Complainant submitted a Reply which was received by Nominet on 29 July 2010. The dispute

then entered Nominet's mediation stage. Nominet was unable to resolve the issue through mediation.

- 3.3 On 7 September 2010 the Complainant paid the relevant fee to Nominet in order for the matter to be referred to an independent expert for a decision. On 13 September 2010 Bob Elliott was duly appointed as expert.

4. Factual Background

- 4.1 The Complainant's name Parasols Direct is a trading name for a company now called Variete Limited which was incorporated in 2005. It changed its name from Net Stores Limited on 10 October 2009.
- 4.2 The Complainant owns a UK trade mark PARASOLS DIRECT in Class 35, which was applied for on 3 July 2009, and registered on 2 July 2010.
- 4.3 The Complainant operates a website at www.parasolsdirect.co.uk, advertising parasols, cantilever parasols, parasol bases, parasol accessories and commercial parasols.
- 4.4 The domain name parasolsdirect.co.uk was registered by the Complainant (under the name Parasols Direct) on 5 November 2007.
- 4.5 The Complainant also appears to run a number of other internet sites (which are described as "Variete Stores").
- 4.6 The Respondent Cushions Direct Limited was incorporated on 7 October 2008. Its owner, James Whiteley, started trading in 2005, initially as a sole trader. His business has run a website www.cushions-direct.co.uk since 2005, providing products in many areas of the outdoor and garden industry, including parasols.
- 4.7 The Respondent registered the Domain Name on 9 January 2009. The website www.parasols-direct.co.uk now sells parasols of various constructions, parasol bases, covers, lighting and heating, and gazebos.
- 4.8 The "cushions-direct" branding previously used by the Respondent has been changed to "Stores-direct." The website at www.stores-direct.co.uk provides links to a number of associated websites including cushions-direct.co.uk, benches-direct.co.uk, parasols-direct.co.uk, gardenbeanbags-direct.co.uk and chimineas-direct.co.uk.
- 4.9 There appears to have been a degree of confusion among users of the respective websites of the Complainant and the Respondent with the Respondent's customers contacting the Complainant by mistake, and vice versa.

5. Parties' Contentions

The Complainant's submissions

Rights

- 5.1 The Complainant relies upon its e-commerce website www.parasolsdirect.co.uk, earlier trading under the business name of Parasols Direct since 2005 and its registered trade mark PARASOLS DIRECT as giving it Rights under the Policy. It

says that it spent £25,000 creating the e-commerce site and that it has spent approximately £10,000 advertising goods under the name of Parasols Direct since 2005.

Abusive Registration

- 5.2 The Complainant says that the use and registration of the Domain Name has confused people into thinking that the Domain Name is owned and controlled by the Complainant. This is said to have led to an increasing number of communications from individuals who have contacted the Complainant in the mistaken belief that the website at www.parasols-direct.co.uk is connected with the Complainant. As evidence of this, the Complainant submits copies of emails from four customers who were apparently trying to contact the Respondent and not the Complainant.
- 5.3 The Complainant says that the Respondent was made aware of the Complainant's trading from the website www.parasolsdirect.co.uk, before registering the Domain Name. The Complainant also says that it has had discussions with the Respondent making it aware of the confusion which has been caused.
- 5.4 The use of the Domain Name is also said to be an Abusive Registration "as it is infringement of the registered UK trade mark "Parasols Direct"".
- 5.5 The Complainant seeks the transfer of the Domain Name to itself.

The Respondent's submissions

Rights

- 5.6 Although the Respondent disputes the length of the Complainant's trading, which is dealt with more fully below, the Respondent does not appear to contest the Complainant's Rights under the Policy.

Abusive Registration

- 5.7 The Respondent says that its acquisition of the Domain Name in January 2009 was part of the planned growth of the Respondent into a multiple website superstore. No evidence is provided as to those plans. However, the Respondent does provide evidence (by way of archive screen shots, using the Wayback Machine) of the early use of the cushions-direct.co.uk domain name for a website which sold a variety of outdoor and garden objects, including parasols. The Respondent says that it grew steadily from its beginnings in 2005 and its growth enabled it to expand into a variety of sites and a great business opportunity.
- 5.8 The rebranding from cushions-direct.co.uk to stores-direct.co.uk referred to above was apparently part of this plan. The Respondent says that it was a logical step to move to more "-direct" sites, which has always been its business plan. It says that at the time it purchased the Domain Name, the www.parasolsdirect.co.uk website was not being used and was sitting dormant. There was no shopping cart or any visible website pages on the domain. The Respondent says that, as it was an "inexperienced internet trading company at the time", it decided that the Domain Name itself would be ideal for its intended use. Having bought the Domain Name it then built the www.parasols-direct.co.uk website, and has started to retail its products to the public through that site.

- 5.9 The Respondent disputes the Complainant's evidence of its trading. It produces in evidence an email to a supplier, Glencrest Seatex (which appears to be an associate company of the Respondent), from Mr John Orr (the individual behind the Complainant's business) in November 2007. That states that he is a start up business, with plans to set up a business through a website www.gardenfurnitureplus.co.uk, asking whether Glencrest Seatex would like to do business with him. The Respondent suggests this shows that the Complainant was using that website, and was not trading as Parasols Direct at that time.
- 5.10 The Respondent points out that the screenshots provided by the Complainant are "incredibly recent", and only show the respective websites in their current condition.
- 5.11 Of the four "confused" customers the Respondent claims to have no knowledge of one of those. One of the others seemed to have asked for more goods, and therefore his contact did not negatively reflect on the Complainant. The final two are said to be now satisfied and completely happy with the service. The Respondent goes on, however, to say that it in turn has had a much higher volume of calls from dissatisfied customers who were intending to find the Complainant, with complaints of not receiving goods ordered. The Respondent states that "these domain names are causing confusion, and there is no doubt in that".
- 5.12 The Respondent then says that it had tried to resolve the matter with the Complainant and had tried to purchase the Complainant's own domain name "for some quite substantial figures", but without success.
- 5.13 The Respondent denies abusive registration, because "at the time of purchase, there was no site established on parasolsdirect.co.uk. At the time we had no domain purchasing experience and so were unaware that we would probably need the parasolsdirect.co.uk domain as well".
- 5.14 The Respondent suggests that, as the apparently larger company, it is the one suffering an unfair detriment.
- 5.15 In relation to the Complainant's trade mark registration, the Respondent contends that the application for the trade mark has been made solely in anticipation of this Complaint. The Respondent says it is considering its options in relation to the registration.

Complainant's Reply

- 5.16 In an extensive Reply, the Complainant has produced some limited evidence to support its claim that its website was fully operational and set up in 2007 at considerable cost. It produces an invoice for consultancy and creative services relating to the creation and design of an e-commerce website, dated 21 November 2007. However, the invoice does not make any specific reference to Parasols Direct. It also attaches one invoice dated 18 August 2007 from a supplier addressed to "Net Stores Limited – Parasols Direct", in relation to the supply of one granite parasol base for £24.25 plus VAT.
- 5.17 The Complainant also produces an invoice from 2008 in relation to an on-line payments system, which does refer to the vsp account "ParasolsDirect". It is for a fixed amount, covering the period from 1 June 2008 to 30 June 2008, and referring to a number of transactions over the previous 3 months (which has been blacked out in the copy provided) as setting the rate for that period. The number

of transactions was clearly less than 1000 transactions per quarter (and could have been as low as single figures, or even zero).

- 5.18 In respect of the trade mark, the Complainant suggests that the mark would have been applied for, irrespective of the Domain Name dispute, as a legitimate and accepted means of protecting the name of a business.
- 5.19 The Complainant explains the email in 2007 to Glencrest Seatex, as having been related to the launch of a new business, to complement its existing business portfolio through another website www.gardenfurnitureplus.co.uk, claiming that the Complainant was already trading through “other websites such as www.parasolsdirect.co.uk”. The Complainant also says that it was at this time that it made the Respondent aware that it was already trading from the website www.parasolsdirect.co.uk, but does not say how it did so.
- 5.20 The Complainant disputes the relevance of the earlier trading by the Respondent as Cushions Direct from early 2005, as the Respondent did not trade as parasols-direct until 2009. By that stage, the Complainant says that the website was not dormant, referring to the evidence of the online payments system invoice.
- 5.21 The Complainant points out that the emails relating to customers effectively show that it is admitted that confusion is being caused. Complaints (even if subsequently satisfied) have caused the Complainant’s business harm through damage to the reputation and goodwill of the business.
- 5.22 The Complainant denies that the Respondent has tried to purchase the Complainant’s domain name for “quite substantial figures”.
- 5.23 Finally, the Complainant reiterates that it had made the Respondent aware of its “presence” prior to 2009. The purchase of the Domain Name was not simply part of a rebranding process - it was (the Complainant believes) merely an attempt to take advantage of the Complainant’s reputation and goodwill. The Respondent knew what it was doing in relation to e-commerce, as it had traded online since 2005. Therefore the Respondent is not the injured party and has set out to take advantage of the Complainant’s business.

6. Discussions and Findings

- 6.1 In order to succeed in these proceedings, paragraph 2.b of the Policy requires the Complainant to prove on the balance of probabilities that both elements of the test set out in paragraph 2.a are present, namely that :
- i. the Complainant has Rights in respect of names or marks which are 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

- 6.2 It does not seem to be disputed by the Respondent that the Complainant has Rights in respect of a name or mark which is identical or similar to the Domain Name. Although the Respondent disputes the extent of the trading by the Complainant, and also suggests that the Complainant’s trade mark might be subject to some form of review, it does appear clear that, at the date of the Complaint, the Complainant had such Rights (by virtue of its online presence and the registered UK trade mark). The Expert therefore finds that the Complainant

has Rights in the name “Parasols Direct” which is identical or similar to the Domain Name (the hyphen being essentially irrelevant for these purposes).

Abusive registration

- 6.3 The Complainant has to show that the Domain Name is an Abusive Registration. 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 the registration or acquisition took place, took unfair advantage of or was unfairly detrimental to the Complainant’s Rights; or
 - iii. Has been used in a manner, which has taken unfair advantage of or has been unfairly detrimental to the Complainant’s Rights.
- 6.4 A non-exhaustive list of factors which may be evidence that the Domain Name is an Abusive Registration is set out in paragraph 3.a of the Policy. Those include: “Circumstances indicating that the Respondent is using or threatening to use the Domain Name in a way which has confused or is likely to confuse people or businesses into believing that the Domain Name is registered to, operated or authorised by, or otherwise connected with the Complainant” (paragraph 3.a.ii).
- 6.5 The Complainant’s case is almost entirely reliant upon this factor. It relies also upon the infringement of trade mark referred to above. However, the question of infringement lies outside the operation of the Policy, and the Expert does not propose to consider it further, as it does not seem to add anything to the principal argument which the Complainant puts forward.
- 6.6 In relation to confusion, it is also open to the Respondent, under the Policy to seek to demonstrate that the Domain Name is not an Abusive Registration, by providing evidence of one of a non-exhaustive list of factors. Those include: “Before being aware of the Complainant’s cause for complaint (not necessarily the “complaint” under the DRS) the Respondent has 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” (Paragraph 4.a.i.A).
- 6.7 It appears to the Expert that confusion is obviously being caused. This is entirely understandable, given the similarities of the domain names in question and the very similar nature of the respective parties’ businesses. Such confusion is undesirable, but it does not mean that the Complainant necessarily succeeds in its Complaint.
- 6.8 The onus is on the Complainant to prove its case on the balance of probabilities (paragraph 2.b of the Policy).
- 6.9 It appears to the Expert that the nub of the dispute here is whether the Respondent knew of the Complainant and its business Parasols Direct at the time the Respondent registered the Domain Name and if so, how much it knew.
- 6.10 The evidence in this respect is unsatisfactory on both parties’ accounts. The Policy does not enable the Expert to reconcile easily what appear to be conflicting accounts, as the evidence is not subject to cross-examination.
- 6.11 On the Complainant’s side it says it first started trading using the Parasols Direct name in 2005, and that in addition to the creation of the e-commerce website it

has also spent approximately £10,000 advertising the goods under that name. It provides no evidence of such advertisements, and does not provide anything by way of brochures, or evidence of such expenditure. It claims in its Reply to have started using the website www.parasolsdirect.co.uk before the email to Glencrest Seatex in November 2007. However, as this domain name was not registered until 5 November 2007, that seems unlikely.

- 6.12 The evidence which the Complainant has provided of its website trading is also unsatisfactory. It has provided nothing to show what the website actually looked like in 2007/2008 (only an undated mock-up of the Home Page). The invoice dated 21 November 2007 refers to the creation and design of an e-commerce website but makes no reference to Parasols Direct. The invoice from a supplier in August 2007, which is addressed to "Net Stores Limited – Parasols Direct", relates to the sale of one parasol base for £24.25 at a date which appears to predate the website. The online payment system invoice from June 2008 suggests that there may have been some sales through the website between April 2008 and June 2008, and at least confirms that there were apparently attempts made to sell on-line. However, the number of transactions is blacked out, which suggests to the Expert that the extent of any trading was limited to possibly only a few transactions.
- 6.13 In both its Complaint and the Reply, the Complainant has said that it made the Respondent aware that it was trading using the domain name parasolsdirect.co.uk (or at least of its "presence") prior to the Respondent's registration of the Domain Name. However, there are no particulars given in either document as to precisely how and when the Respondent is supposed to have been made aware.
- 6.14 The Complainant also suggests that it has also made the Respondent aware of the confusion which is being caused, since the Domain Name was registered, and used for the purposes of the Respondent's website. However, this does not seem to be a complaint that the website has been set up to deliberately mimic the Complainant's website and the Complaint seems to be addressed exclusively to the fact of registration of the Domain Name. It seems to the Expert that the intention of the Respondent at the date of registration (rather than subsequently) is therefore the important issue here, rather than the manner of its use.
- 6.15 The Respondent's evidence is also unsatisfactory. It refers to "plans" and a supposedly logical step, to move away from the cushions-direct.co.uk brand, to more "-direct" sites including the www.parasols-direct.co.uk. However, no business plan or similar document has been produced. It is comparatively easy to make such assertions, with the benefit of hindsight, and they need to be treated with caution.
- 6.16 The Respondent also effectively admits knowing that the parasolsdirect.co.uk domain name had been registered to another party at the time it purchased the Domain Name. However, it says that it was sitting dormant, and there was no shopping cart or any visible website pages on the domain. The Respondent claims to have been an "inexperienced internet trading company at the time" (although, as the Complainant has pointed out, that does not sit easily with the Respondent having traded online since 2005). The Respondent effectively suggests that it thought that there would be an opportunity for it to use the Domain Name for what does appear to have been an existing business of selling parasols online, and that it therefore disregarded the previous registration of parasolsdirect.co.uk.
- 6.17 This evidence is difficult to square with the limited evidence from the Complainant, in particular, the online payments system invoice, which apparently

shows some use of the website in or about June 2008 for online sales, although it is impossible to gauge the extent of such sales, as the Complainant has taken the decision to black out the number of transactions involved.

- 6.18 In trying to reconcile this evidence, it would appear to the Expert that the Complainant has probably exaggerated the extent of its website trading prior to the purchase of the Domain Name. At least, he has failed to provide anything by way of convincing evidence of extensive e-commerce activity using the Parasols Direct name, and has failed to provide any evidence at all as to why the Respondent should have been aware of the previous use by the Complainant of Parasols Direct between 2005 and 2007, before the website was set up. The Complainant has failed entirely to substantiate the assertion that it told the Respondent of its trading, prior to the purchase of the Domain Name. On the other hand, the Respondent's characterisation of the parasolsdirect.co.uk domain name as wholly dormant at the time of his registration of the Domain Name needs to be treated with caution – from the evidence, it looks as though there had been some limited e-commerce activity by that point.
- 6.19 Some of the evidence produced by the Respondent has been archive internet material from the Wayback Machine (to demonstrate its Cushions Direct online trading). However, neither party has produced equivalent material in relation to the www.parasolsdirect.co.uk website, which (if it had been available) would have cast some light on the picture. If the Complainant's assertions as to the extent of the use of the website are correct, it would presumably have been in the Complainant's interests to produce such material.
- 6.20 The Respondent did have an existing business of trying to sell parasols online at the time of registration of the Domain Name (although no sales numbers are provided). Whilst there is natural scepticism as to its reference to having "plans" in respect of "-direct domain names" it would appear odd if the Respondent had decided to purchase the Domain Name, solely or predominantly in order to take advantage of, or be unfairly detrimental, to the Complainant's Rights, and then decided to put together other websites in order to give credibility to its stated plans, to deflect that criticism. If anything, it appears to the Expert that it may be the case that the Respondent decided that it could disregard the Complainant's ownership of the parasolsdirect.co.uk domain name and any limited online activity in order to proceed to acquire a domain name which fitted in with other parts of its brandings (such as cushions-direct.co.uk and benches-direct.co.uk), which were all largely generic. Would such conduct have been abusive on its own? It is possible to envisage a case where a respondent would have been aware that a collateral consequence of its registering a domain name would be damage to an existing business, to the detriment of that business' owner, even if that was not its primary intention in registering the domain name. In such a case, the result might well be that the registration would be abusive. However, in this case, the names involved were both essentially descriptive, the Domain Name seems to have fitted in with other unrelated business activity by the Respondent, and there is no sign that the Respondent was aware of any established business of the Respondent which would have attracted goodwill at that time (as opposed to the registration of the Complainant's domain name and perhaps a limited internet presence at most). In the Respondent's case, the Domain Name was also descriptive of a business in which it was already involved. If the DRS permitted cross-examination or interrogatories of some kind, those processes might be able to shed more light on the Respondent's rationale and decision-making. However, they are not part of the DRS procedure, and the Expert must make the best he can of the material which has been provided by the respective parties. On balance, the Expert does not consider that the Respondent's decision to disregard the

Complainant's prior registration was clearly abusive, in the absence of a proven intention to target the Complainant and its business unfairly.

- 6.21 Can the Respondent avail itself of paragraph 4.a.i.A of the Policy, as having begun demonstrable preparations to use the Domain Name before becoming aware of the Complainant's cause for complaint? This is also unclear and may depend on just what the Respondent was aware of when it registered the Domain Name. If that was only the registration of the domain name parasolsdirect.co.uk, that would not necessarily have given the Complainant cause for complaint, as it would not have been able to demonstrate that it had Rights under the policy. The answer would probably also apply if there was only very limited activity through the website – a few isolated transactions involving an inherently generic name would have been unlikely to generate sufficient legal standing to bring a passing-off case, and therefore Rights.
- 6.22 On balance, given the various uncertainties and evidential weaknesses identified above, the Expert finds that the Complaint is too weak to succeed. The onus is on the Complainant to prove its case on the balance of probabilities, and the evidence which it has come up with is particularly weak in a number of respects. If better evidence had been available, then the Complainant had the opportunity to put it forward in its Reply. Although the Reply was a lengthy document, much of it was argument rather than evidence, and the evidence provided was clearly very thin. The Expert is therefore left with the impression that there was no better evidence to be presented, and that the Complainant has therefore done the best it can, with very limited material to support its case.
- 6.23 Overall, the Expert is not persuaded by the Complainant that the Respondent must have had the Complainant's business in mind, in the sense of taking unfair advantage, when it registered the Domain Name. The Complaint therefore fails.

7. Decision

- 7.1 The Expert finds that the Complainant has Rights in the name Parasols Direct which is identical or similar to the Domain Name.
- 7.2 However, the Expert finds that the Complainant has not shown that the Domain Name, in the hands of the Respondent, is an Abusive Registration. The Complaint therefore fails and the Expert directs that there should be no action taken in relation to the Domain Name.

Signed: Bob Elliott

Dated 30th September 2010