

**DISPUTE RESOLUTION SERVICE**

**D00010201**

**Decision of Independent Expert**

**Smarty Had a Party, LLC**

and

**T AS Akinropo Ltd**

**1. The Parties:**

Complainant: Smarty Had a Party, LLC  
2360 Chaffee Dr.  
Saint Louis, Missouri (MO)  
St. Louis  
63146  
United States

Respondent: T AS Akinropo Ltd  
51 Langley Park  
Sutton  
SM2 5EP  
United Kingdom

**2. The Domain Name(s):**

smartyhadaparty.co.uk (“the Domain Name”)

### **3. Procedural History:**

12 August 2011 15:46 Complaint received  
15 August 2011 13:54 Complaint validated  
15 August 2011 13:57 Notification of Complaint sent to parties  
02 September 2011 02:30 Response reminder sent  
06 September 2011 08:12 Response received  
06 September 2011 08:13 Notification of response sent to parties  
09 September 2011 02:30 Reply reminder sent  
14 September 2011 11:05 Reply received  
14 September 2011 11:07 Notification of reply sent to parties  
14 September 2011 11:07 Mediator appointed  
19 September 2011 16:10 Mediation started  
09 November 2011 15:29 Mediation failed  
09 November 2011 15:30 Close of mediation documents sent  
21 November 2011 01:30 Complainant full fee reminder sent  
23 November 2011 12:27 Expert decision payment received

### **4. Procedural Issues**

The Response proceeds on the basis that a company called “Thoth Companies Ltd” was the entity which acquired the the Domain Name and indeed the Complainant’s pre-action letter of 8 March 2010 was addressed to this company. In fact, the current registrant, and Respondent, is “T AS Akinropo Ltd”. The Respondent’s address is the same as the one given for Thoth Companies Ltd in the Complainant’s letter.

I infer from this that the companies are under common control and that, at some point and for some reason, the controller of the companies switched the registrant name from one to other. The Complainant has not taken any point about this and I see no other reason to distinguish between the two entities. Accordingly, I will treat both companies interchangeably as “the Respondent” for the purpose of this decision.

### **5. Factual Background**

The Complainant is a US corporation. Since 2007, it has supplied upmarket disposable party wedding supplies via a website at smartyhadaparty.com.

The Complainant owns United States Trademark Registration No. 3777476 for “SMARTY HAD A PARTY” in international class 35. The certificate shows a filing date of 1 September 2009 and a “first use in commerce” in October 2007.

The Complainant also owns Community Trade Mark No. 9121351 for “SMARTY HAD A PARTY” in class 24, filed 20 May 2010.

The Respondent registered the Domain Name on 21 December 2008. At some point thereafter, the Respondent started using the Domain Name for a party-supplies website under the trading name “Smarty had a Party”.

On 8 March 2010, the Complainant’s attorneys sent a letter to the Respondent asserting that it supplied products in the US and abroad and invoking the Complainant’s US trade mark. The attorneys stated that the mark had become well established and widely recognised. The letter expressed concern that “your company’s junior use of the Mark, especially within the United States, is deceptive and misleading” and asserted that this would likely cause confusion, thus constituting trade mark infringement.

The letter goes on to say:

*“However, it is our understanding that your company’s services are limited to the United Kingdom. If this is in fact the case, and if your company has no plans to enter the U.S. market, we ask that you indicate as much by signing, dating and returning this letter to the undersigned...”*

The letter further stated that if there was no response, the attorneys would conclude that the Respondent has entered the US market, or intends to do so, and that they would advise their client accordingly. They stated that their client reserved the right to seek any legal redress to enforce and protect its intellectual property and that nothing contained in the letter should be construed “as a waiver or relinquishment of any rights, remedies or entitlements” of their client.

The Respondent did not reply to the letter.

## **6. Parties’ Contentions**

### Complaint

The Complainant owns and controls the word mark “SMARTY HAD A PARTY” for use on a variety of goods and services, including retail and distribution services and goods in the field of catering, event planning, and party supplies, as evidenced by its registered trade marks.

The manner in which the Domain Name is identical or confusingly similar to the Complainant’s mark requires little explanation. The mark is identical to the Domain Name in appearance, sound, meaning, and commercial impression.

The Complainant’s use of its mark and associated domain name smartyhadaparty.com has been proper, continuous and, with the exception of Respondent, exclusive since October 2007.

The business model was the brainchild of founder Deena Spetner. She recognized the market need for a single, comprehensive location for a variety of party supplies that were both elegant and disposable. Through the company’s marketing efforts and through word of mouth, the Complainant has emerged as a leading online

provider of upscale disposable party and wedding supplies, with sales spanning North America and the globe.

The Complainant can find no evidence of the existence of Respondent's company prior to the date of registration of the Domain Name. This indicates that the Respondent had taken no steps to establish itself within the global marketplace until over a year after Complainant had already begun making sales.

While contemporaneous conception of the identical mark by two parties can be coincidental, here the Respondent intentionally copied multiple aspects of the Complainant's business practices, "right down to" the identical business and domain name – Smarty Had a Party. An individual named "Abolade Akinropo" has made multiple orders from the Complainant, starting from 1 August 2008. This is undoubtedly the same Mr Akinropo who incorporated the Respondent and registered the Domain Name over four months after ordering from Complainant.

While the Respondent is free to compete with the Complainant, the Respondent chose the Domain Name with the specific intent for commercial gain by misleadingly diverting consumers from the Complainant's own site. This attempt was successful. The Complainant's customer service department has had to respond to more and more inquiries arising from consumer confusion, especially as the Complainant's own business presence in the United Kingdom continues to expand.

The Respondent has no rights or legitimate interests in respect of the Domain Name.

The Domain Name was registered and is being used in bad faith by intentionally attempting to attract internet users to the Respondent's website for commercial gain by intentionally creating a likelihood of confusion with Complainant's registered mark. By copying the company name, registered mark, and domain name exactly, by making no attempt to distinguish itself through any disclaimer on its homepage, and by adding links for US currency conversions within its homepage, the Respondent shows that it is intentionally seeking to capitalise on Complainant's established web presence.

### Response

At the time of the registration of "our company trading name" and domain name in the United Kingdom, there was no legitimate reason to prevent the Respondent from so doing.

The Respondent is a UK based registered company with no interest currently or intended in the US. Prior to its registration of "Smarty Had a Party" as a "trading name", the directors carried out due diligence including trade mark registrations, copyright registrations, patent registrations, domain name registrations and conflicting trading names in any variations within the UK. The search included searching "the WHOIS" and Companies House register in the UK. The searches were extensive. At no point during its research did the Respondent become aware of any patent, trade mark, copyright or domain name in use or owned or held by

any organisation or individual(s). Nor was the Respondent aware that any of these were pending in the United Kingdom.

The Complainant did not seek trade mark registration in the United Kingdom before 20 May 2010, which was 11 months after the Respondent registered its name as “a trading name” in the UK with Companies House and 17 months after the Respondent registered the Domain Name. Now that this trade mark registration in the UK has been brought to the Respondent’s attention, and the bad faith intentions of the Complainant have become known, the Respondent has taken this up with its legal representatives in the UK and shall be considering what action to take.

To refer to the Complainant’s letter as a cease and desist letter is at best wholly inaccurate or, at worst, deliberately misleading. It did not request that the Respondent cease trading. On the contrary, the letter alluded to the Complainant’s acknowledgment of the Respondent’s legitimate right to trade freely in the UK as the Respondent saw fit. The letter indicated that the Complainant acknowledged that its rights were limited to the United States and that, by signing, the Respondent would be confirming that it had no intention of entering the US market. The letter was an acknowledgement of the Respondent’s entitlement to trade freely within the United Kingdom whilst demanding that the Respondent did not enter the US market, a request to which the Respondent has acquiesced.

The Respondent ensures that its literature and marketing material targets its audience carefully and as such, the Respondent has not encountered any confusion “from our many customer bases”. Since the Respondent has been trading in the UK, its customers have come to know who it is, what it does and where it is. This has been due the Respondent’s extensive marketing activities, including local magazine advertising and attending various fairs. The Respondent has grown its business by direct marketing within the UK. Any suggestion that the Respondent is looking to benefit from the Complainant’s unknown business in the UK is “a fantasy and delusional”. The Respondent’s marketing materials relate only to the Respondent and the Respondent makes no claim, implied or otherwise, to be associated with any other company, whether in the US or any other part of the world.

The Complainant’s reliance on a currency converter on our website is “desperate”. It is common knowledge that the US dollar is the world’s only global currency and the benchmark used to determine the true value of any goods and services when making global comparisons.

The evidence from the Complainant shows that the Respondent’s UK growth has made the Complainant want to enter the UK market but the Complainant is concealing its real intent. This is apparent from the mis-description of its letter and its application to obtain a trade mark consisting of the Respondent’s name.

### Reply

The Response misstates the facts and ignores the reality of the situation.

While the Respondent contends that it carried out “due diligence” to avoid any confusion or conflict with the Complainant, its actions indicate the opposite. The facts and the record show that Respondent became aware of the Complainant’s business and website, liked it, ordered products from it, and then wholly copied it right down to the Domain Name. The Respondent carried out these actions with such little regard for any likelihood of confusion as to suggest a deliberate attempt to profit from said confusion. The Respondent’s claim that it did not come across any domain name in use is absurd as the Complaint included multiple orders pre-dating the Domain Name, which were made by the Respondent from the Complainant’s site.

As to the “cease and desist” letter, it is worth noting that Respondent failed to sign and return the agreement. Thus, the only terms of that letter that actually apply are the following: “...we will conclude that your company does now or fully intends to enter the U.S. market and advise our client accordingly. Our client specifically reserves its right, without further notice to you, to pursue and seek and any all available legal redress as it deems advisable to enforce and protect its intellectual property.” This current proceeding is consistent with that letter; however, the Respondent’s actions are entirely inconsistent with its stated intentions.

If the Respondent has “no interest” in the US, then the Complainant is curious as to how to interpret the statement on Respondent’s website that, “[w]e also welcome all enquiries and orders from . . . USA.” Also there was an October 27, 2010 order from Respondent’s website that was shipped to the United States, no questions asked.

In addition to fulfilling orders to the US, the Respondent has further targeted American consumers with a Facebook account designed to direct web traffic to the Respondent’s site.

The Respondent’s arguments are disingenuous. The evidence shows that the Respondent copied Smarty Had a Party’s name and business, fulfilled orders to the United States, and then attempted to gain an increased US presence with a Facebook storefront. Regardless of the Respondent’s stated intentions, its actions prove that its continued web presence at [www.smartyhadaparty.co.uk](http://www.smartyhadaparty.co.uk) will only result in further consumer confusion.

## **7. Discussions and Findings**

### General

To succeed, the Complainant has to prove in accordance with paragraph 2 of the DRS Policy on the balance of probabilities, first, that it has rights (as defined in paragraph 1 of the DRS Policy) in respect of a name or mark identical or similar to the Domain Name and, second, that the Domain Name, in the hands of the Respondent, is an abusive registration (as defined in paragraph 1 of the DRS Policy).

### Complainant’s rights

The meaning of “rights” is clarified and defined in the Policy in the following terms:

*“Rights means rights enforceable by the Complainant, whether under English law or otherwise, and may include rights in descriptive terms which have acquired a secondary meaning”*

The Complainant has acquired rights in the name “Smarty Had A Party” arising from its two registered trade marks for that term.

I make no finding as to unregistered rights because the Complainant has provided no information or evidence concerning the extent of the use or public recognition of the name.

I conclude that the Complainant has established rights in a name which is identical to the Domain Name.

#### Abusive registration – introduction

Is the Domain Name an abusive registration in the hands of the Respondent? Paragraph 1 of the DRS 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.”*

I must first consider the Respondent’s motive in registering the Domain Name.

The Respondent does not deny that it was aware of the Complainant at the time of registration of the Domain Name, having made a number of orders from the Complainant’s own site at [www.smartyhadaparty.com](http://www.smartyhadaparty.com) starting on 1 August 2008 – almost five months before the Respondent registered the Domain Name.

The Respondent thereafter started using the Domain Name for a party-supplies business, similar to that of the Complainant.

If both parties had been located in the UK, then this would be a clear abusive registration. The Complainant’s name is distinctive and striking and there would be little difficulty concluding that the Respondent set out to take unfair advantage of, or cause unfair detriment to, the Complainant’s rights.

However, the Complainant is located in the US, whereas the Respondent is in the UK. One can of course conceive of many scenarios where such a registration might be abusive, but there is also at least the possibility that the Respondent liked the name, thought of it as being used only by a US entity in the US, and decided to adopt it in the UK without any *mala fides* and without any thought of interfering with or taking advantage of the Complainant’s rights in any way.

#### Confusion

The Complainant argues that the Domain Name “was registered and is being used in bad faith by intentionally attempting to attract internet users to the Respondent’s website for commercial gain by intentionally creating a likelihood of

confusion with Complainant's registered mark". This formula is taken from ICANN's Uniform Dispute Resolution Policy ("UDRP"). The Complainant has not helped itself by basing its Complaint on the UDRP instead of the DRS Policy.

Paragraph 3a(ii) of the DRS Policy is one of the non-exhaustive factors which may be evidence that a domain name is an abusive registration and is the broad equivalent of the UDRP paragraph cited by the Complainant (although there are important differences):

*"ii. [c]ircumstances 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"*

#### Actual confusion

The Complainant relies on actual confusion in the UK, claiming that its customer service department has had to respond to increasing instances of "customer confusion" especially as Complainant's own business presence in the UK continued to expand. In support, the Complainant exhibits a 21-page document headed "UK Orders and Cust Confusion" which comprises many emails and orders. The Complainant does not identify exactly which parts of the document it is relying upon, and why.

The Complainant appears to place particular significance on a highlighted exchange of emails in May 2011 where a customer made an enquiry to the Complainant concerning delivery of certain items which she had purchased from "your site". After correspondence between the parties, the customer confirmed that the items had been purchased from the Respondent's site and added: "Sorry about the confusion!" But there is no indication that the customer had ever been looking for the Complainant's site. Rather, it appears that the customer had ordered from the Respondent's site and then visited the Complainant's site by mistake when checking for the Respondent's contact details. It is difficult to see how this assists the Complainant, except perhaps that it may be seen as an indicator that confusion could just as easily occur in the opposite direction. However, the Complainant does not address any of this.

Aside from the above email exchange, the document comprises the following (so far as I can tell):

1. Four orders from the UK between March to July 2009 and another in November 2010.
2. Two quote requests from the UK in September 2010 and February 2011 respectively.
3. A total of 26 customer enquiries to the Complainant asking whether it ships products to the UK. These span the period from November 2009 to April 2011.

But none of these additional communications contains any indication that any customer has in fact been confused by the Respondent's site, or even seen it.

Accordingly, the Complainant has not provided any evidence indicating that relevant actual UK-related confusion has taken place. It is unnecessary to consider



whether, if there had been such actual confusion, it was accompanied by the necessary knowledge / intent on the part of the Respondent.

#### Likelihood of confusion

The Complainant also asserts that the Respondent set out to target / confuse customers located in the US in particular. The Complainant draws particular attention to the Respondent's use on its home page of links enabling US currency conversions.

This is consistent with the 8 March 2010 letter from the Complainant's attorneys to the Respondent, mentioned above, which expressed concern about the Respondent's use of the mark "especially" within the US. That letter did not demand a transfer of the Domain Name, or even cessation of use, but simply sought confirmation that the Respondent had no plans to enter the US market.

At that point, the Complainant did not appear to consider that the Respondent might have registered the Domain Name in order to target any present business of the Complainant in the UK or to pre-empt / block any future such activity. Rather, it is obvious that at the date of the letter the Complainant did not intend to target the UK and was content to leave the UK open for the Respondent, provided it undertook not to enter the US. The Complainant did not file its community trade mark application until some months later, presumably having decided no longer to restrict its activities to the US. Not surprisingly, the Respondent relies on the March 2010 letter as an "acknowledgment of the Respondent's legitimate right to trade freely in the UK". However, it is unnecessary to consider this point if there is evidence that the Respondent set out to target the Complainant in the US.

In my view, the fact that the Respondent operated a Facebook page is not of itself evidence of an intention to create a US presence as Facebook is not exclusive to the US.

However, the Respondent's position is unsatisfactory in a number of respects.

First, although the Respondent does not deny awareness of the Complainant at the time of registration of the Domain Name, it is still reluctant to openly acknowledge this fact or to explain specifically why it selected the Domain Name. Instead the Respondent concentrates on its alleged right to use the name in the UK and on the UK due diligence which it allegedly carried out. This reticence raises a doubt as to the Respondent's credibility.

Second, the Respondent produces no evidence to verify its alleged extensive due diligence searches in the UK. Even if it is unreasonable to expect the Respondent to have kept the negative results of such searches, its claim to have searched "copyright registrations" when there is no such official register in the UK raises a further question mark over its version of events. That said, I accept this may simply be an error in terminology. There are a number of such mistakes in the Response, e.g. confusion of "trading name" and "company name".

Third, the Respondent did not sign, or even reply to, the Complainant's letter inviting it to indicate that its services were limited to the UK and that it had no plans to enter the US market. The Respondent now maintains that it "has no

interest currently or intended in the US” and that it acquiesced in the Complainant’s demand not to enter the US market. If so, why did the Respondent not respond to the Complainant’s letter? There is no explanation from the Respondent.

Fourth, the Response gives the impression that the Respondent does no business at all in the US, yet the Respondent’s own website states: “We also welcome all enquiries and orders from the rest of Europe, USA, Africa, Asia and World.” This is not necessarily inconsistent with the Respondent having registered the Domain Name genuinely for UK non-Complainant purposes only. For example, it may be that the Respondent was only expecting the occasional US order and did not think that this statement on its website would impinge on the Complainant or its rights. But the failure of the Respondent to address its willingness to accept US orders counts against it. Indeed the Complainant has provided evidence of an order shipped to the US by the Respondent in October 2007.

Fifth, the Respondent’s explanation of the US currency converter on its website is unsatisfactory. It seems unlikely that UK purchasers purchasing in sterling from a UK website would feel the need for a US dollar “benchmark” to make “global comparisons”.

#### Abusive registration - conclusion

Accordingly, I am not convinced by the Respondent’s explanations. I find that, on the balance of probabilities, the Respondent did indeed use the Domain Name in a manner likely to create confusion on the part of customers in the US – the Complainant’s home territory. I would add that the outcome might have been different had the Respondent been clearer and more forthcoming in its approach.

I conclude that the Domain Name is an abusive registration in that it has been registered and/or used in a manner which took unfair advantage of or was unfairly detrimental to the Complainant’s rights.

## **8. Decision**

I find that the Complainant has rights in a mark which is identical to the Domain Name and that the Domain Name is, in the hands of the Respondent, an abusive registration. I therefore direct that the Domain Name be transferred to the Complainant Smarty Had a Party, LLC.

Signed: Adam Taylor Dated: 6 January 2012