

DISPUTE RESOLUTION SERVICE

D00013371

Decision of Independent Expert

Bluewave Spas Ltd t/a The Hot Tubs Superstore

and

Artesian Spas

1. The Parties:

Complainant: Bluewave Spas Ltd t/a The Hot Tubs Superstore
Unit 5, Trident Business Centre
Amy Johnson Way
Blackpool
LANCASHIRE
FY4 2RP
United Kingdom

Respondent: Artesian Spas
Artesian House, Silk Road
S Yorkshire
DN2 4LT
United Kingdom

2. The Domain Name(s):

hottubssuperstore.co.uk

3. Procedural History:

I confirm 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 such a nature as to call in to question my independence in the eyes of one or both of the parties.

02 October 2013 12:27 Dispute received
02 October 2013 13:02 Complaint validated
02 October 2013 13:24 Notification of complaint sent to parties
21 October 2013 02:30 Response reminder sent
22 October 2013 16:38 Response received
22 October 2013 16:39 Notification of response sent to parties
23 October 2013 13:49 Reply received
23 October 2013 13:50 Notification of reply sent to parties
23 October 2013 13:50 Mediator appointed
28 October 2013 11:28 Mediation started
29 October 2013 15:18 Mediation failed
29 October 2013 15:19 Close of mediation documents sent
29 October 2013 15:44 Expert decision payment received

4. Factual Background

4.1 The Complainant uses the website address www.thehottubsuperstore.co.uk. It originally registered the domain name, thehottubsuperstore.co.uk, on 2 September 2008. Since 10 April 2012 the website www.thehottubsuperstore.co.uk has been cited on the Complainant's consumer credit licence. The Complainant has spent over £300,000 since May 2011 in pay per click advertising which leads directly to this website address, with the number of clicks throughout that period up until 1 August 2013 being 386,108. It promoted its website address in a TV campaign in 2012 which was published on You Tube on 25 April 2012, described there as a national TV campaign from thehottubsuperstore.

4.2 The Respondent has been trading since 1982 under the name R Stirland (Doncaster) Limited and incorporated a separate company Artesian Spas UK Ltd in 2002. The Respondent registered the Domain Name on 30 May 2011. The Respondent set up a website at www.hottubmegastore.co.uk in May 2012. It sells hot tubs to the UK public and has a dealer network so is also a hot tub distributor in the UK. The Domain Name points to www.hottubsuperstore.co.uk

5. Parties' Contentions

The Complainant's Complaint

5.1 The Complainant asserts that its brand is The Hot Tubs Superstore and that this is industry and publicly acknowledged. It supports this assertion by its statements that it has a very high public profile through its www.thehottubssuperstore.co.uk website, has traded using the website since 2008, has spent over £300,000 since May 2011 in pay per click advertising, has a consumer credit licence in that name (i.e. www.thehottubssuperstore.co.uk) and has promoted its web site in a high profile national TV campaign in 2012.

5.2 It produces screen shots from Google Adwords, the Wayback Machine and YouTube as well as a copy of its consumer credit licence, in support of these asserted facts. It argues that the Respondent is one of its direct competitors, attempts to replicate its business model and registered the Domain Name in May 2011 three years after the Complainant started using its website.

5.3 The Complainant states that the Respondent now actively uses what is an almost identical website address i.e. www.hottubssuperstore.co.uk, to www.thehottubssuperstore.co.uk to lead searchers direct to the Complainant's rival company The Hot Tub Megastore. It asserts that this is a direct attempt to confuse searchers and mislead them into believing they may be finding the market leader and established brand which the Complainant states is in fact its domain name/brand, Thehottubssuperstore.co.uk.

The Response

5.4 The Respondent states that it has been trading since 1982 trading under the name R Stirland (Doncaster) Limited and incorporated a separate company, Artesian Spas UK Ltd in 2002 when the spa retail arm of the business became much stronger. It states that it has always had its own showroom retailing the Artesian Spas brand of hot tubs to the UK public. It states that it has built a strong UK and European dealership network over that time and has acquired several websites aimed at different segments of this business model. It claims that it is now one of the largest hot tub distributors in the UK (and Europe) with quite possibly the largest hot tub warehouse, stock and display of spas in the UK. It states that it is aware that the Complainant trades using the website www.thehottubssuperstore.co.uk and that it currently advertises using this domain name with pay per click advertising.

5.5 It claims that the Complainant's TV advertising was for an extremely short period of time and was not on main stream channels. It says it has not seen the advert nor has it been mentioned by any of its customers. It also points out that this campaign was carried out this year, two years after its registration of the Domain Name. It states that it does not consider this point to be relevant.

5.6 It claims that the reason it registered the Domain Name in May 2011 was to create a domain name that correctly described who it was and what it was trying to achieve as a company. It states that due to the size and nature of its business it

is a “Hot Tub Superstore” and that it is not by any means claiming to be The Hot Tub Superstore but merely indicating to its customers that it is a large store selling a range of hot tubs. It notes that many other industries also have this and for example supermarkets always call themselves superstores.

5.7 It states that, as the Complainant says, all leads generated from [the Complainant's pay per click campaign as a method of advertising lead directly to the Complainant's web site address at its domain name. Thus it claims there is zero chance of someone accidentally finding one of the Respondent's websites by clicking on one of these pay per click adverts.

5.8 It states that it has traded as a company for much longer than the Complainant and has grown a network alongside its own public retail arm and that its sales are made predominantly through its dealers. It argues that the Complainant does not do this and is predominantly direct retail. Thus it argues that it has never tried to replicate the Complainant's business model as its finds its own successful.

5.9 It set up a website under the www.hottubmegastore.co.uk in May 2012 to compete in an ever changing online market place. It claims that its website design is completely different to that of the Complainant and that there are many other similar online competitors. It claims that it is extremely unlikely that any customer of the Complainant will find the Respondent's website by mistake and if this unlikely event occurs a customer could never mistake the two as it clearly labels its website with its own distinct trading names, brands and company names.

The Reply to the Response

5.10 The Complainant argues that the Respondent has purchased an almost identical web address and that this must lead to a certain amount of confusion for web searchers. It points out its website attracts around a 40 % organic search a large part of which organic searches focuses on the key search term, “the hot tub superstore”. It asserts that such unsuspecting searchers could easily confuse its brand with a deliberate similar offering.

6. Discussions and Findings

6.1 Rights

Paragraph 2 of the Nominet dispute resolution policy (“the Policy”) sets out that for a Complainant's Complaint to succeed it must prove to the Expert 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.

The Complainant is required to prove to the Expert that both elements are present on the balance of probabilities.

Rights are defined in the Policy as 'rights enforceable by the Complainant, whether under English law or otherwise and may include rights in descriptive terms which have acquired a secondary meaning.'

6.2 The Complainant has no registered trade mark rights in 'The Hot Tubs Superstore' or 'thehottubssuperstore.co.uk.' Indeed it is not the registrant of the latter, this being an individual called Ross Phillipson according to the Whois screen shot provided. The Expert is prepared to assume that the Complainant is licensed by the owner of domain name thehottubssuperstore.co.uk to use it for its business and as such, would in theory, be in a position to acquire Rights in it.

6.3 However these trading and domain names are in the Expert's view highly descriptive. They describe a large retail outlet which sells a large variety of hot tubs. It uses the definite article 'the' to preface the descriptive terms which may be to try to distinguish itself and to suggest that it is the only or leading such superstore in the UK. That in itself suggests to the Expert that it considered there were other such offerings in the market which met that description. The key part of the Complainant's name is not the word 'the' but 'hottubssuperstore.' In the Expert's view if the latter is descriptive, adding the definite article to this cannot make it otherwise.

6.4 Paragraph 2.2 of the Experts' Overview states that 'if the right is an unregistered trademark right, evidence is required to be put before the Expert to demonstrate the existence of that right. This will ordinarily include evidence to show that (a) the Complainant has used the name or mark in question for a not insignificant period and to a not insignificant degree (e.g. by way of sales figures, company accounts etc) and (b) the name or mark is recognised by the purchasing trade /public as indicating the goods or services of the Complainant (e.g. by way of advertisements and advertising and promotional expenditure, correspondence/orders/invoices from third parties and third party editorial matter such as press cuttings and search engine results.)

6.5 Such evidence as has been provided here is very limited. For example there is no production of any accounts, sales figures, levels of turnover or numbers of customers. Whilst the Complainant does not state exactly when it first started trading or generating any alleged goodwill, the screenshot from the Wayback Machine shows that it started using its domain name in 2008. Thus it had a period of use of some two and a half years from at the earliest September 2008 until the Respondent's registration in May 2011.

6.6 The expenditure on pay per click advertising also tends to support the creation of some goodwill in the Complainant's trading and domain name. This pay per click advertising appears to have started on 1 May 2011 (notably around the same time of the Respondent's registration) with the number of clicks since then up until 1 August 2013 being 386,108. Further, most of these clicks seem to have been generated towards the end of that period. Thus any goodwill so generated would have been after the use by the Respondent of the Domain Name.

6.7 The other evidence which might assist to establish goodwill in the name is the YouTube screen shot vouching a TV campaign in 2012. This shows 6,689 'likes' but otherwise it is not clear how widely that was broadcast or where it was

broadcast. Again it took place after the Respondent's registration of the Domain Name. Furthermore the Consumer Credit licence was varied to include the Complainant's domain name well after the date that the Domain Name was registered by the Respondent. This suggests that it may not have used it as a trading name up till then at least in connection with any offer of sale on a credit basis and/or had not considered the name a significant trading name or brand for it until that point i.e. 10 April 2012.

6.8 The Complainant had the opportunity to expand on its position on these aspects in its Reply to the Response but chose not to do so.

6.9 Given the highly descriptive nature of the trading and domain name The Hot Tub Superstore/www.thehottubsuperstore.co.uk, in order for the Complainant to establish rights, the name must have acquired some level of secondary meaning. The limited evidence produced in the Expert's view does not amount to sufficient evidence of such secondary meaning such that this meaning was/is only or exclusively associated with the Complainant at the time that the Complaint was made. Nevertheless the Expert is satisfied that the Complainant has sufficient Rights upon which to base a Complaint, taking into account the fact that the question must be determined as at the date of the Complaint and given that the test is one on the balance of probabilities. Also it is well accepted that the question of Rights is a test with a low threshold to overcome. That said, the extent of these Rights is in the Expert's view severely restricted bearing in mind the limited evidence produced on the level of trading and of how well known the Complainant is in the market under its trading name/domain name.

6.10 The Expert also finds that the term thehottubsuperstore.co.uk is identical or similar to the Domain Name hottubsuperstore.co.uk (disregarding the .co.uk suffix). It follows that the Expert finds that the Complainant has Rights in the name or mark thehottubsuperstore.co.uk which is identical or similar to the Domain Name.

Abusive Registration

6.11 The Expert is then required to consider whether the Domain Name in the hands of the Respondent is an Abusive Registration.

Paragraph 1 of the Policy defines an 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 manner which has taken unfair advantage of or has been unfairly detrimental to the Complainant's Rights.

It is sufficient to satisfy either of the limbs for there to be a finding of an Abusive Registration.

6.12 Paragraph 3(a) of the Policy sets out a non-exhaustive list of factors which may be evidence that the Domain Name is an Abusive Registration. Paragraph 3(a)(ii) is as follows:

'(ii) 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 business into believing that the Domain Name is registered to, operated or authorised by, or otherwise connected with the Complainant.'

6.13 The Complainant argues in its Complaint that the Respondent's use of the Domain Name to lead searchers direct to their parallel company The Hot Tub Megastore is a direct attempt to confuse searchers and mislead them into believing they may be finding the market leader and established brand i.e. the Complainant.

6.14 The Respondent points out that the pay per click advertising using Google Adwords by the Complainant automatically directs all leads thereby generated to the Complainant's web address. It thus suggests that there will be no confusion by that means. It also suggests that it is extremely unlikely that any customer of the Complainant would find the Respondent's site by mistake as its web design at www.hotubmegastore.co.uk is completely different. It also claims that should this occur a customer could never mistake the two as it clearly labels its websites with its own distinct trading names, brands and company names.

6.15 The Complainant in its Reply to the Response maintains that the purchase and use by a competitor of an almost identical domain name without doubt leads to a certain amount of confusion for the web searcher and that as 40% of hits on its website are by organic search, a large part of which focuses on the key search term 'The Hot Tubs Superstore', unsuspecting searchers could easily confuse its brand with a deliberate similar offering. However the Complainant does not explain what it means by the terms 'organic search' or 'organic searcher. Even if the Complainant's point here is that 40% of hits on its website come via Google natural search results no evidence of confusion is provided.

6.16 The Expert has reviewed the websites at the addresses www.artesianspas.co.uk and www.artesianspas.nl as invited to do by the Respondent. Although the Complainant has not referred the Expert to its website address at www.thehottubssuperstore.co.uk the Expert has chosen to review it also. The Expert has also reviewed the Respondents' site at www.hottubmegastore.co.uk. These Respondent's sites are in the Expert's view (as suggested by it) quite different in overall branding and appearance to that of the Complainant. If a customer were actually looking for the Complainant and ended up on one of the Respondent's site it ought to realise that it is at the wrong one.

6.17 In addition the Expert has typed in the Domain Name to her browser and it does not resolve to www.hottubmegastore.co.uk as the Complainant suggests but to the address at www.hottubssuperstore.co.uk under which the Respondent is trading as Artesian Spas.

6.18 However it is generally accepted that paragraph 3(a) (ii) of the Policy may cover initial interest confusion, where Internet users are likely to visit the

Respondent's site believing that they will find the Complainant there. This could be as a result of a search engine request or a guess at the Complainant's domain name. In this case the domain names are very similar and their key parts 'hottubssuperstore' are identical. Thus there is a risk, in the Expert's view, that Internet users will find one or more of the Respondent's sites when they are looking for the Complainant because they omit the 'the' from the search terms www.thehottubssuperstore.co.uk or otherwise. It is also possible that once there the users will, despite not being confused at that point, continue to investigate the Respondent's offering and possibly make a purchase or purchases from there thus creating sales for the Respondent which might otherwise have gone to the Complainant.

6.19 Thus on the face of it there are circumstances which under Paragraph 3(a)(i) of the Policy would support the Respondent's use of the Domain Name being in a way which is likely to confuse people into believing that it is registered to, operated by or authorised by or otherwise connected with the Complainant. However it is also pertinent to consider the extent of the chances of these events occurring. Given the very limited scope of the Rights held by the Complainant in its name the risk of any such confusion must be very low indeed.

6.20 Further in this respect the Expert must have regard to paragraph 4(a)(ii) of the Policy in terms of which a domain name may not be an Abusive Registration where it is generic or descriptive and the Respondent is making fair use of it.

6.21 The Expert has already found the Complainant's name /domain name to be highly descriptive. Thus it is relevant to consider whether there is such fair use here.

6.22 In this respect it is not clear whether the Respondent knew of the Complainant or its domain name at the time of registration by it of the Domain Name. It does not specifically deny or admit it had any such knowledge when it registered the Domain Name. However the evidence suggests that the level of goodwill in the Complainant's domain name as at the date of the Respondent's registration May 2011 was not significant with most of the evidence of its attempts to build this up occurring post that date. The lower the level of goodwill, particularly in the case of a descriptive name which requires to have acquired secondary meaning at that point, the less likely it is that the Respondent had prior knowledge of it and thus deliberately intended to take advantage of it.

6.23 Paragraph 4.9 of the Experts' Overview is relevant in this regard. It indicates that 'the threshold of evidence needed to establish that the use of a purely generic or descriptive name is abusive is likely to be much higher. It may well often depend on the extent to which such a term has acquired secondary meaning which increases the likelihood that any registration was made with knowledge of the rights that existed in the term in question. In many such cases where there is little or no evidence of acquired secondary meaning the Respondent is likely to be able to show that the Domain Name has been arrived at independently and accordingly cannot have been as a result of an Abusive Registration.'

6.24 Reference is also made to the decision in DRS04884 (Maestro.co.uk). In that case the Appeal Panel stated on page 10 as follows:

‘Additionally, knowledge of the Complainant’s trade mark only gets the Complainant part of the way. When the trade mark in question is an ordinary dictionary word, there has to be something more than knowledge of the trade mark to justify a finding of Abusive Registration.’

In addition the Panel stated in its Conclusion, ‘Where a domain name is a single ordinary English word, the meaning of which has not been displaced by an overwhelming secondary meaning, the evidence of abuse will have to be very persuasive, if it is to be held to be an Abusive Registration under the DRS Policy.’

6.25 It seems possible here that the Respondent knew of the Complainant’s trading name/domain name given it would have been a competitor in the same market and also as a result of doing a WhoIs search prior to its registration of the Domain Name. However, equally, due to the low level of distinctiveness of the name and lack of evidence produced of any secondary meaning on the balance of probabilities the Expert considers that the Respondent did not or was unlikely to have known of the Complainant’s trading name/domain name at the time of its registration of the Domain Name. Even if it had knowledge of this in the Expert’s view the Respondent is unlikely to have chosen it deliberately to take unfair advantage of or such as to be unfairly detrimental to the Complainant’s Rights. This is again due to the low level of distinctiveness of the name in which any such Rights are held.

6.26 Furthermore, the Respondent claims that its reason for registering the Domain Name in 2011 was that it correctly described who it was and what it was trying to achieve. It claims it is merely indicating to its customers that it is a large store selling a range of hot tubs.

6.27 Paragraph a of the Policy lists some non-exhaustive examples of factors which may be evidence that the Domain Name is not an Abusive Registration. Paragraph 4 a (i)A of the Policy is relevant here also. It states that one of these is:

‘(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 efforts to use the Domain Name or a domain name which is similar to the Domain Name in connection with a genuine offer of goods or services.’

6.28 Here the Expert considers that even if the Respondent may have had some prior knowledge of the Complainant’s trading/domain name at the time of its registration of the Domain Name, any goodwill in it was at a very low level at that time. She also finds that the Respondent was trading at that point and had a prior track record in offering genuine legitimate competing goods and/or services. Further it has used the Domain Name in that connection since then and has carried out such use before becoming aware of the Complainant’s cause for complaint, which in this case the Expert finds would have been at the point it received notification of the Complaint. Accordingly on the balance of probabilities the Expert accepts the Respondent’s cited reasons for adoption of the Domain Name. The Respondent’s websites at the addresses www.artesianspas.co.uk, www.artesianspas.nl and www.hottubmegastore.co.uk, which the Expert has

chosen to review, are quite different in overall branding and appearance to that of the Complainant at its domain name www.thehottubssuperstore.co.uk. Again this supports the position that the Respondent is not deliberately seeking to take advantage of the reputation of the Complainant but is making a genuine use of a descriptive name in connection with legitimate business.

6.29 The Expert further notes the reference in the case above DRS04884 above to 'an overwhelming secondary meaning' and the need for the evidence of abuse to be very persuasive where that is not established. The Expert finds in this case that such an overwhelming secondary meaning has not been established. This means that the evidence of abuse here requires to be 'very persuasive.'

6.30 Whilst it might have known about the Complainant either when it acquired the Domain Name or when it first started to use it, on the balance of probabilities it had good commercial reasons to choose this Domain Name for its products other than to deliberately take advantage of any pre-existing goodwill of the Complainant.

6.31 The Respondent had good legitimate brand reasons to register the Domain Name and even if it knew of the Complainant's domain name prior to its registration on the balance of probabilities it did not appreciate that there was cause for complaint.

6.32 This is a finely balanced case in which it has not been easy to form a final view. The evidence of abuse is required to be 'very persuasive' here where there is no finding of acquired distinctiveness. It would have been very helpful to the Expert if the Complainant had provided evidence to substantiate its goodwill and the alleged confusion as set out in the Complaint. This might well have informed the Expert as to whether acquired distinctiveness was present and also as to the level and nature of any confusion. As pointed out in the case of DRS11995 (the paydaypig.co.uk) Nominet publishes a considerable amount of material on its website including the Experts' Overview document and the guide entitled 'Making a complaint'. Paragraph 6 of the latter ends:

'An Expert cannot find in your favour if you have not given them proof.'

6.33 Thus as the Expert has found that there is no or very little evidence of acquired secondary meaning in what is a descriptive name, the evidence of abuse is not sufficiently persuasive here to give rise to a finding of an Abusive Registration.

7. Decision

7.1 The Expert is satisfied that the Complainant has established Rights in respect of a name and mark which is identical or similar to the Domain Name but that it has not succeeded in proving on the balance of probabilities that the Domain Name in the hands of Respondent is an Abusive Registration.

7.2 The Expert directs that NO ACTION be taken in relation to the Domain Name.

Signed Gill Grassie

Dated 25 November 2013