

## DISPUTE RESOLUTION SERVICE

D00014417

### Decision of Independent Expert

Thorntons Solicitors

and

Mr Ian Watson

#### **1. The Parties:**

Complainant: Thorntons Solicitors  
Rowan House South  
Shrewsbury Business Park  
Shrewsbury  
Shropshire  
SY2 6LG  
United Kingdom

Respondent: Mr Ian Watson  
20 Saxon Court  
Apley  
Telford  
Shropshire  
TF16YN  
United Kingdom

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

thorntonssolicitors.co.uk ("the Domain Name").

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

The Complaint was submitted to Nominet on 23 June 2014. On 24 June 2014, Nominet validated the Complaint and notified it to the Respondent. The Respondent was informed in the notification that it had 15 working days, that is, until 15 July 2014 to file a response to the Complaint.

On 27 June 2014 the Respondent filed a Response. On 3 July 2014, the Complainant filed a Reply to the Response. The case proceeded to the mediation stage. On 28 July 2014, Nominet notified the Parties that mediation had been unsuccessful and invited the Complainant to pay the fee for referral of the matter for an expert decision pursuant to paragraph 8 of Nominet's Dispute Resolution Service Procedure Version 3 ("the Procedure") and paragraph 7 of the corresponding Dispute Resolution Service Policy Version 3 ("the Policy"). On 12 August 2014, the Complainant paid the fee for an expert decision. On 15 August 2014, Andrew D S Lothian, the undersigned, ("the Expert") confirmed to Nominet that he was not aware of any reason why he could not act as an independent expert in this case. Nominet duly appointed the Expert with effect from 15 August 2014.

### **4. Factual Background**

The Complainant is a firm of solicitors which trades as "Thorntons Solicitors". The partnership of that firm appears to comprise of two limited companies - one controlled by Stephen Thornton and the other by David Shepherd. At some point prior to 30 October 2013, there were additional partners in the firm, namely limited companies respectively controlled by Stewart Watson and Jordan Watson.

On 30 October 2013, the then partners of a firm constituted in terms of a partnership agreement dated 1 February 2013 and trading as "Thorntons Solicitors" entered into a Deed of Retirement. Clause 2.1 of this Deed provided that the partners defined therein as "Outgoing Partners" (the two limited companies respectively controlled by Stewart Watson and Jordan Watson) would retire from the firm with effect from 30 October 2013. Clause 2.2 of the Deed provided that the firm would not be dissolved but would continue as between the partners defined therein as "Continuing Partners" (the two limited companies respectively controlled by Stephen Thornton and David Shepherd).

Clause 8.5 of the Deed of Retirement provided that the Outgoing Partners acknowledged and agreed that the continuing firm would continue to use the name "Thorntons Solicitors" including logos, designs, marks, terms of business and other intellectual property rights belonging to that firm or associated with Thorntons Solicitors as before 30 October 2013. A mirror

image clause of the Deed numbered 8.6 provided that the Continuing Partners acknowledged and agreed that "Thorntons Corporate" (defined as the limited company controlled by Stewart Watson, trading as Thorntons Corporate) would continue to use the name "Thorntons Corporate" including logos, designs, marks, terms of business and other intellectual property rights belonging to that firm or associated with Thorntons Solicitors as before 30 October 2013.

The Respondent has exhibited a partnership agreement dated 6 April 2012 in respect of a firm trading as "Thorntons Solicitors". As at that date, the partners of that firm appeared to be limited companies respectively controlled by Stewart Watson and Stephen Thornton, together with David Shepherd as an individual. Neither of the Parties has produced the partnership agreement dated 1 February 2013 which is referred to in the Deed of Retirement.

At the Expert's request, the history of the Domain Name was supplied by Nominet.

- (1) On 5 January 2007, the Domain Name was registered in the legal registrant name of "Thornton Solicitors". At that time, Stephen Thornton was listed as the administrative contact.
- (2) On 26 May 2011, the contact details associated with the Domain Name were amended to be those of the then registrar, BTNAMES.
- (3) On 23 August 2012, the contact details reverted to those of Stephen Thornton and the Domain Name was released from the registrar BTNAMES to a different registrar tag, namely 123-REG.
- (4) On 16 October 2013, the administrative contact details were changed from Stephen Thornton to those of Stewart Watson.
- (5) On 22 November 2013, the registrar tag of the Domain Name was changed from 123-REG to GODADDY.
- (6) On 7 February 2014, the legal registrant of the Domain Name was changed from "Thornton Solicitors" to "Thorntons Solicitors Limited", an English company with the company number 8802710. [The Expert notes that in the Response, the Respondent states that Stewart Watson effected this transfer, that "Thorntons Corporate" is the owner of this company and that Stewart Watson is the legal/beneficial owner thereof].
- (7) On 26 March 2014 the legal registrant of the Domain Name was changed to the Respondent, Ian Watson. [The Expert notes that in the Complaint, the Complainant states that the Respondent is Stewart Watson's father - this is not denied by the Respondent].

## 5. Parties' Contentions

### Complaint

The Complainant asserts that "In a nut shell, the [Domain Name] has been stolen by an ex-partner/employee".

The Complainant states that the Domain Name was purchased by Thorntons Solicitors using funds of the firm. The Complainant asserts that Stewart Watson left Thorntons Solicitors' employment on 30 September 2013 and that Mr Watson changed the administrative contact of the Domain Name to himself on 16 October 2013. The Complainant states that such change was without authority as Stewart Watson had left the firm and adds that, thereafter, Mr Watson incorporated a company named Thorntons Corporate Legal Services Limited "as a holding company for the name".

The Complainant states that the Complainant's IT Manager began enquiries regarding control of the Domain Name towards the end of January 2014. The Complainant submits that this stirred Stewart Watson into putting the Domain Name out of the Complainant's reach by effecting the transfer of legal registrant on 7 February 2014. The Complainant states that the transferee, Thorntons Solicitors Limited, was Stewart Watson's own company. The Complainant surmises that Nominet would have accepted the transfer request as legitimate because it came from the registered administrative contact.

The Complainant states that it has attempted to contact Stewart Watson to discuss his actions but that he refused to have any contact.

The Complainant asserts that Stewart Watson transferred the Domain Name as a representative of Thorntons Solicitors despite not holding that role for some time and despite not being the Domain Name's owner. The Complainant notes that the Domain Name was transferred again to the Respondent, who the Complainant asserts is Stewart Watson's father.

The Complainant contends that a consequence of the transfer was that all of its emails were cancelled, placing it on a "collision course" with the "Law Office" together with its clients. The Complainant notes that it was required to obtain an alternative domain name to use for email purposes and that it was also required to print new stationery and business cards together with entering into client communications. The Complainant submits that it was put to considerable expense as a consequence.

The Complainant notes its belief that the Respondent is using the Domain Name to direct the Complainant's clients to Stewart Watson's firm which, being named Thorntons Corporate, bears the name Thorntons, and which is physically located close to the Complainant's offices.

The Complainant asserts that the Domain Name is an Abusive Registration because its continued use has caused the Complainant to lose clients who used the associated email addresses to contact the Complainant, because the Complainant was forced to register an alternative domain name to remain online and because the Domain Name is the Complainant's property which predates Stewart Watson's involvement with the Complainant's firm.

### **Response**

The Respondent asserts that Stephen Thornton is not the effective owner of the Domain Name, which was held pursuant to a partnership agreement between Messrs Thornton and Watson and their respective companies as a partnership asset at all material times up to 30 September 2013. The Respondent produces the partnership agreement dated 6 April 2012 in support of this submission.

The Respondent submits that Stewart Watson did not leave the employ of Thorntons Solicitors on 30 September 2013 as he was not an employee but rather was an owner of such firm, owning the partnership assets including the Domain Name in equal shares with Stephen Thornton. The Respondent relies upon the Deed of Retirement, stating that this ended the partnership between Messrs Thornton and Watson. The Respondent states that the effect of the Deed of Retirement was not that the intellectual property of the Domain Name reverted to the Complainant or Stephen Thornton, under reference to clause 8.6 thereof. The Respondent states that the effect of this clause was that ownership of certain assets and intellectual property passed to Thorntons Corporate and that the "Thorntons" name and other intellectual property could continue to be used by Thorntons Corporate. The Respondent asserts that this is in line with paragraph 4(a)(iii) of the Policy.

The Respondent submits that, pursuant to the Deed of Retirement, Stewart Watson had full authority to retain, make use of or transfer the Domain Name as he saw fit after the separation of the partnership, this being an asset that "had passed to Thorntons Corporate in the Deed of Retirement". The Respondent adds that the formation of Thorntons Corporate Legal Services Limited was carried out for other reasons and is not material to the Complaint.

The Respondent states that the Complainant's submission regarding Stewart Watson's alleged refusal to have contact with the Complainant is false, noting that the Complainant requested transfer of the Domain Name long after the Deed of Retirement separated the partnership and adding that the Domain Name was not transferred to the Complainant because the Complainant had no legal right to it pursuant to the Deed of Retirement.

The Respondent notes that the Complainant left the office previously shared with Stewart Watson and relocated, whereas Thorntons Corporate have not

moved. The Respondent submits that it is the Complainant who chose office space close to Thorntons Corporate, leading to any alleged confusion. The Respondent states that for a period of six months Thorntons Corporate maintained email servers and forwarded email correspondence received to the Domain Name to the Complainant as a gesture of good faith and to allow time for change of contact details. The Respondent alleges that there was further dispute between the parties including the Complainant's alleged breach of the Deed of Retirement such that the gesture of good faith was ceased.

The Respondent submits that the Complainant now uses a different domain name and exhibits an email from the Complainant's Office Manager featuring the new details. The Respondent adds that the Complainant has not used the Domain Name for several months. The Respondent asserts that the Complainant's request for transfer of the Domain Name is intended to disrupt the business of Thorntons Corporate and that according to the Policy this would not be appropriate. The Respondent submits that an order of transfer would transfer the Domain Name to an entity that does not use it, and has not used it for a significant period; and that such transfer would take the Domain Name away from a legitimate business entity actively using it for its business over a significant period.

The Respondent notes that the Domain Name has been used for many years by Stewart Watson and has now been used for a year by Thorntons Corporate, currently being in operation for that firm's website and email. The Respondent says that "the Respondent" has received over a thousand email messages "predominantly from clients of the Respondent". The Respondent asserts that this is in line with paragraph 4(a) of the Policy.

The Respondent contends that Thorntons Corporate is the owner of Thorntons Solicitors Limited and that the courts have in the past determined that ownership of a limited company that uses the same name as a domain name is significant evidence of ownership and entitlement to use that domain name.

The Respondent notes that it is a legitimate firm of Solicitors, registered and regulated by the Solicitors Regulation Authority and the Law Society, and that the Domain Name is used for the furtherance of such business.

The Respondent concludes with certain *ad hominem* attacks on Stephen Thornton which it says are "well documented" but in respect of which it does not produce documentation.

### **Reply**

The Complainant notes that the Respondent is not Stewart Watson but is his father. The Complainant states that the Respondent had never been a part of

the Complainant's firm and that the Respondent's "only claim to fame" is being a director of Thorntons Solicitors Limited.

The Complainant repeats the assertion that Stewart Watson was an employee of Thorntons Solicitors on the basis that he drew a wage "from this company". The Complainant states that the Domain Name was set up by Stephen Thornton when he "started the company", that it was an integral tool thereof and that when registered it was in his personal name at his home address.

The Complainant submits that there is nothing in the Deed of Retirement allowing Stewart Watson to remove a vital part of the Complainant for his own private use or to use in his own company. The Complainant notes that it does not see the relevance of the Respondent stating that Thorntons Corporate is a legitimate firm of Solicitors however adds that the Complainant likewise is such a legitimate firm.

The Complainant accepts that emails had been forwarded by Thorntons Corporate until the Complainant enquired about access to the Domain Name, upon which forwarding stopped. The Complainant admits that it has not been using the Domain Name for six months but explains that this is because it was removed from the Complainant's control. The Complainant notes that it set up its present domain name as an *interim* measure pending return to using the Domain Name.

The Complainant states that it is being accused of trying to deprive a company of its legitimate use of the Domain Name however asserts that this is what Stewart Watson did. The Complainant adds that the Domain Name has not been transferred to Thorntons Corporate but to a dormant company in which it is being used to confuse clients into thinking that they are contacting Thorntons Solicitors when they are contacting "an entirely different company".

The Complainant concludes by denying the *ad hominem* attacks on Stephen Thornton made in the Response.

## **6. Discussions and Findings**

In terms of paragraph 2(b) of the Policy the onus is on the Complainant to prove to the Expert on the balance of probabilities each of the two elements set out in paragraph 2(a) of the Policy, namely 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.

In this case, the Complainant effectively asserts that it has rights *to the Domain Name itself* pursuant to various partnership agreements and a deed of retirement. This is different from the more typical scenario under the Policy where a complainant points to rights *in a name or mark identical or similar to the Domain Name*, in other words a right akin to a trade mark. Indeed, notwithstanding the fact that the Domain Name (minus the .co.uk suffix) has apparently been used as the trading name for a firm of solicitors from approximately 2007 to date, the Complainant fails to put forward with sufficient clarity evidence of any right of this latter type, such as a right in an unregistered mark corresponding to its alleged trading name, based on goodwill arising through use. Accordingly, the Complainant's entire case on Rights is predicated on the contractual matrix described in the factual background.

In these circumstances, the Expert has had regard to the decision of the Appeal Panel in *David Munro v. Celtic.com, Inc.* (DRS 04632) which considered in some detail the question of whether the Policy is a suitable vehicle for the resolution of a contractual dispute relating to a Domain Name. The Appeal Panel in that case stated that while contractual rights may suffice for the purpose of establishing Rights as defined in the Policy, as a general proposition contractual disputes are best left to the courts to resolve. The Expert does not propose to rehearse all of the reasons given by the Appeal Panel for the general proposition but would commend the decision to the Parties, along with the helpful discussion in a subsequent first instance case which reflected on *Munro v. Celtic*, namely *Bristan Group Limited v. Michael Gallagher / Galaco Enterprises Limited* (DRS 07460) where the expert said:

The question of whether or not experts can and should decide contractual disputes is one which has been the subject of some debate in many decisions under the Policy. On the one hand, the Policy was not intended to provide a general mechanism to resolve all disputes relating to domain names, but merely to provide a remedy in respect of certain types of abusive use. On the other hand, there are aspects of the Policy which suggest that at times an expert can and should make contractual judgments (for example paragraph 4(a)(iii) of the Policy expressly requires an expert to form a judgment on whether the holding of a domain name is consistent with an express term of a written agreement).

As a consequence, generally the approach of experts under the Policy has been to approach such questions with some caution. In appropriate cases experts have been prepared to decide contractual questions but if the issue was legally complex or the facts uncertain, the tendency has been to leave the issue to be determined by the courts. [...]



I therefore read [the Appeal Panel decision in DRS 04632] as suggesting that whilst it is open to me to construe a contract in any decision under the Policy, I should be wary of doing so if the case raises a substantial question of contractual interpretation. Only in a case where I have formed a "clear view" on a contractual issue would it be appropriate for me to decide a case on that basis. Even then, if it is likely that a significant number of my fellow experts (some of which are without formal legal training) would not consider the answer to be of equal clarity, it may be that I should still decline to decide that question.

For an example of such a "clear view" contractual case, the Expert has also had regard to *Maxis Healthcare UK Limited v. Nasreen Azim* (DRS 8861). In that case, the expert considered that the contractual issues before him were not so complex as to preclude a decision under the Policy because it was clear from the parties' correspondence that the domain name at issue was or had been regarded as being in the ownership of the complainant, that the respondent was willing to 'give' the domain name to the complainant and that the respondent did not appear to challenge the rights to the domain name as asserted by the complainant. By contrast, the Expert in the present case is not provided with such clarity as to the facts or in the written record, nor does the Respondent make any similar admissions but on the contrary firmly challenges the Complainant's interpretation of the contractual documents.

The Expert is effectively called upon to determine the following questions: (1) Was the Domain Name *ab initio*, or did it subsequently become, an asset of the Complainant partnership to which the Complainant has Rights under the Policy? (On this topic, it must be borne in mind that the full history of the partnership trading as Thorntons Solicitors does not appear to have been placed before the Expert; there is at minimum a missing partnership agreement dated 1 February 2013 which is referred to in the Deed of Retirement); and (2) Assuming the Domain Name was an asset of the Complainant partnership which was the subject of the Deed of Retirement, what is the effect of such Deed on the Complainant and Respondent's (or Respondent's predecessor's) rights to the Domain Name and in particular how should clauses 8.5 and 8.6 thereof be construed?

In the Expert's view, these are complex legal issues. In many aspects they are the subject of diametrically opposing positions on the part of each of the Parties. Taking a similar approach to the expert in DRS 07460, the Expert does not believe that the contractual issues are sufficiently clear cut, in the sense described in DRS 04632, for him to reach a decision in this case. Furthermore, even if it were appropriate to reach a determination, given the absence of a full history of the partnership trading as Thorntons Solicitors, as indicated above, the Expert is not certain that he is in possession of all relevant background knowledge in this case which would allow him to construe the Deed of Retirement, and in particular clauses 8.5 and 8.6,

according to the whole circumstances of the relationship between the Complainant and Stewart Watson, the Respondent's predecessor.

In reaching this conclusion, the Expert has also had regard to the wording of the Expert Overview, version 2, which poses the question at paragraph 1.6: "Can a contractual right constitute a right within the definition of Rights?" and answers:

Yes it can. A specific example of this is given in the Policy at paragraph 3(a)(v). However where the right is disputed and/or the surrounding circumstances are particularly complex, the complaint may nevertheless be rejected as not being appropriate for adjudication under the Policy. [The paragraph goes on to refer to the Appeal Panel decision in DRS 04632 already discussed above.]

For the reasons outlined above, in the present case the Expert considers that the right is disputed and the surrounding circumstances are complex. As regards the specific example of paragraph 3(a)(v) of the Policy, the Complaint does not attempt to make out a case in this regard, in that the Complainant does not show that it has been using the Domain Name registration exclusively or that it paid for the renewals thereof.

In all of these circumstances, the Complaint must fail due to the Complainant's failure to prove to the Expert's satisfaction that it has Rights in the Domain Name. As this is an essential element of paragraph 2 of the Policy, it is not necessary for the Expert to go on to consider the question of Abusive Registration. The Complainant may seek a remedy in the courts if it chooses to do so and it should therefore be stated for completeness that this decision is restricted to the Policy and Procedure and is not addressed or directed to any other forum which might ultimately be seized of the Parties' dispute over the Domain Name.

## 7. Decision

For the reasons set out above, the Complaint is dismissed.

**Signed** .....  
Andrew D S Lothian

**Dated** 5 September, 2014 .....