

DISPUTE RESOLUTION SERVICE

DRS14598

Decision of Independent Expert

Ginza Project Group LLC

and

Luca Del Bono

1. The Parties:

Complainant: Ginza Project Group LLC
c/o Rubinstein Phillips Lewis LLP
13 Craven Street
London, WC2N 5PB
United Kingdom

Respondent: Luca Del Bono
23 Berkeley Square
London W1J 6HE
United Kingdom

2. The Domain Name: marivanna.co.uk

3. Procedural History:

01 August 2014 18:36 Dispute received
04 August 2014 10:48 Complaint validated
04 August 2014 10:57 Notification of complaint sent to parties
22 August 2014 02:30 Response reminder sent
27 August 2014 08:45 No Response Received
27 August 2014 08:46 Notification of no response sent to parties
28 August 2014 09:19 Response received
28 August 2014 09:20 Notification of response sent to parties
02 September 2014 02:30 Reply reminder sent
05 September 2014 08:00 Reply received
05 September 2014 08:00 Notification of reply sent to parties
05 September 2014 08:01 Mediator appointed
10 September 2014 17:11 Mediation started
07 October 2014 08:00 Mediation failed
07 October 2014 08:01 Close of mediation documents sent
17 October 2014 02:30 Complainant full fee reminder sent
20 October 2014 16:43 Expert decision payment received

Expert Declaration

I can 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.

4. Factual Background

The Complainant is GINZA PROJECT GROUP LLC, an international restaurant management company incorporated in the Russian Federation with its registered office at Sadovaya Street 12, Saint-Petersburg, 191011.

The Respondent is a director of DB HOSPITALITY LIMITED, a company incorporated in England and Wales with its registered office at 141 Wardour Street, London W1F 0UT.

The two owners of the Complainant company and the Respondent's holding company entered into an agreement dated 2 May 2012, the purpose of which was to provide for the creation of a company, MARI VANNA LTD (MVL), to set up and manage a Russian themed restaurant in London. MVL was licensed by the Complainant to use its registered trademark and to benefit from goodwill associated with the Complainant's trading name "Mari Vanna". Another company MARI VANNA PROJECT LONDON LTD (MVP) was set up to hold the lease of the restaurant premises and assume responsibility for compliance with the covenants under the lease.

The Respondent's holding company is a minority shareholder in MVL. Paragraph 4.4.2 of the shareholder agreement states that the Respondent's holding company shall "have oversight over the PR and promotion of the Business and dealings with the media".

The Respondent registered the Domain Name on 21 February, 2011.

The Domain Name currently resolves to a page providing address and contact details for the restaurant.

5. Parties' Contentions

The submissions of both Parties include references to matters of disagreement between them which fall outside the scope of this Decision. I have attempted to summarise below those portions of the Parties' arguments directly relevant to the resolution of the Domain Name dispute according to the DRS Policy and Procedure.

The Complainant

Rights

The trading style “MARI VANNA” has been used by the Complainant since before 22 November 2006, and the Complainant claims unregistered rights in the goodwill associated with this name.

The Complainant also claims registered rights arising from the EU trademark of “MARI VANNA” with a registration date of 28 December, 2012 and with registration number 01077373.

Abusive Registration

The Shareholders’ Agreement dated 2 May 2012 makes clear that the Complainant owns the MARI VANNA trademark and makes provision for a grant to MVL of a licence to use this mark and trading name. This clause was given effect by a trade mark licence signed on or about 2 May 2012 between the Complainant (although mistyped as Ginza Project LLS) and MVL in which MVL was granted a non-exclusive licence to use the “MARI VANNA” mark for a nominal sum of £1.

Unknown to the Complainant, the Respondent registered the Domain Name in his own name on 21 February 2011. The Respondent has no right to use the “MARI VANNA” trademark or trading style and has been passing himself off as entitled to the “marivanna” style and brand.

The Respondent has allowed the website formerly accessible at the Domain Name to become defunct, with the result that the only means of finding out information about the restaurant was via www.marivanna.ru. The Respondent has damaged the Complainant’s reputation and goodwill by retaining the Domain Name and blocking the Complainant from exploiting the website. The site presently contains only the contact details of the restaurant and is causing confusion to customers. Users in the UK seeking information about the Restaurant via the Domain Name have been unable to do so and the Complainant risks losing opportunities to promote its restaurant.

On 7 March 2014 the Complainant’s solicitors wrote to the Respondent’s solicitors detailing the trademark infringement arising out of the Domain Name registration and inviting the Respondent to assign the Domain Name to the Complainant.

The Respondent’s solicitors replied on 31 March 2014 stating that the Respondent would transfer the Domain Name if undertakings were given concerning the publication of allegedly objectionable material about the Respondent and an associate.

On 6 May 2014 the solicitors for the Complainant replied stating that the requested undertakings were unnecessary and that the Respondent should execute a transfer of the Domain Name. To date no such transfer has taken place.

Respondent

The Respondent asserts that the Complainant is not apparently in business in England and has seemingly only licensed its trading name in March 2012 and not before. Any such exploitation of the Complainant’s trading style did not commence in the UK

until around March 2012, at which time the exploitation was by MVL (a company in which the Respondent has directly or indirectly a 21% equity stake).

The Respondent does not dispute the Complainant's Community Trademark registration but emphasises that this is 22 months after the Respondent's registration of the Domain Name in February 2011. Thus at that time there were no registered or unregistered rights in the name "Mari Vanna" in the UK. Trading in the UK with that name did not start until around March 2012. The Respondent points out that the Complainant's EU trademark registration was obtained 9 months after trading commenced.

The shareholder agreement indicates that the Complainant (defined as Ginza Project Group LLS) owns the name "Mari Vanna", and that the Complainant's principals would arrange for it to register this mark in the UK and grant MVL a licence to use it. In the event, these individuals failed in relation to this. Notably the company that applied for the UK trade mark registration and purported to grant MVL a licence was Ginza Project Group LLC and not Ginza Project Group LLS.

Clause 4.4.2 of the Shareholder Agreement says that DB Hospitality Ltd shall: "have Oversight over the PR and promotion of the business and dealings with the media". The Respondent has full ownership and control of DB Hospitality Ltd and running the website falls squarely within the category of PR and promotion. Furthermore, when the Domain Name was registered there were no rights in the name (registered or unregistered) in the UK. Accordingly, the registration of the Domain Name was not abusive.

The Respondent rejects the allegation that his registration of the Domain Name damages the Complainant. The Respondent registered the site in good faith, in connection with his role in charge of the PR for the restaurant. The website is an important part of its PR and it is an important part of the Respondent's role to ensure that the Domain Name was secure and the website was used to its proper potential.

The Respondent denies the accusation that the Domain Name was registered without informing the Complainant. The Respondent told the Complainant that he was going to register the Domain Name before he did so and received no objection. The Respondent paid for the registration from his own resources.

Before the shareholder dispute which arose during 2013, the Complainant had no cause for complaint about the registration and use of the Domain Name and no complaint was made. The Domain Name was in use long before the restaurant opened and remained a legitimate website, containing all the relevant restaurant information in accordance with the Respondent's contractual PR and marketing functions. The Complainant's behaviour forced the Respondent to temporarily replace the homepage.

The Respondent denies that the website at the Domain Name has become defunct and risks confusing the public. The site had been a mirror site directing traffic to marivanna.ru. The ".co.uk" site was being used lawfully and in accordance with the Shareholders agreement. The Respondent points out that the Complainant omits to mention that it was responsible for confusing customers and casting aspersions on the restaurant's reputation via the restaurant's Facebook page. The Respondent had to

suspend the website and replace it with a holding page pending resolution of the shareholder dispute and as one method of preventing the Complainant from posting further defamatory messages online.

The Respondent's conditional offer of 31 March 2014 to transfer the Domain Name was made as a practical solution and to prevent further reputational damage inflicted online by the Complainant.

Complainant's Reply to the Response

The Respondent alleges that the Complainant has failed to arrange for a license allowing MVL to use the Mari Vanna name because it was referred to as Ginza Project Group *LLS* instead of LLC. Because the Cyrillic letter "С" translates as "S" in the Roman alphabet, this was a typographical or translational error. There is no limited liability entity either in the Russian Federation or in the United Kingdom using the acronym LLS. There has been no failure to grant a licence as evidenced in the Schedule to shareholder agreement, and in particular the certified translation dated 14th November 2011 made before a notary public of the State of New York. Clause 4.3.2 of the Schedule to the agreement dated 2 May 2012 executed by the Respondent on behalf of MVL acknowledges the grant to MVL of a licence to use the "Ginza Brand", defined at page 5 of the Schedule as "MARI VANNA".

The Complainant existed well before the Domain Name was registered, and the Respondent knew when he registered it that a restaurant with the name Mari Vanna was planned in the UK. The Mari Vanna Brand is well known internationally in the context of Russian Restaurants. Planning the London restaurant started in 2010 as the Respondent knows, with a view to setting up MVL which was registered 10 March 2011, using the "Mari Vanna" brand for the purpose. Premises were acquired for the restaurant by MVP which had been incorporated on 17 June 2010.

The Complainant was unaware that the Respondent had registered the Domain Name in 2011 personally or that he had failed to transfer the Domain Name to MVL following signature of the agreement of 2 May 2012. Payment of the registration fee out of his own pocket does not authorise the Respondent to register the Domain Name personally. The Respondent's answers to the Complaint confirm that, by doing so, he intended to use it as a bargaining chip in the future. He has not produced evidence that the Complainant authorised him to register the Domain Name personally or that he should be allowed to use it for his own benefit.

The Complainant contends that the Respondent's ownership of DB Hospitality Ltd does not entitle him to appropriate the Domain Name. He did not transfer the Domain Name to his holding company, which would then have required it to abide by the 2nd May 2012 Agreement. He has not done so and has used the Domain Name to operate a website against the interests of MVL and in breach of the licence granted to MVL and executed on MVL's behalf by the Respondent.

Clause 4.4.2 of the Schedule to the shareholder agreement refers to the company DB Hospitality Limited (not the Respondent) having "oversight over the PR and promotion of the Business and dealings with the media", which does not confer

ownership of attributes of the business; and the oversight is subject to the supervision of the relevant company board.

The Respondent is not personally a party to the Shareholders' Agreement, although he signed it on behalf of MVL, to whom the brand "Mari Vanna" was formally licensed. Although the Respondent says he told the proprietors of the Complainant that he was going to register the Domain Name in the UK he did not tell them that he was going to register it in his own name.

The Respondent is blocking use of the Domain Name by the agreed licensed party, MVL, to damage the Complainant's brand, by limiting the information the public can see if they visit the website. The website does not redirect to www.marivanna.ru which is the site which MVL is using because the Respondent is blocking access via the Domain Name. The link to info@marivanna.co.uk is not in the control of the Complainant, nor in the control of its licensee MVL. It would appear to be set up to harvest visitors' e-data before being processed for the Respondent's own purposes.

6. Discussions and Findings

Role of the Expert

The Parties' submissions contain much that is outside the scope of this dispute. The sole function of the Expert is to consider these submissions insofar as they address the questions of the Rights claimed by the Complainant and the allegations of Abusive registration of the Domain Name as defined in the DRS Policy (see below). On this basis alone the Expert must decide whether the Complainant has made its case on the balance of probabilities. To the extent that the submission of either Party refers to extraneous matters, particularly any which may give rise to litigation, I make no findings and offer no comment in respect of them.

DRS Policy

Paragraph 2 of the DRS Policy requires that the Complainant must make its case that:

2.a.i. The Complainant has Rights in respect of a name or mark which is identical or similar to the Domain Name; and

2.a.ii. The Domain Name, in the hands of the Respondent, is an Abusive Registration.

Under Paragraph 2.b of the Policy, the Complainant is required to prove to the Expert that both elements are present on the balance of probabilities.

Paragraph 1 of the DRS Policy defines Rights 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;"

Elsewhere in Paragraph 1 of the Policy, "Abusive Registration" is defined 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 has taken unfair advantage of or has been unfairly detrimental to the Complainant's Rights;

Complainant's Rights

The Complainant declares that it has used the name MARI VANNA since before 22 November 2006 and claims unregistered rights in the name based upon this usage. No evidence is submitted to support this claim, and the only indication I can find for the significance of the 22 November 2006 date is that it was the date set out in an application for a trademark in the name MARI VANNA in the Russian Federation. Such an application does not amount to activity likely to give rise to goodwill or unregistered rights of any kind.

The Complainant has submitted evidence of trademark registrations of the name MARI VANNA in the Russian Federation dated 12 March 2008 & 14 June 2011, and of a Community trademark for the same name dated 28 December 2012.

The Respondent argues that the Complainant had no business presence in the United Kingdom prior to March 2014 and no enforceable rights within this jurisdiction. The Respondent offers, by way of support for this view, the (accurate) assertion that the Complainant's Community trademark and its business activity (via its licensee MVL) post-date his registration of the Domain Name.

As indicated above, the DRS Policy defines Rights as "rights enforceable by the Complainant whether under English law or otherwise". I am therefore able to take into account the Complainant's Russian trademark registration, as evidence of registered rights in the name MARI VANNA sufficient to meet the requirements of the DRS Policy. I am also satisfied that the name in which the Complainant has rights is identical or similar to the substantive portion of the Domain Name, discounting, as is customary, the .co.uk suffix.

Abusive Registration

Paragraph 3 of the DRS Policy provides a non-exhaustive list of factors which may be evidence that the Domain Name is an Abusive Registration. Re-stating the Complainant's assertions in the language of this paragraph 3, the Complainant argues that there are

"circumstances indicating that the Respondent has registered or otherwise acquired the Domain Name primarily:

- *as a blocking registration against a name or mark in which the Complainant has Rights (Paragraph 3.a.i.B of the Policy)*
- *for the purpose of unfairly disrupting the business of the Complainant (paragraph 3.a.i.C of the Policy).*

This portion of the DRS Policy addresses the Respondent's motives at the time the Domain Name was registered. The Complainant offers no evidence in support of its allegations in this regard and it is indeed hard to speculate about the Respondent's reasons for making the registration in his own name.

The DRS definition of Abusive Registration quoted above requires the Complainant to show that the registration or subsequent use of the Domain Name took unfair advantage of or was unfairly detrimental to the Complainant's Rights. To this end the Complainant argues that the Respondent's actions deprived it of the opportunity to exploit the Domain Name website fully and that they resulted in, or risked, a confusing or misleading impression as to ownership or control of the underlying business.

Paragraph 3.a.ii of the DRS Policy requires that there be evidence of

“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”

The Complainant offers no evidence of actual or potential confusion on the part of the public and, taking either Party's version of events as a starting point, the paragraph 3.a.ii wording above does not precisely describe the actions of the Respondent in this case. Nevertheless, it seems to me that, by retaining the Domain Name in his personal possession, the Respondent perpetuates a misleading impression as to the ownership of the relevant rights in the business.

In response, the Respondent offers his view that the Complainant had no business presence in the UK at the relevant time and that his company's PR and media relations responsibilities under the shareholder agreement made his registration of the Domain Name a business imperative. This does not explain why the registration was made in the Respondent's personal capacity or why it was not subsequently transferred to MVL as the Complainant's licensee. No clarification of this question is discernable in the Response and the absence of an explanation from the Respondent leads me to conclude, on the balance of probabilities, that the registration is unfairly detrimental to the Complainant's Rights and is thus an Abusive Registration.

I must now consider whether the Respondent is able to take advantage of any the provisions of paragraph 4 of the DRS Policy to show that the Domain Name is not an Abusive Registration.

The Respondent argues that the Complainant had no business activity or registered trademarks (and thus no enforceable rights) in the UK at the time the Domain Name was registered. I do not accept that this correctly describes the situation, but believing it to be so, the Respondent might argue that he was acting in good faith in registering the Domain Name. Moreover if, as the Respondent argues, his registration of the Domain Name was known to the Complainant and passed without comment or objection, paragraph 4.a.i.A of the Policy might offer some protection. This paragraph which is expressed to be “a non-exhaustive list of factors which MAY (*emphasis added*) be evidence that the Domain Name is not an Abusive Registration provides that:

4.a.i. Before being aware of the Complainant's cause for complaint (not necessarily the 'complaint' under the DRS), the Respondent has:

A. used or made demonstrable preparations to use the Domain Name or a domain name which is similar to the Domain Name in connection with a genuine offering of goods or services;

It would appear that there was a genuine offer of goods or services relating to the restaurant, at least until the Respondent replaced the Domain Name site home page, pending resolution of what he describes as “the shareholder dispute”. However, with little tangible evidence to go on, I must take the view that this is not enough to avoid a finding of Abusive Registration. The Respondent was clearly aware before registering the Domain Name of the Complainant’s business and of the preparations for setting up a restaurant in London. I have seen no plausible explanation for the Respondent’s action in retaining the Domain Name in his own name rather than transferring it to the Complainant’s licensee (MVL), of which he was a director and on whose behalf he signed the shareholder agreement.

I see no other provisions of paragraph 4 of the DRS Policy which might assist the Respondent.

7. Decision

For the reasons set out above, I find that the Complainant has Rights in a name which is identical or similar to the Domain Name and the registration in the hands of the Respondent is an Abusive Registration. Accordingly the Domain Name should be transferred to the Complainant.

Signed

Dated 5 November 2014

Peter Davies