DISPUTE RESOLUTION SERVICE

D00014832

Decision of Independent Expert

Pita Pit International Inc.

and

Warren Pearson

1. The Parties:

Complainant:

Pita Pit International Inc.
Suite 400, 1235 Bay Street
Toronto
Ontario
M5R 3K4
Canada

Respondent:

Mr Warren Pearson
17 Kittiwake Drive
Albany
Auckland
New Zealand

2. The Domain Name:

pitapit.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.

08 October 2014 Dispute received
09 October 2014 Complaint validated
09 October 2014 Notification of complaint sent to parties
20 October 2014 Response received
20 October 2014 Notification of response sent to parties
23 October 2014 Reply reminder sent
24 October 2014 Reply received
24 October 2014 Notification of reply sent to parties
24 October 2014 Mediator appointed
29 October 2014 Mediation started
30 October 2014 Mediation failed
30 October 2014 Close of mediation documents sent
07 November 2014 Expert decision payment received

4. Factual Background

The Nominet records show that the Domain Name was registered on 6 September 2007.

Based on the submissions of the parties and and a review of the materials annexed to them, set out below are the main facts which I have accepted as being true in reaching a decision in this case:

a. The Complainant operates a chain of restaurants under the Pita Pit name, with over 400 locations in 12 countries, including the UK.

b. In the UK, the Pita Pit outlets are operated by franchisees under franchise agreements with the Complainant. The Complainant does not allow its franchisees to own Pita Pit domain names.

c. The Complainant undertakes marketing and advertising campaigns to support its franchisees.

d. The Complainant has a significant online presence in the UK and worldwide. It operates national websites under country-specific domain names.

e. The Complainant owns trade mark registrations, including a Community Trade Mark (CTM) registration for THE PITA PIT which is registered with effect from 26 January 2006; and a CTM registration for the word mark PITA PIT dating from 2013.

f. The Respondent uses the Domain Name for a forum which was created in late 2013. The forum has only one post, which was created by the Respondent in October 2013. According to the Respondent, this is a forum/blog which is intended to be for comments relating to the Complainant's restaurants.

g. The Complainant has not authorised the Respondent to register or use the Domain Name.

5. Parties' Contentions

Complaint

The Complainant's submissions are set out below.

The Complainant has rights in respect of a name and mark which is identical or similar to the Domain Name:

(1) The Pita Pit is the name of a healthy, fast, casual restaurant brand featuring fresh pita sandwiches and salads. Its first location was in Kingston, Ontario, Canada in 1995. Today, the healthier alternative brand has over 460 locations in 12 countries throughout the world, including the UK.

(2) In 2005, 6431925 Canada Inc., a Canadian company, purchased the rights to the Pita Pit, which included the intellectual property, for all countries outside of the USA and Canada. Ultimately, the rights were transferred to Pita Pit International Inc. in 2006.

(4) Pita Pit trades from high street locations carefully selected to ensure high footfall. Within the UK Pita Pit outlets are operated by independent owners who are granted franchise rights by Pita Pit's UK subsidiary. Pita Pit is currently undertaking an expansion programme across the UK. The UK subsidiary, Pita Pit UK Limited was set up by the Complainant through another Canadian company in February 2013 for the purposes of franchising the brand and system within the UK.

(5) In the UK Pita Pit currently has franchised outlets located in Manchester, Leeds and two located in London with at least another 100 locations expected to open within the next five years. Pita Pit undertakes important marketing and advertising campaigns to support its franchisees and to raise brand awareness within the country. Each country has its own Facebook page, website and Pita Pit is also active on Twitter and Instagram.

(6) To protect its brand, the Complainant has obtained the following trade mark registrations, all of which are Community Trade Marks:

(a) Word mark - The Pita Pit - No. 004859443. Registered from 26th January 2006

(b) Logo mark - Pita Pit – No. 011240181. Registered from 4th October 2012

(c) Logo mark - Pita Pit Fresh Thinking Healthy Eating – No. 011240264. Registered from 4th October 2012

(d) Word mark - Pita Pit – No. 012298691. Registered from 11th November 2013.

(7) In addition to the registered trade marks listed above, Pita Pit has also protected its brand globally by obtaining trade mark registrations in all countries within which it operates including but not limited to New Zealand.

The Domain Name, in the hands of the Respondent, is an abusive registration:

(1) Domains are an integral part of Pita Pit's business and Pita Pit obtains domain registrations in each country where it has locations as far as possible. In the UK its preferred domain name is<pitapit.co.uk> since it clearly is the most similar to its name and in fact is identical to Pita Pit's brand and contains Pita Pit's trade mark within the domain name. As the domain name was unavailable when Pita Pit first identified the target domain, it had no choice but to register an alternative domain name for its UK market. However,<pitapit.co.uk> remains its preferred option. Currently, in the UK, Pita Pit is using the domain name <pitapituk.com> instead. Pita Pit has significant online presence in the UK and worldwide.

(2) In summary, due to Pita Pit's efforts within the UK including but not limited to marketing and advertising, the brand is quickly growing and is gaining nationwide recognition. Its UK Facebook page has over 3,000 likes and has nearly 600 followers on Twitter, with the numbers steadily growing.

(3) Pita Pit first became aware of the Respondent when it conducted the availability search for the Domain Name. It was at that stage that it discovered that the .co.uk domain name was registered to an individual residing in New Zealand.

(4) Pita Pit, through its UK solicitors, wrote to the Respondent in December 2013 concerning his use of the Domain Name but received no response.

(5) The Domain Name was registered by the Respondent in September 2007 but the Respondent appears to make little use of it. In fact, the website at the Domain Name appears to be a forum, but it contains only one post which was created by the Respondent to which the Respondent has not received any replies. The post was created in October 2013. It would appear that the website as it exists now was not built until October 2013 which means that the Respondent had the rights to the Domain Name for over six years before he made any use of it. Since October 2013 the use made by the Respondent of the Domain Name has been minimal.

(6) The Domain Name contains Pita Pit's trade mark which in itself amounts to trade mark infringement. In addition, existence of a .co.uk domain name which incorporates Pita Pit's trade name and trade mark but which is owned by a third party unconnected to Pita Pit is causing and/or is likely to cause significant confusion in the market place. To date Pita Pit, through its extensive advertising and marketing efforts, has managed to minimize the negative impact of the Respondent's domain name. However, the continuing presence of the Domain

Name in the hands of a third party is likely to have a financial impact on Pita Pit's trading activities and those of its franchisees in the UK.

(7) Registration by the Respondent is clearly an abusive registration for the following reasons:

(a) The Respondent has made little use of the Domain Name in the seven years of his ownership;

(b) The Respondent appears to have no legitimate right to or reason for owning the Domain Name;

(c) The use of the Domain Name by the Respondent amounts to trade mark infringement on the part of the Respondent;

(d) Continuing ownership by the Respondent takes unfair advantage and is unfairly detrimental to Pita Pit's rights and business operations;

(e) The Respondent's use or non-use of the Domain Name takes unfair advantage and/or is unfairly detrimental to Pita Pit's rights.

Response

The Respondent's submissions are set out below.

(1) The Respondent purchased the Domain Name seven years ago, when he noticed a new fast food franchise was opening in NZ. Initially he was considering looking at buying a master franchise for the UK and he has email correspondence between himself and the Pita Pit International Business Director outlining this.

(2) The Respondent is a resident of New Zealand and Pita Pit are based in Canada. The Respondent submits that this would make the matter exempt from UK jurisdiction.

(3) The Respondent has kept the Domain Name in good faith for the purpose of tribute and criticism. He noticed that the Complainant opened a store in late 2013 in the UK, and only then set up a blog site. He has not been very proactive with the site but does plan on becoming more active at a later date as Pita Pit expands. He has currently suspended the site whilst this investigation is ongoing.

(4) The Respondent did not receive any email from the Complainant's solicitors in December 2013.

(5) Owning the Domain Name does not affect the Pita Pit business model in any way, when the Complainant is expanding and opening more stores. Additionally the Complainant owns <pitapituk.com> which is in line with other domain names it owns around the globe such as <pitapitusa.com>.

(6) The Respondent has never contacted anybody requesting money for the Domain Name.

(7) The Domain Name was not registered for any purpose other than securing and allowing the public to blog, which is why the Respondent has kept it for several years.

(8) The domain name was not registered to disrupt the Complainant's business. The Complainant had no business interest in the UK when the Respondent registered the Domain Name and it is still planning to open over 100 locations.

(9) The Domain Name has not been used to confuse Internet users. The Respondent has only opened a blog site for people to blog about their experience with Pita Pit. As the Complainant opens more stores, the more the Respondent will use the blog and encourage others.

(10) The Respondent has made preparations to use the Domain Name for a legitimate business. He began a blog site once the Complainant opened its first store within the UK.

(11) The Respondent is using the Domain Name for tribute or criticism, and is using it fairly.

(12) The Respondent has acted honestly at all times.

(13) The Respondent's trade marks have all been registered after the Respondent bought this domain name, so there cannot be trade mark infringement.

(14) The Respondent should be allowed to keep this Domain Name for the purpose of blogging freedom of speech.

Reply

The Respondent's submissions in reply to the Response are set out below.

(1) The fact that in 2007 the Respondent was considering purchasing master franchise rights to the UK is entirely irrelevant to the issue at hand because even if the Respondent was successful and was to become a master franchisee he would not have been entitled to own the rights to the Domain Name. Any use would have been subject to a licence contained in the franchise or master franchise agreement as appropriate and subject always to the Complainant's intellectual property rights. As is common in franchising, all intellectual property rights at all times belong to and remain with the franchisor and are only licensed for a fixed period of time and subject to certain conditions to third parties which may include franchisees and master franchisees.

(2) The Respondent does not appear to understand the difference between his right to freedom of speech and blogging and using a third party's intellectual property without that third party's permission. The fact is that the Respondent has no rights to the name "Pita Pit" whereas the Complainant has because this is the Complainant's trading name which was created by the Complainant's founders in 1995. Furthermore the Complainant has spent time and money to duly protect its trade name as a trade mark within the European Union which

covers the United Kingdom. The Complainant has a number of trade marks containing the words "Pita Pit" but most notably the Complainant's trade mark for the words "The Pita Pit" number 004859443 was registered with effect from 26th January 2006 and therefore precedes the Respondent's registration of the domain. The use of the Complainant's trade mark by the Respondent as part of the Domain Name registered by the Respondent therefore amounts to trade mark infringement.

(3) It is irrelevant that the Complainant was not operating within the UK in 2007. Trade mark registration affords the trade mark owner exclusive rights to the mark which are not subject to immediate and continued use of the mark. Even though the Complainant was not operating within the UK in 2007, it had the right to prevent any third party from using its mark in the UK.

(4) The Complainant's legal representatives wrote to the Respondent in December 2013 and this contact was made by airmail and not by email. The letter was posted to the Respondent's address as it appears on Nominet's records. The letter was not returned to the Complainant's representatives as undelivered and therefore the Complainant was within its right to presume that the letter had been delivered.

(5) The Respondent's description of the Complainant's use of domain names is inaccurate at best. In most cases, as far as possible, the Complainant has registered domains which end in the country code, e.g. pitapit.fr, pitapit.br, pitapit.co.kr, pitapit.in, pitapit.co.nz, pitapit.com.au. Alternative domain names have only been purchased where the first choice was not available as for example was the case with the UK or where to purchase the country code domain name was too expensive or too cumbersome for other reasons such as residency requirements.

(6) If the Respondent's purpose is genuinely to provide an outlet for himself and third party's to share their experiences, then the Respondent can do so using any number of social media sites or his own websites without infringing the Complainant's rights. It is not necessary for the Respondent to use a domain name which contains the Complainant's trade mark in order to share his experiences of the Complainant's business. All that the Respondent effectively had done was to purchase and "park" the domain name.

(7) The general public is highly likely to presume that the Domain Name belongs to the Complainant or in the least has a connection to the Complainant since customarily business owners use domain names which relate to their trading name. This is extremely damaging to the Complainant's reputation and is likely to cause loss. The Complainant and its franchisees and master franchisees have worked hard and spent time and money to create, develop, promote and protect the brand and to raise public awareness of the brand. The Respondent's use of the Complainant's trade mark in the Respondent's domain name takes unfair advantage of the Complainant's goodwill and reputation.

(8) In conclusion, the Complainant's case remains that the Respondent has no legitimate reason for the Domain Name and that the Respondent's use of the Domain Name infringes the Complainants intellectual property rights. The

Complainant repeats its request that the Domain Name be transferred to the Complainant.

6. Discussions and Findings

General

Paragraph 2 of the Policy provides that, to be successful, the Complainant must prove on the balance of probabilities that:

> *i it 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 (as defined in paragraph 1 of the Policy).*

Complainant's Rights

In light of the factual findings set out in section 4 above, I conclude that the Complainant has Rights in the nature of both legally protectable goodwill and registered trade marks in the names THE PITA PIT and PITA PIT. Disregarding the generic *.co.uk* suffix, the Domain Name is effectively identical to the name and mark in which the Complainant has Rights.

I therefore find that the first limb of paragraph 2 of the Policy is satisfied.

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 a manner which has taken unfair advantage of or has been unfairly detrimental to the Complainant's Rights."*

Paragraph 3 of the Policy sets out a non-exhaustive list of factors which may be evidence that a Domain Name is an Abusive Registration. The factor on which the Complainant relies in this case is as follows:

> *"3aii. Circumstances indicating that the Respondent is using or threatening to use the Domain Name in a way which has confused or is likely to confuse people or businesses into believing that the Domain Name is registered to, operated or authorised by, or otherwise connected with the Complainant"*

Paragraph 4 of the Policy sets out a non-exhaustive list of factors which may be evidence that a Domain Name is not an Abusive Registration. The factor on which the Respondent relies in this case is as follows:

"4aiC. Before being aware of the Complainant's cause for complaint (not necessarily the 'complaint' under the DRS), the Respondent has …….made legitimate non-commercial or fair use of the Domain Name"

Paragraph 4b of the Policy states that:

"Fair use may include sites operated solely in tribute to or in criticism of a person or business."

Since the Domain Name consists of no more than the Complainant's name and mark, it is very likely that the Respondent's use of the Domain Name will cause people to be confused into believing that it is operated or authorised by, or otherwise connected with, the Complainant. In other words, the factor under paragraph 3aiii (set out above) applies.

Arguably the factor under paragraphs 4aiC and 4b (also above) also applies. However, that assumes that the Respondent has actually made legitimate use of the Domain Name for a tribute/criticism site. In my view, it is at least questionable whether the Respondent has made genuine use of the Domain Name as a blog, given that the supposed blog has only had one post over several years and that was a post by the Respondent himself. It is also inherently strange that an individual based in New Zealand would have a genuine interest in setting up a blog for people to comment about Pita Pit outlets in the UK.

If one assumes for these purposes that the Respondent operates a genuine blog, on the face of it there would then seem to be an irreconcilable clash between the two factors or, to use an analogy, a "score draw". However, it needs to be borne in mind that the factors listed under paragraphs 3 and 4 of the Policy are no more than factors which may be evidence that the Domain Name is or is not an Abusive Registration. The governing test for a decision is whether the Domain Name is an Abusive Registration and the criteria for that are those in paragraph 1 of the Policy (as set out above).

Guidance on tribute and criticism sites can be found in paragraph 4.8 of the DRS Experts' Overview, "*Do tribute and criticism sites necessarily constitute fair use unless proved otherwise?*":

"No. Paragraph 4(b) of the Policy provides that "Fair use may include sites operated solely in tribute to or in criticism of a person or business". Note the use of the words "may" and "solely"– it will depend on the facts. If, for example, commercial activity beyond that normally associated with a bona fide fan site takes place, the registration may be abusive. See the Appeal decision in DRS 00389 (scoobydoo.co.uk). Note also that the use of the word "may" means that even if a site is operated solely as a tribute or criticism site it is still open to the Expert to find that it is abusive.

In assessing the fairness or otherwise of the use, the Expert needs to have regard to both the nature of the domain name in dispute and its use. Some decisions in the past have concentrated solely upon whether the site fairly pays tribute to or criticises the Complainant (often a very difficult thing for an expert to assess in a proceeding of this kind).

The appeal decision in DRS 06284 (<rayden-engineering.co.uk>) confirmed the consensus view among experts today that the nature of the domain name is crucial to the exercise. A criticism site linked to a domain name such as <IhateComplainant.co.uk> has a much better chance of being regarded as fair use of the domain name than one connected to <Complainant.co.uk>. The former flags up clearly what the visitor is likely to find at the site, whereas the latter is likely to be believed to be a domain name of or authorised by the Complainant.

In DRS 06284 the domain name was identical to the name in which the Complainant had rights. A modified name that made it clear that this was a protest site would presumably have been less successful in drawing the protest to the attention of customers of the Complainant. The Panel concluded there was a balance to be drawn between the right to protest (which could be effected via a modified name) and the Complainant's rights in its own name, and that in this case at least the latter outweighed the former. Note that the Panel did not rule that use of an identical name would always and automatically be unfair, but did conclude that it was only in exceptional circumstances that such use could be fair. The Panel declined to find that such exceptional circumstances existed in the case in question."

In line with this guidance, since the Domain Name is identical to the Complainant's name, the issue becomes one of whether any exceptional circumstances apply in this case meaning that the Respondent's use of the Domain Name should be considered fair (and therefore not an Abusive Registration). Even if one gives the Respondent the considerable benefit of the doubt and assumes that the Domain Name is genuinely used for a blog, it is still clear to me that no such exceptional circumstances apply.

I therefore conclude that the Complainant's rights in its own name trump any legitimate right which the Respondent may have to run a forum/blog (in tribute and/or criticism) relating to the Complainant's restaurants. As noted in the above guidance, the Respondent has the option of using a modified domain name for any forum he may wish to operate.

Accordingly I find that the Domain Name does take unfair advantage of, and/or is unfairly detrimental to the Complainant's Rights, and is therefore an Abusive Registration.

Lastly, for completeness, I should deal with the Respondent's submission that, because he is a resident of New Zealand and the Complainant is a Canadian company, this case should not be subject to "UK jurisdiction". The correct position is that *.uk* domain names are subject to Nominet's DRS Policy and Procedure, which are the rules and system by which the Dispute Resolution Service operates. The Policy and Procedure form part of the contract of registration for *.uk* domain names. This Complaint has been brought correctly under the Dispute Resolution Service. In other words, the Respondent's jurisdictional claim is unfounded.

7. Decision

Having found that the Complainant has Rights in respect of a name and mark which is identical or similar to the Domain Name, and that the Domain Name in the hands of the Respondent is an Abusive Registration, the Expert directs that the Domain Name *pitapit.co.uk* be transferred to the Complainant.

Signed: Jason Rawkins **Dated:** 9 December 2014