

DISPUTE RESOLUTION SERVICE

D00015424

Decision of Independent Expert

Volkswagen Group United Kingdom Limited

and

Ravi Beefnah

1. The Parties

Complainant: Volkswagen Group United Kingdom Limited
Yeomans Drive
Blakelands
Milton Keynes
MK14 5AN
United Kingdom

Respondent: Ravi Beefnah
Essex
United Kingdom

2. The Domain Names

audi-chelmsford.co.uk	audichelmsford.co.uk	
audi-chingford.co.uk	audichingford.co.uk	chingfordaudi.co.uk
audi-colchester.co.uk	audicolchester.co.uk	
audi-haroldwood.co.uk	audiharoldwood.co.uk	harold-wood-audi.co.uk haroldwoodaudi.co.uk
audi-southend.co.uk	audisouthend.co.uk	
audi-stansted.co.uk	audistansted.co.uk	stanstedaudi.co.uk

('the Domain Names')

3. Procedural History

Nominet checked that the complaint received on 17 February 2015 complied with its UK Dispute Resolution Service ('DRS') Policy ('the Policy') and the Procedure for the conduct of proceedings under the Dispute Resolution Service ('the Procedure'). It then notified the Respondent of the complaint and invited him to file a response, which was received on 10 March. On 17 March, the Complainant replied to that response. The following day, a mediator was appointed to help resolve the dispute informally. Mediation proved unsuccessful so, on 29 May, Nominet advised both parties that the matter would be referred to an independent expert for a decision, on payment of the appropriate fee. Nominet received part of that fee on 4 June and the balance subsequently.

On 11 June 2015 I, Mark de Brunner, agreed to serve as an expert under the Policy and Procedure. I have since confirmed that I am independent of each of the parties and that there are no facts or circumstances that might call into question my independence.

There is one procedural issue I need to deal with at the outset. The Respondent says that part of the evidence submitted in support of the complaint should be disregarded because it constitutes an offer made 'without prejudice'. In reply, the Complainant argues that

- this is not 'without prejudice' as contemplated by the courts' civil procedure rules, because it does not reflect a genuine attempt to settle a dispute between the parties
- even if it were 'without prejudice', the Policy allows such material to be used in submissions within the DRS, subject to two exceptions, neither of which applies.

On this second point, paragraph 6 of the Policy says:

Documents and information which are 'without prejudice' (or are marked as being 'without prejudice') may be used in submissions and may be considered by the Expert except that the Expert will not consider such materials if:

- (i) they are generated within Informal Mediation; or
- (ii) the Expert believes that it is in the interests of justice that the document or information be excluded from consideration.

The material in question is contained in an email sent by the Respondent, dated 4 November 2014 and setting out how much he would be prepared to accept for each element of a claim stemming from a dispute with one of the Complainant's licensees. At the end of a list of elements, there is a financial

total for all the elements of the offer and then a description of a further option. The text in relation to that further option reads:

Should this settlement be accepted and only if this settlement if accepted, please make your client aware that the option to buy the following domains [including the domain names at issue here] exists at a cost of £13,489.45.

The material was evidently not generated within Informal Mediation. Equally, I do not believe it is in the interests of justice that the email should be excluded from consideration.

Given that neither exception in paragraph 6 of the Policy applies, I do not need to decide on the Complainant's first point, that the material is not properly to be regarded as 'without prejudice'. If this material is not 'without prejudice', no question arises about its admissibility. Equally, accepting that it is 'without prejudice', it is not subject to the exceptions set out in paragraph 6 of the Policy. Either way, the evidence is admissible.

The Respondent argues that, between them, solicitors for the Complainant and a sub-licensee of the Complainant have used the 'without prejudice' rule to get him to take down some material he had posted onto the internet but then ignored that rule when it suited them. The Respondent says that this is evidence of legal malpractice and that if the evidence is admitted here he will seek further legal advice and clarification through the courts. That is of course a matter for the Respondent. All I can say is that I have dealt with the 'without prejudice' question as it relates to the matter before me – an enquiry governed by the Policy and Procedure underpinning the proceedings under the DRS to which Respondents must submit (paragraph 2 a of the Policy).

4. Factual Background

I have visited the web pages to which the Domain Names resolve and the web page at www.audi-chelmsford.net referred to in the response. From the complaint, the response, the reply, those visits and the administrative information routinely supplied by Nominet, I accept the following as facts.

The Complainant is a subsidiary and licensee of the German car manufacturer Volkswagen AG and is the official UK importer and distributor of AUDI vehicles. The AUDI trade mark is the property of Audi AG in Germany, which licenses its use in the UK by the Complainant and approved sub-licensees. Audi AG's Community trade mark registration for AUDI is attached to the complaint. It shows that the application was filed in December 1999 and the trade mark itself was entered into the register in March 2006.

The Complainant has traded under the AUDI brand for many years, contributing to the goodwill and reputation vesting in the name.

There is a dispute between the Respondent and one of the Complainant's sub-licensees, an AUDI dealership in Essex: 'Audi Chelmsford', who supplied him with an AUDI car. (Some of the correspondence refers to Hodgson Automotive Limited, trading as Essex Audi Group, creating some doubt whether this is synonymous with Audi Chelmsford or whether Audi Chelmsford is part of a collection of AUDI dealerships in Essex. But a number of the exchanges offered in evidence imply that the Respondent's commercial dispute is with a single AUDI dealership and, as nothing in the present matter turns on the point, I have proceeded on that basis.) In the course of that dispute, the Respondent has used social media to make claims about the Complainant. He has also used the domain name www.audi-chelmsford.net to repeat claims about a particular kind of engine used in some AUDI cars, said to consume excessive amounts of oil.

The Domain Names were registered in September and October 2014. They are part of a larger set of domain names, listed in the email from the Respondent referred to in the Procedural History section above. The email contains 41 domain names, but audichingford.com appears twice. Excluding the duplicate, there are 40 unique domain names:

Domain names at issue here	Other domain names
audi-chelmsford.co.uk	audi-chelmsford.com
audi-chingford.co.uk	
audi-colchester.co.uk	audi-colchester.com
	audi-harold-wood.com
audi-haroldwood.co.uk	audi-haroldwood.com
audi-southend.co.uk	audi-southend.com
audi-stansted.co.uk	audi-stansted.com
audichelmsford.co.uk	audichelmsford.com
audichingford.co.uk	audichingford.com
audicolchester.co.uk	audicolchester.com
audiharoldwood.co.uk	audiharoldwood.com
audisouthend.co.uk	audisouthend.com
audistansted.co.uk	audistansted.com
	chelmsford-audi.com
	chelmsfordaudi.com
chingfordaudi.co.uk	chingfordaudi.com
	colchester-audi.com
	colchesteraudi.com
harold-wood-audi.co.uk	harold-wood-audi.com
	haroldwood-audi.com
haroldwoodaudi.co.uk	haroldwoodaudi.com
	southend-audi.com
	southendaudi.com
	stansted-audi.com
stanstedaudi.co.uk	stanstedaudi.com

In an email dated 9 December 2014 to solicitors acting for the Complainant, the Respondent says:

Ownership of the domains is being transferred to a limited company.

The domains are dormant and not in use at present.

Under Nominet rules, domain names can be used to criticise (*typo corrected*) a company.

.com recovery can only take place after a court judgement.

At the time of writing, all of the Domain Names resolve to a holding page that says they are:

registered and secured with CrazyDomains.co.uk.

5. Parties' Contentions

Complaint

The Complainant says it has rights in the name AUDI through its trading under that name in the UK for many years and the licence it has from the trade mark owner.

It argues that the Domain Names are abusive registrations because

- (i) the Respondent has tried to sell them to the Complainant for more than cost.
- (ii) the Respondent has no legitimate interest in the Domain Names because he has no rights in the AUDI name included in them. The registration of a series of domain names incorporating AUDI, of which the sixteen in the present dispute are a subset, constitutes a pattern of abusive registrations.
- (iii) the Domain Names can only have been acquired unfairly to disrupt the Complainant's business. The Respondent has a history of publishing false and defamatory information about the Complainant on the internet and has implied that he will use the Domain Names for the same purpose.

Response

In response, the Respondent says

- (i) the email of 4 November 2014 used a set of domain names (of which the Domain Names here are a subset) 'to highlight Audi Chelmsford's lack of goodwill' and 'should not be taken as an offer of sale'.
- (ii) the Complainant does not have exclusive rights in relation to 'every Audi based domain name': the Respondent's ownership of an AUDI car gives him the right to use the AUDI name
- (iii) it is perfectly in order for the Respondent to use such domain names to criticise the Complainant.
- (iv) he is also doing so in the context of domain names that are essentially generic.
- (v) in any event the Domain Names are not currently in use and therefore cannot be cutting across the Complainant's rights.
- (vi) the Complainant has not sought the transfer of the domain name www.audi-chelmsford.net. From that it can be inferred that the Complainant accepts that the use being made of that domain name (to criticise it) is essentially fair.

Reply

In reply, beyond rejecting the claims made in the response and referring back to its original complaint, the Complainant reacts to this final point by noting that it is seeking to recover the Domain Names by the current proceedings – the implication being that it does not concede any general 'fair use' argument.

6. Discussion and Findings

To succeed in this complaint, the Complainant must prove, on the balance of probabilities, that

- it has rights in respect of a name or 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.

Rights

The Complainant has traded for many years under the AUDI name and is the approved top-level UK licensee of the owner of the AUDI trade mark. At the very least it enjoys, under licence, registered rights in the AUDI name.

The Domain Names all use the AUDI name in combination with the name of a place - whether the place name comes before or after AUDI; and whether or not there is a hyphen before, after or within the place name.

I conclude that the Complainant has rights in respect of a name or mark which is identical or similar to the Domain Names.

Registration

As defined by the Policy, an abusive registration is a domain name which:

- 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
- has been used in a manner which has taken unfair advantage of or has been unfairly detrimental to the complainant's rights.

The Policy contains a non-exhaustive list of factors that may be evidence that a domain name is an abusive registration or that may point the other way. The Complainant refers to some of these (claiming that it must have been the Respondent's intention when acquiring the Domain Names to sell them to the Complainant at more than cost; that the Domain Names here are part of a pattern of abusive registrations; and that the registrations are an attempt to disrupt the Complainant's business unfairly) and the Respondent to others (that the Domain Names are generic; and that his contemplated use, in criticising the Complainant, is fair).

Given the make-up of the Domain Names here, though, the analysis and conclusion to be drawn seem to me straightforward. The *Experts' Overview* (section 3.3) says:

Commonly, Internet users will visit web sites either by way of search engines or by guessing the relevant URL. If the domain name in dispute is identical to the name of the Complainant and that name cannot sensibly refer to anyone else, there is bound to be a severe risk that a search engine, which is being asked for the Complainant, will produce high up on its list the URL for the web site connected to the domain name in issue...

In such cases, the speculative visitor to the registrant's web site will be visiting it in the hope and expectation that the web site is a web site "operated or authorised by, or otherwise connected with the Complainant." This is what is known as "initial interest confusion" and

the overwhelming majority of Experts view it as a possible basis for a finding of Abusive Registration, the vice being that even if it is immediately apparent to the visitor to the web site that the site is not in any way connected with the Complainant, the visitor has been deceived. Having drawn the visitor to the site, the visitor may well be faced with an unauthorised tribute or criticism site (usually the latter) devoted to the Complainant; or a commercial web site, which may or may not advertise goods or services similar to those produced by the Complainant. Either way, the visitor will have been sucked in/deceived by the domain name...

Findings of Abusive Registration in this context are most likely to be made where the domain name in issue is identical to the name or mark of the Complainant and without any adornment (other than the generic domain suffix)...However...[generally condemned] are those people who attach as appendages to the Complainant's name or mark a word appropriate to the Complainant's field of activity.

It seems to me that adding a place-name does nothing to reduce the risk that internet visitors will think they are heading towards an official AUDI site. Indeed, given that car dealerships are regularly known by a combination of brand name and place, this particular formulation may in fact increase the risk.

It is worth emphasising that that analysis remains relevant even though the Respondent is not trying to compete with the Complainant commercially. The Domain Names could be used to divert traffic to competitors of the Complainant. Even if they were used simply to criticise the Complainant, internet visitors would be drawn to them on a false premise. The situation would be similar to the one that was the subject of the appeal panel decision in *rayden-engineering.co.uk* and *rayden-engineering.org.uk* (DRS 06284). There, the domain name was identical to the name in which the Complainant had rights and was being used by someone neighbouring the Complainant's premises to complain about the Complainant. The key point was that the use of the domain name for criticism did not remove the need for that use to be fair – and that requirement included not misleading internet traffic by effectively impersonating the Complainant. The *Overview* (section 4.8) says that the appeal decision:

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 <lhateComplainant.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.

I can now run through each of the main arguments advanced by the parties.

- (i) Selling to Complainant at more than cost?

In my view, the Respondent was offering the Complainant the opportunity – albeit one dependent upon satisfactory settlement of the underlying dispute between the parties – to buy the Domain Names (and several others). But in the absence of any direct evidence of motive, I attach little weight to this in assessing the overall character of the registration.

(ii) Pattern?

The Complainant seems to me to be in some difficulty here, because the Policy refers (paragraph 3 a iii), as a possible indication that a registration is abusive, to being able to

demonstrate that the Respondent is engaged in a pattern of registrations where the Respondent is the registrant of domain names (under .uk or otherwise) which correspond to well known names or trademarks in which the Respondent has no apparent rights, and the Domain Name is part of that pattern.

The difficulty is that whether there is a pattern of registrations corresponding to trade marks in which the Respondent has no apparent rights really depends upon my taking a view about the Domain Names at issue. As an argument, that feels circular.

I agree with the Respondent that the Complainant does not have exclusive rights to domain names incorporating the name AUDI. While I do not think that ownership of an AUDI car confers any special right to use the AUDI name, it is nevertheless possible to envisage domain names, incorporating a brand name, that do not take unfair advantage of the rights held by that brand's owner (or whoever is permitted by the owner to use the brand). But that underlying question of unfair advantage is key – and that is what I must determine in this decision. It is true that the AUDI name may have a number of legitimate domain name uses that do not involve the Complainant. But it does not follow that all use of the AUDI name by someone other than the Complainant will be legitimate.

(iii) Disruption or fair criticism?

Use of a domain name in criticism is not automatically unfair. Indeed the Policy (paragraph 4 b) spells out that

fair use may include sites operated solely in...criticism of a person or business

In the context of a broader dispute, however, it does seem to me legitimate to ask how far the choice of a particular domain name is guided by the possibility that internet visitors looking for one of the Complainant's sub-licensees will arrive at the Respondent's web site –

or use the Respondent's domain names to try and email the Complainant's sub-licensees – in error. I suspect the Respondent is looking for maximum leverage in his wider dispute – and one way of achieving that is to maximise the chances of confusing internet visitors or disrupting the flow of internet traffic trying to find the Complainant.

(iv) Generic?

The Policy (paragraph 4 a ii) recognises that one factor that may point towards a registration's not being abusive is where

the Domain Name is generic or descriptive and the Respondent is making fair use of it.

The inclusion of the trade mark that the Complainant is entitled to use in the UK, alongside a place name, feels to me to have a character distinctive of a dealer of a particular brand of car in a particular location. I therefore do not accept the Respondent's claim that the Domain Names here are essentially generic.

(v) No use

I attach no weight at all to the fact that the Domain Names are, currently, effectively not in use. They could be activated at any time and therefore constitute a threat hanging over the Complainant.

(vi) Implied acceptance of fair use?

I have no evidence before me on the management of .net domain names and draw no conclusion from the Respondent's claim that the Complainant is not seeking the transfer of the domain name www.audi-chelmsford.net. It is clear from the complaint that the Complainant does not accept that the Respondent is making fair use of the Domain Names here.

At the heart of this dispute is the question whether it is legitimate to use a name in which someone has rights, as part of a domain name which is then used to criticise the holder of those rights. The answer obviously depends upon the facts but it is very clear from previous DRS cases, as well as the *Experts' Overview*, that using someone else's name in a way that means that person is effectively being impersonated can rarely, if ever, be fair. The use of the name AUDI alongside the name of the place where an AUDI dealership may be located strike me as just such an impersonation. It takes advantage of the Complainant's rights in the name AUDI and, in my view, the advantage taken can only be unfair.

7. Decision

I find that the Complainant has rights in respect of a name which is identical or similar to the Domain Names and that the Domain Names, in the hands of the Respondent, are abusive registrations.

In the light of that, I direct that the Domain Names be transferred to the Complainant.

Mark de Brunner

2 July 2015