

## **DISPUTE RESOLUTION SERVICE**

**D00016688**

**Decision of Independent Expert**

**SO31 LIMITED**

and

**ANY-Web Limited**

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

Lead Complainant: SO31 LIMITED  
15 Compass Point  
Ensign Way  
Hamble  
Southampton  
Hampshire  
SO31 4RA  
United Kingdom

Respondent: ANY-Web Limited  
5 Market Place  
Stowmarket  
Suffolk  
IP14 1DT  
United Kingdom

### **2. The Domain Name:**

<so31.co.uk>

### 3. Procedural History:

3.1 The procedural time table in this case is as follows:

27 October 2015 22:56 Dispute received  
28 October 2015 10:11 Complaint validated  
28 October 2015 10:19 Notification of complaint sent to parties  
02 November 2015 16:02 Response received  
02 November 2015 16:03 Notification of response sent to parties  
03 November 2015 12:56 Reply received  
03 November 2015 13:00 Notification of reply sent to parties  
03 November 2015 13:00 Mediator appointed  
06 November 2015 13:08 Mediation started  
10 November 2015 15:14 Dispute resolved during mediation  
11 November 2015 11:43 Dispute opened  
11 November 2015 11:49 Mediation failed  
11 November 2015 11:50 Close of mediation documents sent  
23 November 2015 01:30 Complainant full fee reminder sent  
26 November 2015 12:22 No expert decision payment received  
02 December 2015 12:10 Expert decision payment received

3.2 I have confirmed to Nominet that I am independent of each of the parties. I have further confirmed that 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 a such a nature as to call in to question my independence in the eyes of one or both of the parties.

### 4. Factual Background

4.1 The Complainant is a company registered in England and Wales with company number 08114386 on 21 June 2012. The Complainant does not describe what trade it is engaged in nor the extent of its activities, but the Respondent contends and it is not disputed, that the Complainant operates websites from the Domain Names <so31loft.com> and <so31bags.com>. As at the date of this decision both of these domain names resolve to a website that promotes a business which appears to trade under the name "SO31 Loft" and describes itself as follows:

*"SO31 Loft specializes in the production of bags, covers and canvas work. Based on the South Coast near Southampton, UK, we aim for a strong presence within the marine industry leading on from our experience as individuals within the sport of sailing."*

4.2 The Respondent appears to be a domain name trader with large numbers of domain names for sale. Among its portfolio is a number of domain names that can be read as taking the form of the first part of a postcode together with the ".co.uk" suffix. How many domains of this sort are owned is unclear but it is the owner of <BT31.co.uk> registered on 1 March 2011

and <TN31.co.uk> registered on 2 March 2011. The Domain Name was also registered on 2 March 2011.

- 4.3 It appears that at least for some time each of these “postcode” domain names has been used for a website that the Respondent characterises as a “business directory” website. Each takes a similar form, with what appear to be links to businesses located in the postal district to which the domain name refers.
- 4.4 In October 2015, a representative of the Complainant sent an email to the Respondent complaining that the Respondent was by means of the Domain Name “squatting on [its] domain”, and offering to purchase the Domain Name for £100 to “save us both the trouble of me opening a dispute with [N]ominet”. The Respondent replied that the domain name related to a postcode and then asserted:

*“We have not attempted to sell you the name nor to do anything other than run a geographic website”*

## **5. Parties’ Contentions**

### Complaint

- 5.1 In its Complaint the Complainant claims that it holds “trademarks, names and logos that clearly indicate SO31 in the name”.
- 5.2 It further contends that the Respondent is in the habit of making registrations of domain names “which correspond to trademarks or other well known names” in which the Respondent “has no apparent interest”. No examples of this are offered. Instead, in supposed support of that claim it simply refers to the Complainant’s website where it is said thousands of domain names are for sale.
- 5.3 The Complainant also claims that the Respondent’s contention in correspondence that it is operating a geographical website, is false. The reason offered for that conclusion is that there are a number of “postcode” domain names available for sale on their website.

### Respondent

- 5.4 In its Response the Respondent claims that the Complainant’s assertions about its trade marks are misleading because the Complainant has neither a US nor a UK registered trade mark.
- 5.5 The Respondent maintains its position that the Domain Name is being used for a business directory website. It claims that “considerable design effort and resources have gone into that website”, but does not attempt to quantify or provide evidence of that effort.

- 5.6 The Respondent contends that it is apparent from the way in which the Domain Name has been used that the Respondent has in “no manner attempt[ed] to target [the] Complainant”.
- 5.7 The Respondent also maintains that, because the Complainant has made a false claim that “it is backed by a trade[ ]mark registration”, there should be a finding of reverse domain name hijacking.

## 6. Discussions and Findings

### General

- 6.1 To succeed under the Policy, the Complainant must prove first, that it has Rights in respect of a "name or mark" that is identical or similar to the Domain Name (paragraph 2(a)(i) of the Policy) and second, that the Domain Name is an Abusive Registration in the hands of the Respondent (paragraph 2(a)(ii) of the Policy). The Complainant must prove to the Expert that both elements are present on the balance of probabilities (paragraph 2(b) of the Policy).
- 6.2 Abusive Registration is defined in paragraph 1 of the Policy in the following terms:

*"Abusive Registration means 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 took unfair advantage of or was unfairly detrimental to the Complainant's Rights."*

### Complainant's Rights

- 6.3 Each party has criticised the other in to the way they have addressed the issue of rights under the Policy. The Respondent contends that the Complainant has deliberately tried to mislead by claiming registered trade mark rights. I do not think this is a fair characterisation of the Complainant's position. At no time in the Complaint is there a reference to or claim of registered trade mark rights.
- 6.4 However, the Complainant has been vague as to what rights in a “name or mark” it is claiming for the purposes of the Policy. In its Reply the Complainant sought to clarify its position by stating “a trade mark does not have to be registered in common law”. Therefore, it seems that the Complainant is claiming it has unregistered trade mark rights; i.e. rights under the law of passing off, in the term SO31.

- 6.5 In the decision of DRS11946 (“wyevalleyproperties.co.uk”), I suggested that the way that the English law of passing off operates, means that in practice the task of evidencing unregistered trade mark rights for the purposes of the Policy is not an onerous one. Nevertheless, the Complainant has failed to bring forward any such evidence in this case. Instead what little evidence there is of the Complainant’s use of this term comes from the Respondent, which refers to the Complainant’s use of the term “SO31” as part of the domain names <so31loft.com> and <so31bags.com>. Although not in evidence, I have already described in the Factual Background section above that these domain names appear to be being used by a business that trades under the name “SO31 Loft”.
- 6.6 None of this suggests that the term “SO31” has ever been used alone to refer to the business of the Complainant or is understood by any segment of the public as referring to that business or any part of it. I also accept that the most obvious reading of the use of the term SO31 (particularly in connection with a business based in the Southampton area) is as a reference to the SO31 postal district. Given this, I find that the Complainant has failed to show for the purposes of the Policy that it has unregistered rights in the term “SO31” alone.
- 6.7 It is possible that the Complainant may have unregistered rights in the term “SO31 Loft”, being the name under which it appears to trade, but that is not the way the Complainant puts its case. There is no reference to or claim of rights in the term “SO31 Loft” in any of the Complainant’s submissions.
- 6.8 Instead, there does appear to be a claim of rights in a name in the form of its registered company name, SO31 Limited. However, a claim of rights arising out of a registered company name is not without its own difficulties.
- 6.9 First, even though at the time that the proceedings were filed that was indeed the name of the Complainant, online Companies House records show that on 30 November 2015 the Complainant changed its name to “Rusty Trombone Ltd” and that another company (with registered number 06805052) adopted the name “SO31 Limited”. There may be good reasons for this, but if this were the sole basis upon which the Complainant claimed rights, it is something that perhaps requires further explanation.
- 6.10 Second, and more fundamentally, there is a question as to whether a company name registration constitutes sufficient rights for the purposes of the Policy. Nearly 10 years ago in the decision of DRS3051 (jfhhomeimprovements.co.uk) I suggested for the reasons I gave at some length in that decision that such a registration did provide sufficient rights for the purposes of the Policy. It is fair to say that this is not an approach that generally found favour among experts under the Policy. As is recorded in paragraph 1.7 of Version 2 of the Dispute Resolution Service – Experts’ Overview:

“Can a company name registration (per se) give rise to a right within the definition of Rights?”

There are decisions going both ways, DRS 00228 (activewebsolution.co.uk) and DRS 04001 (generaldynamics.co.uk)). The issue is this: does the mere fact that under the Companies Acts (section 28(2) of the Companies Act 1985 and sections 66 and 67 of the Companies Act 2006) the Secretary of State can direct NewCo to change its name because it is the same as, or 'too like', OldCo's name, mean that OldCo enjoys 'rights enforceable under English law and/or 'Rights' within the full meaning of the Policy?

The consensus view of recent Experts' meetings has been that mere registration of a company name at the Companies Registry does not of itself give rise to any rights for this purpose."

- 6.11 The "recent Experts' meetings" to which the Overview refers were some years ago, and it may be that experts are prepared to revisit that consensus. In this respect I note that in the more recent Appeal Panel decision in DRS 12276 (hvidbro-mitchell.co.uk), which, although not a case involving company names, might be seen to adopt a more expansive meaning of what may constitute rights in a name for the purposes of the Policy.
- 6.12 However, ultimately it is not necessary to form a concluded view on these issues in light of my findings on the question of Abusive Registration below.

#### Abusive Registration

- 6.13 The Complainant's position appears to be that the Respondent's claimed geographical directory website is a sham and that instead the Complainant's business is one of a domain name trader.
- 6.14 I accept that the Respondent (as its website suggests and the Respondent does not attempt to deny in its Response) is an owner of a large number of domain names and is engaged in the business of domain name trading. It does not follow from this that the Respondent is not engaged in other activities that seek to exploit its portfolio. However, it does seem odd that the only other domain names that the Respondent points to as part of its geographical postcode "business model" are those that comprise two letters and the number "31". I have also commented above on the lack of evidence brought forward by the Respondent in relation to this claimed business.
- 6.15 Nevertheless, even if the Complainant's claims that there is no real or meaningful geographical postcode business are correct (and I make no finding to this effect), it does not follow that the Domain Name is an abusive registration. The speculative registration of domain names, particularly those that incorporate generic or descriptive terms, including postcodes, for possible sale to an unknown third party, is not abusive under the Policy. As paragraph 4(d) of the Policy expressly states:

*“Trading in domain names for profit, and holding a large portfolio of domain names, are of themselves lawful activities. The Expert will review each case on its merits.”*

- 6.16 What instead must be shown is that registration or use of the Domain Name took or takes unfair advantage of or is unfairly detrimental to the Complainant's rights.
- 6.17 In the present case the Domain Name was registered over a year before the Complainant was incorporated and there is no suggestion, let alone evidence, to suggest that the Domain Name was registered with the Complainant's business in mind. Therefore, any claim of abusive registration is bound to fail.
- 6.18 That still leaves the possibility that the Domain Name has been used since registration in a manner that is abusive. However, as is recorded in paragraph 4.7 of Version 2 of the Dispute Resolution Service – Experts' Overview, that will usually require a complainant to show that there has been some sort of change in use since registration and that the new use is somehow targeted to or takes unfair advantage of the reputation of the Complainant's mark or business. No evidence has been submitted by the Complainant to this effect.
- 6.19 The Complainant also contends that the Respondent is in the habit of making registrations of domain names “which correspond to trademarks or other well-known names”. The most natural reading of this assertion is that the Respondent has deliberately registered domain names because of their associations with the trade marks of others. However, no evidence is offered to support that claim. It certainly is not supported by a casual review of the website as at the date of the decision. That website does indeed suggest that the Complainant has thousands of domain names for sale, but none of them appear obviously to embody terms that are the trade marks of others.
- 6.20 It may be that the Complainant does not really mean this, that there is no allegation of deliberate registration of domain names that correspond to others marks, and that all the Complainant is alleging is that the Respondent is engaged in the practice of the registration of thousands of domain names without regard to whether some other person may have or acquire trade mark rights in the term that has been registered as a domain name. However, if this is the case then the assertion takes matters no further. A domain name trader who registers a domain name because of a potential generic or descriptive meaning is not guilty of abusive use of that domain name, if someone subsequently acquires trade mark rights in the relevant term and nothing additional is done with the domain name that takes advantage of those subsequent rights (see the Appeal Panel decision in *MySpace, Inc v Total Web Solutions Limited* DRS 04962 and its consideration in the first instance decision *Oasis Stores Limited v Dale* DRS 6365).

- 6.21 In the circumstances, the Complainant's allegations of abusive registration or use fail.

Reverse Domain Name Hijacking

- 6.22 The Respondent seeks a finding of reverse domain name hi-jacking. Reverse domain name hi-jacking is mentioned in paragraph 16 (d) of the DRS Procedure, as follows:

*"If the Expert concludes that the dispute is not within the scope of paragraph 2 of the Policy, he or she shall state that this is the case. If, after considering the submissions, the Expert finds that the complaint was brought in bad faith, for example in an attempt at Reverse Domain Name Hijacking, the Expert shall state this finding in the Decision. If the Complainant is found on three separate occasions within a 2-year period to have brought a complaint in bad faith, Nominet will not accept any further complaints from that Complainant for a period of 2 years."*

- 6.22 The Respondent contends that there should be such a finding in this case because the Complainant has claimed registered rights it did not have. As I have already explained, I do not think that is a fair characterisation of what the Complainant has claimed in these proceedings.
- 6.23 Nevertheless, that is not the end of the matter. As I have already described, the Complainant has failed in this case to bring forward proper evidence as to the central allegation of abusive registration. Even if one were to ignore what on their face appear to be unjustified allegations of wrongdoing on the part of the Respondent in relation to the trade marks of others, the Complainant appears to have proceeded on the assumption that simply because the Respondent is a domain name trader, the Complainant ought to have the domain name under the Policy. As paragraph 4(d) of the Policy makes clear, this was fundamentally misconceived.
- 6.24 Therefore, it should have been apparent to the Complainant right from the start that its Complaint was bound to fail. Had the Complainant been legally advised, I would have had little hesitation in finding reverse domain name hi-jacking in these circumstances. Should the fact that the Respondent is not legally advised make any difference? In this case, I think not. A finding that a complaint has been brought in bad faith is a serious one and suggests some element of wrongdoing rather than mere ignorance or lack of understanding of the Policy. However, I believe that an expert is entitled to assume and to expect a complainant to have at least read the Policy before commencing proceedings. Had the Complainant done so in this case, it would have been aware of the fact that the Respondent is a domain name trader is not enough and the Complaint would almost inevitably fail.
- 6.25 Further, even if the Complainant did not read the Policy, I still think a finding of bad faith would be justified. In such circumstances I would



conclude that the Complainant deliberately closed its eyes to what the Policy actually required and commenced and pressed ahead with these proceedings regardless.

- 6.26 The Complainant's initial correspondence with the Respondent prior to the commencement of these proceedings is also consistent with that conclusion. It suggests that the threat of proceedings under the policy were designed to encourage the Respondent to sell the Domain Name to the Complainant regardless of whether there was any real claim under the Policy
- 6.27 I, therefore, find that there has been attempted reverse domain name hijacking in this case.

## **7. Decision**

- 7.1 For the forgoing reasons the Complaint is dismissed and I make a finding pursuant to paragraph 16 (c) of the Procedure that that these proceedings have been brought by the Complainant in bad faith.

**Signed:** Matthew Harris

**Dated:** 31 December 2015