

DISPUTE RESOLUTION SERVICE

D00018409

Decision of Independent Expert

ClaireaBella Designs Ltd

and

Dave Sturmey t/a Car Medic

1. The Parties:

Complainant: ClaireaBella Designs Ltd
Unit 56
Upper Ground Floor
Broadstone Mill
Broadstone Road
Stockport
Cheshire
SK5 7DL
United Kingdom

Respondent: Dave Sturmey t/a Car Medic
Wolverhampton
United Kingdom

2. The Domain Name:

claireabella.co.uk

3. Procedural History:

On 19 January 2017 the Dispute was received; it was consequently validated on 23 January and notification of same was sent to the parties. On 09 February a Response reminder was sent and on 13 February a Response was received and notification of this was sent to the parties. On 16 February a Reply reminder was sent but by 21 February no reply had been received.

On 28 February 2017 a mediator was appointed by Nominet and mediation started. Mediation continued for some considerable time, with mediation failing but consequently being reopened on several occasions throughout 2017 and 2018.

On 19 October 2018 Expert decision payment was received but further mediation was attempted. Finally, the Expert – Tim Brown - was appointed on 11 December 2018 to render a final decision on this matter.

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 - ClaireaBella Designs Limited – is a limited company located in Stockport, Cheshire. It was incorporated on 09 November 2011 in England and Wales under company number 07841095.

The Complainant's business is concerned with enabling customers to design cartoon avatars which can then be printed or otherwise represented on fashion bags, accessories, clothing and other items. These products are marketed under the "Clairea Bella" brand and are made available for purchase via a third-party website located at the URL "www.toxicfox.co.uk".

The Complainant is the registrant of a number of registered trademarks for the term CLAIREABELLA. These were registered by the Complainant between June 2012 and August 2014. Further details of these marks are noted below under the Complainant's contentions.

The Respondent is an individual located in Wolverhampton, East Midlands. The Domain Name was registered by the Respondent on 09 August 2005.

Since its registration, the Domain Name has been configured to display the related registration service provider's default holding page. This page displays pay per click advertising placed by the registration service provider, some of which currently relates to the Complainant's business activities.

The parties have corresponded on several occasions prior to the commencement of this dispute.

Mr Jon Barratt, of the Complainant's company, first wrote to the Respondent on 17 April 2013 and a copy of this letter has been exhibited. This letter is signed by Mr Barratt in a personal capacity and makes no mention of ClaireaBella Designs Limited or its registered marks. The letter narrates, *inter alia*:

I am enquiring to see if you are intending to keep the domain beyond its expiry date of August 2013 or if you would be willing to part with it?

I am interested in the domain and would like to develop it as a website on behalf of my wife, offering personalised goods for sale.

The Respondent did not respond to this letter.

On 10 March 2014 the Respondent received an email from a third-party domain name broker called "Domain Agents" notifying him that a third party was interested in purchasing the Domain Name and inviting him to log into an online brokerage system. A screenshot of the interactions between the parties on this panel has been exhibited.

Apparently acting under the Complainant's instructions, Domain Agents made an offer of USD\$200 for the Domain Name. On 10 March, the Respondent rejected the Domain Agent's offer and a further offer of USD\$500 was made by the Complainant on 17 March. In making its offer the Complainant noted:

I am a sole trader selling various bits of furniture and garden ornaments on eBay. I would very much like claireabella.co.uk to set a small shop as my daughter calls herself the name Claireabella. I do not have much more to offer I'm afraid

Later the same day, the Respondent rejected this offer, noting:

Sorry only a five figure sum would be considered, already had loads of offers way more than what you are offering

Having examined the exhibited screenshot, the only parties noted on the brokerage system are identified as either "Domain Agents" or "Buyer" in the case of the Complainant and "Owner" in the case of the Respondent. There is no mention of ClaireaBella Designs Limited.

There was no further correspondence between the parties.

5. Parties' Contentions

I have carefully read all of the parties' submissions and exhibits and the salient contentions as they relate to this dispute are as follows:

5.1 Complainant – Rights

The Complainant observes that it is the registrant of a number of registered trade marks.

The Complainant is the registrant of United Kingdom mark number 2625001 for the term CLAIREABELLA. It has a filing date of 18 June 2012 and a date of entry in the register of 02 November 2012. It is registered in use classes 3, 4, 9, 16, 18, 21, 22, 24, 25, 30 and 42.

The Complainant is the registrant of a European Union trade mark number 011428241 for the term CLAIREABELLA. It has a filing date of 14 December 2012 and a registration date of 20 June 2013. It is registered in use classes 3, 4, 9, 16, 18, 21, 22, 24, 25, 30 and 34.

The Complainant is the registrant of a United States trade mark number 4587206 for the term CLAIREABELLA. It has a filing date of 18 December 2012 and a registration date of 19 August 2014. It is registered in use classes 1, 2, 3, 4, 6, 7, 19, 22, 41, 42, 46, 50, 51, 52, 100 and 101.

Extracts of these marks from the relevant trade mark databases have been exhibited by the Complainant.

The Complainant notes that the Domain Name was registered on 09 August 2005, before the Complainant started trading but the Complainant says that "*several renewals have since been completed by the domain owner on the dormant website*".

5.2 Complainant – Abusive registration

The Complainant says that since the launch of its ClaireaBella brand in 2011, it has sold more than 400,000 units in the United Kingdom. No evidence of these sales figures has been provided to me.

The Complainant acknowledges that the Domain Name was registered prior to the launch of its brand, the incorporation of its company and the registration of its trademarks. However,

the Complainant contends that the Domain Name has been renewed on more than one occasion by the Respondent. The Complainant avers that these renewals were carried out in the knowledge that the Complainant wanted the Domain Name to trade from.

The Complainant contends that the Respondent is holding the Domain Name with the primary purpose of the selling or renting it to the Complainant and says that this is evidenced by the correspondence between the parties (outlined above) and the Respondent's statement that "*Sorry only a five figure sum would be considered, already had loads of offers way more than what you are offering*" when an offer to purchase the Domain Name for \$500 was made by the Complainant.

The Complainant avers that since its renewal, the Domain Name has been used to confuse and mislead Internet users through the display of various links on the holding page associated with the Domain Name. The Complainant observes that the top three categories on the holding page of the Domain Name are for the following terms:

Claireabella bag
Claireabella
Claireabella jute bags

The Complainant says that bags, and especially jute bags, are its core business and that the Domain Name could be misleading to someone searching for ClaireaBella. The Complainant notes that the Domain name is being used to divert people through to eBay and other sites. The Complainant says that such use is a "*...breach of its trademark*".

A screenshot of the website associated with the Domain Name has been provided to me but no further pages showing the pages apparently displayed when the links on this page have been clicked have been exhibited.

5.3 Respondent – Rights

The Respondent contends that he registered the Domain Name on 09 August 2005 for "*...future use for my daughter*". The Respondent avers that his daughter's nickname is "Claireabella" and that she wanted to purchase the Domain Name to host her own website in the future. The Complainant says that the he has kept renewing the Domain Name for her. No evidence that the Respondent's daughter's nickname is "Claireabella" has been provided.

5.4 Respondent – Abusive registration

The Respondent says that the information given in the Complainant's submissions is the first time that he was made aware that there is a third party operating under the Claireabella name and mark.

The Respondent contends that he had no intention of selling the Domain Name due to its sentimental value and therefore did not respond to the Complainant's initial letter.

The Respondent notes that the letter from the Complainant did not mention the Complainant's business or registered marks. The Respondent observes that the Complainant's limited company was incorporated in 2011 and the earliest trade mark was registered in June 2012. The Respondent therefore denies that the Domain Name was renewed with the Complainant in mind.

The Respondent notes that when the second approach was made by the Complainant, he thought the potential buyer was located in the United States given that the offer was made in US dollars. Again, the Respondent observes that the second offer did not mention the Complainant's business or registered marks.

The Respondent says he declined the second offer as the Domain Name was being kept for use by his daughter. The Respondent contends that his mention of a five-figure sum was *"... was a tongue in cheek way of emphasizing I had no intention of selling the domain name."*

The Respondent denies that he is holding the Domain name with any intention to selling or renting it and says that if this was the case he would have made a counter-offer instead of declining the Complainant's offer.

The Respondent rejects the Complainant's contentions that the Domain Name is an Abusive Registration in that he registered it seven years before the Complainant's company existed. The Respondent notes that section 5.2 of the Policy says that failure on the Respondent's part to use the Domain Name for the purposes of email or a web site is not in itself evidence that the Domain Name is an Abusive Registration.

The Respondent says that the configuration of the website associated with the Domain Name has not changed since its registration in 2005 and that he was not aware of any links being displayed on the website associated with the Domain Name.

The respondent observes that the third-party domain name "claireabella.com" displays a similar holding page.

The Respondent contends that the Complaint is a *"...bully tactic by the complainant against myself as a legitimate registrant, after declining their financial offer"* and says that the Complainant's communication has been *"... very underhanded..."* in regard to the intended reason for purchase.

6. Discussions and Findings

According to paragraph 2 of the Policy a Respondent must submit to proceedings under the DRS if a Complainant asserts 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. The Complainant is required to prove to the Expert that both elements are present on the balance of probabilities.

I will therefore discuss each of these elements in turn.

6.1 Rights

The Complainant has exhibited several registered marks for the term CLAIREABELLA and these are detailed above.

Rights are defined in the Policy as *"... rights enforceable by the Complainant, whether under English law or otherwise"*. Given that the .co.uk suffix is required only for technical reasons it can be ignored for the purposes of comparing a domain name to a registered mark. In this case it is clear that the Complainant has Rights in respect of a name or mark which is identical or similar to the Domain Name.

That these trade marks post-date the registration of the Domain Name is not a matter for the first element of the Policy; however, it can be very significant when considering whether a domain name is an Abusive Registration.

6.2 Abusive registration

Both Parties agree that the Domain Name was registered before the Complainant's brand was launched, limited company incorporated and its trade marks registered.

However, the Complainant contends that the renewal of the Domain Name was carried out in the knowledge that the Complainant wanted the Domain Name to trade from and therefore that the Domain Name became, at the point of renewal, an Abusive Registration.

On this point I have referred to the Experts' Overview Version 3 (the "Overview"). The Overview is a document which discusses common issues that arise under the DRS. It is put together by the panel of DRS Experts and includes answers to frequently asked questions and gives an invaluable insight into how Experts have viewed issues that often arise in domain name disputes. It can be found on Nominet's website.

Paragraph 1.2 of the Overview asks, "*Does renewal of a registration count as "registered or otherwise acquired" in the definition of Abusive Registration [paragraph 1 of the Nominet DRS Policy ("the Policy")]?'*" and answers:

No. While arguably it constitutes a re-registration, an innocent registrant could be deprived of his domain name, simply because, by the time that the registration comes up for renewal, he has been given notice of a rights owner's rights, rights which may post-date the original registration. This is not what the Policy was intended to cover.

I note that the circumstances considered in the Overview almost exactly match those seen in the current matter. I agree with consensus view given in the Overview and note that the mere renewal of the Domain Name does not make it an Abusive Registration.

This point is reinforced by the evidence before me that shows that the Complainant did not inform the Respondent that it had any interest in the CLAIRABELLA name or mark during the two separate attempts to buy the Domain Name from the Respondent, merely noting that it "...would like to develop it as a website on behalf of my wife, offering personalised goods for sale" and "I am a sole trader selling various bits of furniture and garden ornaments on eBay. I would very much like claireabella.co.uk to set a small shop as my daughter calls herself the name Claireabella"

The Complainant cannot reasonably seek to rely on the Respondent's knowledge of its brand in attempting to show the Domain Name is an Abusive Registration when it has itself concealed that it had any interest in said brand.

I now turn to the use to which the Domain Name has been put since registration. A screenshot showing various pay per click advertisements has been exhibited showing, *inter alia*, three main headings, namely:

Claireabella bag
Claireabella
Claireabella jute bags

From the screenshot, it is clear that the advertising has been displayed by the Respondent's registration service provider, rather than by the Respondent himself. The page displays prominent advertisements for the registration service provider and notes at the top of the page "*This domain name has just been registered*".

The Respondent notes that he has not changed the use or configuration of the website since the Domain Name was registered and says that he was not aware advertising was being displayed on the website. The Complainant, however, claims that the advertising takes unfair advantage of its rights.

Again, I have referred to the Overview. Paragraph 4.7 is apposite in that it asks, "*Is it possible for a Respondent to make fair use of a domain name where (a) that name is also the*

Complainant's trade mark and (b) the Respondent's use of the domain name is causing confusion?" and answers:

Yes. While, ordinarily, a confusing use of such a domain name will be regarded as unfair, it may not be regarded as unfair where, for example, the Respondent's registration and use of the domain name predates the Complainant's rights, the Respondent has not changed his use of the domain name to take advantage of the Complainant's rights and the Respondent's behaviour has been unobjectionable.

On this point the Overview refers to a number of previous DRS decisions which were brought in similar circumstances to the present matter. Of these, MySpace, Inc v Total Web Solutions Limited [DRS 04962] appears to be extremely pertinent.

In the "MySpace" dispute the respondent registered the domain name "myspace.co.uk" before the then popular social media website "MySpace" had been launched or obtained any rights in the MYSPACE name and mark. After the complainant had obtained rights, the website associated with the "myspace.co.uk" domain name then started to display relevant pay per click advertising that was generated by a third party. It is worth quoting the appeal panel's views on this specific matter at length:

The sponsored links on these parking pages do not remain static. The automated nature of their generation, based on search engine activity, means that they vary according to the usage made of search engines by internet users. It is not surprising therefore that following the rise in awareness of the existence of the Complainant (i.e. after the publicity in July 2005), the sponsored links on the webpage connected to the Domain Name will have related more and more to the activity of the Complainant and others engaged in the same field. Are these automated changes to the content of the website changes in use of the Domain Name by the Respondent such as to render the Domain Name an Abusive Registration within the meaning of the Policy?

To date experts and Appeal panels have reasonably consistently taken the view that if a registrant acquires a domain name in advance of the coming into existence of the complainant's rights, the registrant is entitled in principle to hold onto the domain name and to use it, notwithstanding that confusion of the 'initial interest' variety may be inevitable. Similarly, experts and Appeal panels have concluded that in such circumstances it is not of itself abusive for the registrant to demand a high price from the complainant for transfer of the domain name in recognition of its enhanced value. Problems only arise for the registrant if he actively does something to take unfair advantage of his position.

...

However, the registration of domain names is still a first-come-first-served system and the Panel is reluctant to place any duty on a registrant, who has merely had the good fortune (or maybe ill fortune) to register a name in good faith, which subsequently, through no fault of his own, acquires notoriety, provided that he does nothing actively to exploit his position.

Returning to the current matter, it is clear that the pay per click advertising displayed on the website associated with the domain name was generated by the Respondent's registration service provider. The Respondent claims he was not aware of this advertising and was not aware of the Complainant's brand. He did not cause the advertising to be placed on the site, either before or after the Complainant's rights came into existence.

There is nothing before me, aside from the Complainant's assertions, that this was not the case and there is no clear evidence that the Respondent has done anything to exploit his position having registered the Domain Name before the creation of the Complainant's rights.

This view is reinforced by the fact that the Domain Name relates to a relatively common name and that there is no evidence to suggest that the Respondent could have had the Complainant in mind when he registered the Domain Name.

I have also considered the limited discussions between the Parties in relation to the sale of the Domain Name. It is important to note that both approaches were made by the Complainant and not by the Respondent. The correspondence was brief and the Respondent's single reply (with an offer to sell the Domain Name for a five-figure sum) does not strike me as being a serious or committed attempt to enter negotiations to sell the Domain Name.

In any event, paragraph 8.4 of the Policy notes that "*Trading in domain names for profit, and holding a large portfolio of domain names, are of themselves lawful activities*" and, in my view, mere negotiations relating to the sale of the Domain Name do not make it, in and of itself, an Abusive Registration.

In all these circumstances, I therefore find that the Domain Name is not an Abusive Registration.

7. Decision

I find that the Complainant has proved that it has Rights in a name or mark which is identical to the Domain Name but that the Domain Name, in the hands of the Respondent, is not an Abusive Registration. I therefore direct that no action is taken regarding the Domain Name.

Signed: Tim Brown

Dated: 18 December 2018