

DISPUTE RESOLUTION SERVICE

D00021075

Decision of Independent Expert

Splitpay Limited

and

Garth Piesse

1. The Parties:

Lead Complainant: Splitpay Limited
Unit 15408 13 Freeland Park
Wareham Road
Poole
Dorset
BH16 6FA
United Kingdom

Respondent: Garth Piesse
PO Box 181
Palmerston North,
Manawatu
4440
New Zealand

2. The Domain Name(s):

splitpay.co.uk (the Disputed Domain)

3. Procedural History:

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 being of such a nature as to call in to question my independence in the eyes of either or both of the parties.

05 February 2019 11:45 Dispute received
06 February 2019 11:19 Complaint validated
06 February 2019 11:27 Notification of complaint sent to parties
23 February 2019 19:50 Response received
23 February 2019 19:51 Notification of response sent to parties
27 February 2019 01:30 Reply reminder sent
04 March 2019 10:31 No reply received
06 March 2019 12:07 Mediator appointed
07 March 2019 13:28 Mediation started
12 March 2019 16:56 Mediation failed
12 March 2019 16:56 Close of mediation documents sent
22 March 2019 01:30 Complainant full fee reminder sent
27 March 2019 10:07 No expert decision payment received from Complainant
27 March 2019 Notifications of non-payment by Complainant sent to parties
28 March 2019 09:59 Expert decision payment received from Respondent

4. Factual Background

4.1 The facts set out in this section of the decision are taken from the parties' submissions (complaint and response, there is no reply) and otherwise as indicated from my review of information available on the internet.

4.2 When this complaint was commenced (5 February 2019) the Complainant was about to set up a new online business providing what it calls retail payment solutions. According to the complaint the business was due to launch in February and has therefore presumably begun trading. In essence its service appears to be the provision to retail customers (at no charge to them) of the ability to pay for goods by instalments rather than in full at the time of sale. The service trades under the name splitpay and is offered through the Complainant's website at www.splitpay.uk.

4.3 The complaint is written by Mr Campbell Welch who explains that he is co-founder of the business, the creator of the Complainant's website and co-owner of UK trade mark application number 00003359774 which was filed on 11 December 2018 for the mark SPLIT PAY for the following services in Class 36:

Financial services and financial affairs; monetary affairs; electronic payment services; electronic processing of transactions and payments via a global computer network; bill payment services; credit information services; credit assessment; evaluation of the credit worthiness of companies and private

individuals; lending and credit services; factoring services; debt collection services; instalment payment service; money transfer services; preparing, processing and tracking electronic payment transactions.

4.4 When I looked up the specification of services of the Complainant's trade mark application set out above on the Register, I found the application was registered on 8 March 2019. The extract from the Trade Marks Register provided by the Complainant with the complaint indicated that Mr Welch is listed as the owner (not co-owner) of the application and is resident in New South Wales in Australia.

4.5 Mr Welch also explains that he owns the domains splitpay.uk, splitpayments.uk, splitpay.com.au and splitpay.co.nz. As these claims are not countered in the response I shall assume them to be correct notwithstanding the error in identifying the owner of the trade mark application.

4.6 The Respondent is a domainer. He is based in New Zealand. He is in the business of buying and selling generic and descriptive domain names. The information provided by the parties indicates that he is significantly active in the world of domain name registration.

4.7 The Respondent either runs or subscribes to a monitoring service which identifies domain registrations which are about to lapse or, as he puts it "drop". He says that he picked the Disputed Domain from a list of domains so identified and selected it for registration when it did so. He assumed that the previous registrant no longer wanted it. He thought it was potentially attractive because it reflected a term commonly used in the payment industry. He registered the Disputed Domain on 4 February 2019. The Complainant asserts that the Respondent acquired the Disputed Domain by what it calls "drop catch" so the parties seem to be agreed as to the basic circumstances in which the Respondent obtained the Disputed Domain. This assertion by the Complainant also suggests that it was aware of the third party ownership of the Disputed Domain when it decided to use the domain splitpay.uk, a fact upon which the Respondent relies.

4.7 The Respondent explains that he owns many domain names consisting of a descriptive term together with the word "pay" such registrations dating back as far as 2010. He identifies directpay.co.uk (registered 13/11/12) and walletpay.co.uk (registered 27/07/18) as particular examples and has provided as an exhibit a list of 45 registrations dating back to November 2010. 43 of the registrations are .co.uk and the remaining two are co.nz domains. The dates of registration show that his interest in such domains appears to have increased in 2018 but it is clear that he has a long-standing interest in registering domains of this kind. The Respondent's intention on registration was to offer it for sale and he accordingly caused it to resolve to a webpage offering it for sale.

4.8 The Respondent explains that the term "split payment" is used descriptively in the financial services industry. To support this he produces a Google UK search showing a variety of definitions given for that term. The first entry in the search

results is from the website Investopedia.com and defines a split payment as meaning “a means by which payment for a single order of goods or services is made using more than one payment methods”. Other definitions in the results appear to be similar. The Respondent has specifically extracted the Wikipedia entry for the term split payment which is as follows:

Split payment (a.k.a. Split payment transaction) is the financial term for the act of splitting (dividing) a single and full amount of payment in two or more simultaneous transactions made by different payment methods. For example: split payment of a \$100 to a retail shop can be done when the customer pays \$50 in cash and \$50 by credit card. Split payment is not installment (a.k.a. Hire purchase), where payments are done periodically with the same payment method.

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4.9 The Respondent says that, whether because of the descriptive nature of the term split payment or otherwise other payment providers have incorporated the term SplitPay into the names of their services. He produces a Google UK search result for the term “splitpay” and highlights the following entries in the results of that search:

ProPay Payment Network – SplitPay | ProPay (“SplitPay facilities split transactions proceeds...”)

SplitPay for online Marketplaces | Docdata Payments (“SplitPay is a new feature we’ve created ...”)

CitrusPay Blog SplitPay (“SplitPay is a Marketplace Solution ...”)

4.10 The Respondent points out that he is located in New Zealand (a fact agreed by the Complainant) and was not aware of the Complainant when he registered the Disputed Domain. He says there is no reason for him to have been aware of the Complainant, points out that the Complainant has not suggested one and explains that he only became aware of the Complainant when it lodged the present complaint. He provides ancillary argument in support of these facts, pointing out that the Complainant had not started trading and that, even if it had, he would have

had no reason to be aware of it rather than the other businesses in the field using the term.

4.11 The Complainant asserts that the Respondent appears to be guilty of a pattern of abusive registrations in that a Google search for his name produces “a large number of websites, litigation and complaints against him that seem to suggest” such a pattern. The Complainant has not provided a copy of the search or indicated whether it has looked at the results of any of the complaints and litigation that it has seen to determine whether the conclusion it draws is justified. The Respondent points out that all 14 DRS complaints made against him which have reached a decision have been dismissed and produces a copy of the search in Nominet’s database demonstrating this.

5. Parties’ Contentions

5.1 The Complainant identifies five reasons why it says that the facts asserted make the Disputed Domain an abusive registration. They are:

- (1) Confusion in the minds of retail customers between the Disputed Domain and the Complainant’s website www.splitpay.uk and its email address @splitpay.uk.
- (2) Concern that the Respondent may sell the Disputed Domain to one of the Complainant’s competitors who may use the domain to create a website that damages its business.
- (3) That, because of the Complainant’s rights in the name “Splitpay” there is no other potential buyer for the Disputed Domain and that it accordingly was and/or is the Respondent’s intention to sell it to the Complainant.
- (4) The Respondent has no intention to use the Disputed Domain as it was quickly added to a website of domains for sale and offered at a prices of US\$3000.
- (5) That the Respondent is guilty of a pattern of behaviour of registering abusive domains.

5.2 The Respondent has responded very forcefully to the complaint. Not only does he seek to refute all the allegations of misconduct against him, he asserts that the present complaint has been brought in bad faith and seeks a finding of reverse domain name hijacking (RDNH).

5.3 As to confusion, the Respondent relies upon the descriptive nature of the term, its use by third parties and the fact that the Complainant selected the domain splitpay.uk when it was aware that the Disputed Domain was in third party ownership. He says that responsibility for any confusion that results from the use of the term splitpay arises from the choice by the Complainant of a descriptive term as the name for its business or service and cannot be blamed on him. He points to the decision of the DRS Appeal Panel in *wiseinsurance.co.uk* (DRS 4889) that the limited

goodwill established in that case was not sufficient to give the complainant in that case the right to complain of the use of the same descriptive name by a third party.

5.4 In relation to the second and third reasons given by the Complainant the Respondent makes a series of ripostes. First he points out that, being unaware of the Complainant when he registered the Disputed Domain, he cannot have had an intention to sell it to the Complainant. He also points out that registering domains with the intention of selling them is a perfectly legitimate and well-recognised business activity (see paragraph 8.4 of the Expert Overview) so that the mere intention to sell a domain after registration does not make that registration abusive. Such conduct is not within paragraph 5.1.1 of the DRS Policy and is not objectionable.

5.5 The Respondent says that the fact that the Disputed Domain may end up in the hands of one of the Complainant's competitors is just a fact of life: such a competitor may have a perfectly legitimate reason for wanting to use the Disputed Domain given its descriptive connotations.

5.6 Consequently, the Respondent asserts that there is no basis for the Complainant's allegation that there is no other potential buyer for the Disputed Domain.

5.7 The Respondent does not accept that he has no intention to use the Disputed Domain but points to paragraph 5.2 of the DRS Policy which says that this is not of itself evidence that a Domain Name is an Abusive Registration. He says that he has used the Disputed Domain for the legitimate purpose of offering it for sale.

5.8 Finally, in response to the allegation of a pattern of abusive behaviour the Respondent describes the allegation as absurd. He points to the Complainant's failure to provide any actual evidence of such behaviour and to his unbroken successes in defending DRS complaints which have been brought against him.

5.9 The Respondent then sets out his arguments in support of a finding of RDNH. He says this is a claim which should never have been brought. There is no prospect of the Complainant establishing "rights" in accordance with the DRS policy given its lack of trading and the absence of a trade mark registration. He says that there is no evidence advanced in support of the allegation of abusive registration and refers to *so31.co.uk* (DRS 16688) as being a case in which a Complainant was found guilty of RDNH on similar facts.

5.10 Finally he says that the Complainant must have known that the allegation that the Respondent has engaged in a pattern of abusive registrations was untrue whilst withholding the evidence on which the claim is based. That alone he says justifies a finding of RDNH.

6. Discussions and Findings

The DRS Policy

6.1 The DRS Policy applicable to this dispute is Version 4 in force since 1 October 2016. Paragraph 1 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) is being or has been used in a manner which has taken unfair advantage of or has been unfairly detrimental to the Complainant’s Rights”.

In the same paragraph Rights are defined 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”.

Finally, Reverse Domain Name Hijacking is defined in paragraph 1 as “using the DRS in bad faith in an attempt to deprive a Respondent of a Domain Name”.

6.2 Paragraph 2 of the DRS Policy provides as follows:

“2 Dispute to which the DRS applies

2.1 A Respondent must submit to proceedings under the DRS if a Complainant asserts to us, according to the Policy, that:

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

2.1.2 The Domain name, in the hands of the Respondent, is an Abusive Registration.

2.2 The Complainant is required to prove to the Expert that both elements are present on the balance of probabilities.”

6.3 Paragraph 5 of the DRS Policy contains a non-exhaustive list of factors which may be evidence that a domain name is an Abusive Registration. They include:

“5.1.1 Circumstances indicating that the Respondent has registered or otherwise acquired the Domain Name primarily:

5.1.1.1 for the purposes of selling, renting or otherwise transferring the Domain Name to the Complainant or a competitor of the Complainant, for valuable consideration in excess of the Respondent's documented out of pocket costs directly associated with acquiring or using the Domain Name;

5.1.1.2 as a blocking registration against a name or mark in which the Complainant has Rights; or

5.1.1.3 for the purpose of unfairly disrupting the business of the Complainant.

5.1.2 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 by, or otherwise connected with the Complainant.

5.1.3 Circumstances indicating that the Respondent is engaged in a pattern of registration where the Respondent is the registration 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.

...

5.1.6 The Domain Name is an exact match (within the limitations of the character set permissible in domain names) for name or mark in which the Complainant has Rights, the Complainant's mark has a reputation and the Respondent has no reasonable justification for having registered the Domain Name."

Other relevant provisions of the DRS Policy are:

"5.2 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."

"8.1 A non-exhaustive list of the factors which may be evidence that the Domain Name is not an Abusive Registration is as follows:

...

8.1.2 The Domain name is descriptive and the Respondent is making fair use of it."

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

These are the factors that I consider to be most directly relevant in the present case.

Rights

6.4 The issue of Rights in this case is unique in my experience. As the DRS Policy definition makes clear Rights must be enforceable in some way. The Complainant's claim of rights is fatally flawed. It had at the time of the complaint no trade mark registration and no usage of the name through which it might have acquired a reputation. Paragraph 1.9 of the Expert Overview state expressly that a trade mark application is not sufficient to establish Rights. Now, however, the Complainant has registered trade mark rights and, having presumably commenced trading, has acquired some reputation as a result. Rather curiously the Complainant has not sought to put in a reply or a non-standard submission under paragraph 17 of the DRS Policy to advance these facts.

6.5 Given the highly descriptive nature of the Complainant's name and mark, it seems to me to be improbable in the extreme that it would in the course of less than two months trading have acquired a sufficient reputation in a descriptive term to give that term a secondary meaning which would entitle it to bring a claim for passing off. There is also the fact that I have no evidence of the nature or extent of the use which the Complainant has made of the name splitpay. For the purposes of determining whether the Complainant has Rights I therefore propose to disregard the possibility that the Complainant has passing off rights.

6.6 Having, however, become aware that the Complainant does now have a registered trade mark I do not think that I can simply ignore this fact. The timing of the entry onto the Register of the Complainant's registration gives rise to an interesting issue: does the Complainant have to establish rights at the date of the filing of the complaint or is it sufficient that he can do so prior to the making of the Expert's decision? Common sense would suggest the former: the dispute must be resolved as at the date of the complaint. That conclusion is arguably reinforced by the first limb of the definition of an Abusive Registration in the DRS Policy which identifies the need to determine the question "at the time when the registration or acquisition took place". The second limb, however, applies to subsequent use of a domain and must therefore allow for a finding of Abusive Registration based on later activities. In my view, a complainant has to have Rights at the date at which the complaint is lodged. If a complaint cannot be substantiated when lodged, then it should fail. However, in case I am wrong in reaching this conclusion, I shall consider the remainder of the complaint on the assumption that the Complainant has established that it has Rights.

Abusive Registration

6.7 It seems reasonably clear that the Complainant deliberately selected a rather descriptive name for its business. It is likely that it did this in order to give potential users an immediate idea what the business could offer them – although I note that the precise service it offers is not within the definitions produced by the Respondent. Indeed, the Wikipedia definition of split payment specifically excludes instalment payments from it. Nevertheless, it seems that this must have been the

reason that the Complainant chose the name splitpay. That being so, it must follow that the Complainant was aware when it registered its domain splitpay.uk that the Disputed Domain was already registered. Further, its assertion that the Respondent registered the Disputed Domain by “drop catch” suggests strongly that the Complainant was seeking to do the same itself but that the Respondent beat it to the drop. The likelihood that this is what happened is confirmed by the fact that the present complaint was lodged the day after the Respondent registered the Disputed Domain. In these circumstances, it seems to me that the Complainant brought the present complaint as an alternative simply to paying the Respondent’s asking price for the Disputed Domain.

6.8 Further, despite having decided a large number of DRS complaints over more than a decade and having reviewed many more for the purposes of doing so, I have never come across a complaint where the Complainant has both not filed a reply and not paid the decision fee, leaving it to the Respondent to pay for the present decision. This gives me the overwhelming impression that the Complainant realised on seeing the Response that its cause was doomed and decided to take no further part in the proceedings. It is difficult to avoid this conclusion given the Complainant’s failure to make a late submission that it now has a registered trade mark. If the Complainant had had any faith in its complaint, it seems to me that such a submission would almost inevitably have been made as it clearly bolsters the Complainant’s case.

6.9 Both these conclusions seem to me to be relevant to the Respondent’s allegation of RDNH.

6.10 The Complaint was obviously prepared at great speed. It makes no reference to the provisions of the DRS Policy and thus no attempt to tie the complaints it asserts to the provisions of the Policy. Given the very limited facts asserted by the Complainant this is not helpful to the Expert who has to deduce which paragraphs of the Policy are said to have been breached or whether what the Complainant is alleging is reasons outside those specifically identified in the Policy as providing the grounds for its complaint of Abusive Registration.

6.11 Confusion: this appears to be an allegation that the Disputed Domain could be used by a competing business so as to cause confusion with the Complainant’s business. In the present case, it seems to me that such a claim can be relevant only to a complaint that it is the Respondent’s intention to sell it to a third party who intends to do so in breach of some aspects of paragraph 5.1 of the DRS Policy.

6.12 I turn therefore to the Complainant’s claims that the Respondent may sell the Disputed Domain to a competitor and that there is no other potential buyer for it. The second allegation must be that there is no other legitimate purchaser or the two complaints would be inconsistent. Be that as it may, it seems to me to be clear on the evidence advanced by the Respondent both that the Disputed Domain is highly descriptive and that many other potential purchasers for may it exist. It is clear that the Respondent is in the business of buying and selling descriptive domains with the

suffix –pay in case there are financial service companies who might be willing to purchase them for a price. This is a perfectly sensible and respectable business. The domain name system is first come first served and a trader who wants to acquire a domain already registered by someone else will have to reach an agreement with the Registrant or find another domain. That is the way the system works. Trading in domains for profit, particularly descriptive ones, is now a well-established field of commerce. The DRS Policy makes clear that trading in domain names is a lawful activity (paragraph 8.4) and it seems to me that to register a descriptive or generic domain name for the purpose of selling it for profit is fair use of it (see paragraph 8.1.2).

6.13 The circumstances in which the Respondent says he acquired the Disputed Domain and the fact that those circumstances are in practical terms confirmed by the Complainant's submissions makes it clear that this is precisely the nature of the Respondent's business.

6.14 I accept wholly and without reservation the Respondent's submissions that he was unaware of the Complainant and had no reason to be aware of it when he registered the Disputed Domain. It seems to me to be unlikely that he would have had such knowledge at that time. I am fortified in doing so by the fact that the Complainant, despite the clarity of the Respondent's case, made no attempt to gainsay it.

6.15 I also accept the Respondent's submission that there might well be other traders who would wish to purchase the Disputed Domain for legitimate use. Its descriptive nature makes it attractive to a trader offering some form of split payment system. Indeed, the Complainant's own business demonstrates that. The Complainant's difficulty is that this is the only term it uses to identify its business. Unlike the examples produced by the Respondent in his evidence there is no additional trading name to enable the public to identify the business. The Complainant's difficulty is that, having chosen an almost entirely descriptive name as its sole means of identification by the public, it has to take the consequences. Unless and until it has established a sufficient market presence to be able to bring a passing off claim or it can establish that its trade mark registration is valid and infringed by other uses of the term splitpay (an outcome which seems to me on the material before me to be unlikely to occur in the foreseeable future), it has to accept that competing businesses are free to use the term splitpay in competition with it. If that causes confusion, then the Complainant has to live with it (or change its name).

6.16 The fact that the Respondent does not himself intend to use the Disputed Domain to trade through is not, as the DRS Policy makes clear, of itself evidence that the registration is Abusive. Nor is the fact that he registered it in order to offer it for sale. As the Respondent points out in his submissions, the Complainant does not appear to be familiar with the relevant provisions of the DRS Policy paragraphs 5.2 and 8.4.

6.17 The Disputed Domain is not an Abusive Registration for any of the reasons advanced. Accordingly, this complaint fails.

6.18 That brings me to the Complainant's allegation of a pattern of Abusive Registrations and the Respondent's counterclaim for a finding of RDNH. After careful consideration of the manner in which the Complainant has made the assertion of a pattern of abusive behaviour I am satisfied that the complaint should not have been made. The Complainant says that a Google search produces a large number of responses relating to websites, litigation and complaints against the Respondent. The Complainant does not produce the results of that search. Why not? The obvious inference is that it does not support the assertion in the complaint that this "suggests a pattern of abusive registration of domain names". If it did, it would be the easiest thing in the world to attach a copy and point out the multiple findings against the Respondent. To the contrary, the Respondent has demonstrated that he has won every decided DRS complaint against him.

6.19 I am driven the conclusion that Mr Welch was perfectly well aware when he referred in the complaint to the Google search in the Respondent's name that it did not show a pattern of abusive registrations but in fact showed a pattern of failed attacks on the Respondent's legitimate registrations. I reach this conclusion in the full knowledge that I am deciding this dispute on paper submissions and without cross-examination. However, the Complainant has had an opportunity to put in a Reply and has not done so. That reinforces my view that there is no answer to the Respondent's claim.

6.20 That conclusion brings me back to the points made in paragraphs 6.7 and 6.8 above. In the light of all these factors it seems to me that the present complaint was brought without any real belief that it was justified but as an attempt to avoid paying the Respondent's asking price for the Disputed Domain. That seems to me to constitute a complaint brought in bad faith, the definition in the DRS of RDNH.

6.21 I therefore conclude that the present complaint constitutes RDNH.

7. Decision

7.1 I decide that the Disputed Domain is not an Abusive Registration. No action should therefore be taken on the Complaint.

7.2 Further, the present complaint constitutes Reverse Domain Name Hijacking.

Signed

Dated 15 April 2019