

DISPUTE RESOLUTION SERVICE

D00022103

Decision of Independent Expert

The Groucho Club Limited

and

Kevin Cruise

1. The Parties:

Complainant: The Groucho Club Limited
45 Dean Street
London
W1D 4QB
United Kingdom

Respondent: Kevin Cruise
Isle of Wight
United Kingdom

2. The Domain Name(s):

<thegrouchoclub.uk> (the "Domain Name")

3. Procedural History:

- 3.1 I have confirmed to Nominet that I am independent of each of the parties and 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 nature as to call in to question my independence in the eyes of one or both of the parties.

3.2 The procedural chronology of this dispute is as follows:

25 November 2019 16:22 Dispute received
26 November 2019 10:06 Complaint validated
26 November 2019 10:06 Notification of complaint sent to parties
13 December 2019 01:30 Response reminder sent
18 December 2019 12:08 Response received
18 December 2019 12:09 Notification of response sent to parties
23 December 2019 16:19 Reply received
23 December 2019 16:20 Notification of reply sent to parties
06 January 2020 16:43 Mediator appointed
09 January 2020 15:25 Mediation started
31 January 2020 17:28 Mediation failed
31 January 2020 17:28 Close of mediation documents sent
12 February 2020 01:30 Complainant full fee reminder sent
13 February 2020 16:19 Expert decision payment received

4. Factual Background

- 4.1 The Complainant is the owner and operator of the exclusive private members club called The Groucho Club. The Complainant originally formed The Groucho Club in 1985 in Soho, London and draws its members from the creative and entertainment industries. Since opening, The Groucho Club has grown its membership to over 5000 members from across the world and in 2018 made over £9 million in turnover. It operates a website promoting its business from the domain name <thegrouchoclub.com>.
- 4.2 The Complainant is the owner of the following registered trade mark registrations in respect of the words “The Groucho Club”:
- (i) EU Trade Mark no. 1313774 in class 42, filed on 17 September 1999;
 - (ii) UK Trade Mark No. 1391166 in Class 42, filed on 6 July 1989; and
 - (iii) UK Trade Mark No. 3184772 in Classes 41 and 43, filed on 9 September 2016.
- 4.3 The Domain Name was registered on 5 July 2019. It would appear that this had previously been designated as a “reserved domain name” when Nominet introduced second level “.uk” registrations, and that as at 5 July 2019 the Domain Name had only just become generally available to persons without reserved .uk rights.

4.4 The Domain Name has not been used for any active website since registration other than a registrar parking page.

4.5 On the same day as the Domain Name was registered, the Complainant received an email purporting to come from “Philip Cohen” of “Ellipsis Legal”. “Mr Cohen” claimed to be the representative of the Respondent. That email contained the following statement:

“Over several years, our client has amassed a considerable portfolio of domain names and has recently been approached by two other parties enquiring about the availability of this one in particular, as the .UK suffixes have this week become available to transfer.

Accordingly, before proceeding with any sale, as a matter of courtesy and also as a fond and frequent visitor in recent years to the club, he feels obliged to firstly offer it an opportunity to purchase the domain and add to it's [sic] brand collection.”

4.6 The email did not identify whether “Ellipsis Legal” was the trading name of an individual or partnership or was a separate legal entity, but the footer to the email read as follows:

“Ellipsis Legal a consultancy practice, focussing upon critical dispute resolution, utilising an established network of professionals from a broad spectrum of legal, accountancy, insolvency and banking experience.

We are not a firm of solicitors regulated by the SRA, our legal specialists are predominantly experienced non-practising barristers, therefore, if we are unable to negotiate an amicable resolution and the matter progresses to litigation or touches upon the Reserved Legal Activities as set out within the Legal Services Act 2007, it will be transferred to an appropriately experienced and qualified lawyer from our extensive database of solicitors and direct access barristers.”

4.7 It would appear that at some point thereafter, “Mr Cohen” in communications with the Complainant’s web developer offered to sell the Domain Name to the Complainant for £5,000. In a text message to that web developer on 12 August 2019, “Mr Cohen” noted that as yet no sale had been agreed and then commented as follows:

“My main concern is that I’m aware of who’s interested in purchasing this – along with several other domains – from my client and would, in the circumstances, suggest that you have a think about accepting the last offer and/or making a counter offer as it will be out of my hands after this week”

- 4.8 A further email was then sent by “Mr Cohen” to the Respondent on 21 October 2019. In this email he stated he had returned to the UK from a 2 month break, and that his “client” had been advised to refrain from transferring this domain to other interested third parties, but he now sought confirmation from the Complainant within 7 days as to whether it was interested in purchasing the Domain Name.
- 4.9 In a further text message to the Complainant’s web developer on 4 November 2019, “Mr Cohen” continued to push for an answer as to whether the Complainant wished to purchase the Domain Name, once again asserting that there was another potential buyer but claiming that the Respondent would rather sell the Domain Name to the Complainant. When asked by the Complainant’s web developer whether that potential purchaser might do something malicious with the Domain Name, no direct answer was given. However, rather strangely “Mr Cohen” then appeared to express a personal preference (rather than speaking on behalf of his “client”) that the Domain Name would end up in the hands of either the Complainant or its web developer.

5. Parties’ Contentions

Complaint

- 5.1 In its Complaint, the Complainant sets out its business and marks and the history of the communications between “Mr Cohen” and the Complainant. It claims that, since “Mr Cohen” approached the Complainant on the day that the Domain Name was registered, it is clear that the sole purpose of the registration of the Domain Name was to sell it to the Complainant. This it was said, was combined with threats that if the Domain Name was not purchased it would be used in an abusive manner. The Complainant also asserted that since the Respondent has a substantial Domain Name portfolio, it is to be inferred that the Respondent frequently extorts money from others in this manner.

Response

- 5.2 The Response amounts to a blanket denial of the Complainant’s allegations and in particular the allegation of “extortion”. In the Response the Respondent stated that as he had visited the Complainant’s club, he had “as a gesture of goodwill” offered to sell it to the Complainant rather than sell it as part of a “bulk purchase”.
- 5.3 The Response also goes on to observe that the Complainant could have purchased the Domain Name at any time in the 5 year period it had reserved .uk rights. The Respondent asserts that as the Complainant did not do so, this demonstrates that the Complainant was either not concerned about its rights

or negligent. In these circumstances, the Respondent claims that his registration of this domain name “along with many other domain names purchased simultaneously” was “valid and within the parameters of Nominet’s regulations” and that he is a “bona fide purchaser for value”. At the end of the Response, the Respondent once again states that he is “open to a reasonable offer to sell”.

Reply

- 5.4 In its Reply the Complainant calls into question whether “Ellipsis Legal” is a separate entity from the Respondent and also calls into question whether “Mr Cohen” is anything other than an alias of the Respondent. In this respect it provides a screen shot of Google search result for “Kevin Cruise Isle of Wight”, which includes a link to LinkedIn. The text of this link suggests that on LinkedIn Mr Cruise had described himself as a “senior consultant lawyer” at “Ellipsis Legal”. The Complainant also contends that it was unable to find anything online to suggest that anyone other than Mr Cruise had ever worked at “Ellipsis Legal”.

6. Discussions and Findings

- 6.1 To succeed under Nominet’s Dispute Resolution Service Policy (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 2.1.1 of the Policy) and second, that the Domain Name is an Abusive Registrations in the hands of the Respondent (paragraph 2.1.2 of the Policy). The Complainant must prove to the Expert that both elements are present on the balance of probabilities (paragraph 2.2 of the Policy), and this is so even if a Response has not been filed.
- 6.2 Abusive Registration is defined in paragraph 1 of the Policy as follows:

"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. is being or has been used in a manner which took unfair advantage of or has been unfairly detrimental to the Complainant's Rights."

Complainant's Rights

- 6.3 The Complainant has clearly demonstrated that it is the owner of several registered trade marks in respect of the word mark "The Groucho Club". The only sensible reading of the Domain Name is as that text combined with the ".uk" suffix. In the circumstances, the Complainant has clearly demonstrated that that it has rights in respect of mark that is at least similar to the Domain Name. Indeed, the Respondent does not contend otherwise. The Complainant has thereby satisfied the requirements of paragraph 2.1.1 of the Policy.

Abusive Registration

- 6.4 I accept the Complainant contention that the Domain Name was registered with the intention of selling this to the Complainant and that the Respondent sought to encourage the Complainant to purchase the Domain Name with threats of sale to other potential purchasers.
- 6.5 In this respect, the Respondent does not claim that the Domain Name was registered for any other reason than its association with the Complainant. The Domain Name itself also has no sensible meaning other than one which involves a reference to the Complainant's business. Further, the Respondent also accepts that not only he knew of the Complainant, but had previously visited the Complainant's business.
- 6.6 Further, there is the fact that the Domain Name was registered almost immediately it became publicly available having previously been subject to reserved .uk rights and that the offer to sell the Domain Name was made the same day as it was registered.
- 6.7 I also have little doubt that "Mr Cohen's" claim in his initial email, that the Respondent had been approached by two other parties enquiring about the availability of the Domain Name in particular, was untrue. I accept that this statement was made merely to pressurise the Complainant into purchasing the Domain Name to prevent it from falling into the hands of a third party. It is simply not credible that two persons had independently enquired about the Domain Name on the same day as it was registered. Not only is that timing incredible, but no evidence is advanced by the Respondent that there were ever such approaches. Further, it is inherently unlikely, given that there is no obvious legitimate use of the Domain Name other than that authorised by the Complainant, that there would be any third party interest in this Domain Name in isolation.
- 6.8 It is also noticeable that the Respondent's position in relation to sale appears to have changed over time and the Respondent has put forward a slightly different position in the Response; i.e. that the Domain Name might have been sold as part of a "bulk purchase".

- 6.9 To have registered and held a domain name for the purpose of sale to the Complainant is clearly abusive and falls within the scope of the example of evidence of an abusive registration to be found at paragraph 5.1.1.1 of the Policy.
- 6.10 It is no answer to this, as the Respondent appears to contend, that the Complainant for many years had reserved rights and could have registered the Domain Name had it wanted it. This involves a variation of an old argument, frequently recited by respondents in the early days of the Policy, that a registration could not be abusive where a complainant could have registered the domain name itself and that the domain name was available on a first come first served basis. It is an argument that has always been misconceived, since the question is not what the complainant might or could have done, but what the respondent did and for what purpose. The position is no different simply because the Complainant in this case for a period of time had reserved rights in respect of the Domain Name and for whatever reason did not exercise them.
- 6.11 The Complainant has thereby satisfied the requirements of paragraph 2.1.2 of the Policy.
- 6.12 The Complainant also contends that it is to be inferred from the fact that the Respondent has a portfolio of domain names, that the Respondent has adopted a similar strategy in the case of other domain names to that adopted with the Complainant. I do not think that such an inference can be drawn simply from the fact that the Respondent has a domain name portfolio. However, the Respondent also states in the Response that the Domain Name was acquired “along with many other domain names purchased simultaneously”. Presumably, this is a reference to other registrations of domain names previously subject to reserved rights. If so, this statement at least raises a question whether the Respondent has adopted a similar strategy in the case of those other registrations. But there is no need to consider this issue further to decide this case.
- 6.13 Finally, there are the Complainant’s contentions that Ellipsis Legal and the Respondent are not unconnected entities, and that “Mr Cohen” may not exist and is merely an alias for the Respondent. The Complainant has at least put forward a strong prima facie case that this is so. There is also the odd way in which “Mr Cohen” expressed himself in his text message of 4 November 2019, which is arguably consistent with that text message having been sent by Mr Cruise and having allowed his mask to slip. Further, I bear in mind that I have already concluded that “Mr Cohen’s” initial email was less than wholly truthful.
- 6.14 If the Complainant is right in these claims, it would be troubling that someone who describes themselves as a “Senior Consultant Lawyer” (albeit someone

who does not appear to be listed as a solicitor by the Solicitors Regulatory Authority or as a practising barrister by the Bar Council) has seen fit to act in this fashion. However, these claims were advanced for the first time in the Complainant's Response. As a result, the Respondent had no automatic right to put in a submission responding to the same. Further, I need reach no conclusion on these allegations to decide this case. I, therefore, decline to consider this particular issue further.

7. Decision

- 7.1 I find that the Complainant has Rights in a name, which is at least similar to the Domain Name, and that the Complainant has shown that the Domain Name, in the hands of the Respondent, is an Abusive Registration.
- 7.2 I, therefore, determine that the Domain Name be transferred to the Complainant.

Signed: Matthew Harris

Dated: 25 February 2020