

Nominet UK Dispute Resolution Service

DRS 00023

Blue Martini Software Limited v Propheyssoft

Decision of Independent Expert

1. PARTIES

Complainant: Blue Martini Software Limited

Address: Venture House
Arlington Square
Downshire Way
Bracknell
Berkshire

Postcode: RG12 1WA
Country: UK

Respondent: Propheyssoft

Address: PO Box 1134
Little Falls

Postcode: New Jersey 07424
Country: USA

2. DOMAIN NAME

bluemartini.co.uk (the "Domain Name")

3. PROCEDURAL BACKGROUND

The complaint was lodged with Nominet on 2 October 2001. Nominet validated the complaint and notified the Respondent of the complaint on 4 October 2001, and informed the Respondent that he had 15 days' within which to lodge a Response. The Respondent failed to respond. Mediation not being possible in those circumstances, Nominet so informed the Complainant and on 13 November 2001, the Complainant paid Nominet the

appropriate fee for a decision of an Expert pursuant to paragraph 6 of the Nominet UK Dispute Resolution Service Policy ("the Policy").

Stephen Bennett, the undersigned, ("the Expert") has confirmed to Nominet that he knew of no reason why he could not properly accept the invitation to act as expert in this case and further confirmed that he knew of no matters which ought to be drawn to the attention of the parties, which might appear to call into question his independence and/or impartiality.

4. **OUTSTANDING FORMAL/PROCEDURAL ISSUES**

The Respondent has not submitted a Response to Nominet in time (or at all) in compliance with paragraph 5a of the Procedure for the conduct of proceedings under the Dispute Resolution Service ("the DRS Procedure").

Paragraph 15b of the DRS Procedure provides, inter alia, that "If in the absence of exceptional circumstances, a Party does not comply with any time period laid down in this Policy or the Procedure, the Expert will proceed to a Decision on the complaint."

There is no evidence before the Expert to indicate the presence of exceptional circumstances; accordingly, the Expert will now proceed to a Decision on the Complaint and notwithstanding the absence of a Response.

Paragraph 15c of the DRS Procedure provides that "If, in the absence of exceptional circumstances, a Party does not comply with any provision in the Policy or this Procedure ..., the Expert will draw such inferences from the Party's non-compliance as he or she considers appropriate." The Expert is not aware of any exceptional circumstances in this case and so will draw inferences as appropriate.

5. **THE FACTS**

The Complainant is named as Blue Martini Software Limited. The Complainant company was incorporated in England and Wales on 17 March 2000 and is a wholly owned subsidiary of a US Corporation, Blue Martini Software Inc. Blue Martini Software Inc has an address at 2600 Campus Drive, San Mateo, California 94404, is a publicly traded company on the Nasdaq stock market and is in the business of providing customers with "*Enterprise software applications and services*". Although the Complainant is named on the complaint form as Blue Martini Software Limited, the text of the complaint states that the submission is made "*..on behalf of Blue Martini Software Inc and Blue Martini Software Limited...*".

Blue Martini Software Inc operates a website at the address www.bluemartini.com offering certain software products.

The Domain Name was registered on 2 March 2000.

The address www.bluemartini.co.uk resolves to a website operated under the name Register.com. A copy of the relevant page was supplied to the Expert as part of the papers provided by Nominet. The relevant web page at Register.com states "*Coming soon! Regsiter.com. This domain was recently registered at register.com which is pleased to present the following additional services: Want this domain name? Make an anonymous offer NOW!*" Next to the invitation to make an offer is a box in which a value can be entered (preceded by a dollar sign) and a click box titled "*Make offer*". The "Whois" details of Register.com cite the Respondent's name as the registrant and the page invites offers for the Domain Name, stipulating "*Enter amount (min \$200.00)*". It does not appear that the Respondent has an active site which uses the Domain Name.

6. THE PARTIES' CONTENTIONS

Complainant:

The Complainant relies on 3 factors to support its claim to have rights in the name *Blue Martini*. Firstly the Complainant states that it (or rather its parent) has used the name *Blue Martini* since 1998 and that it has developed substantial fame in the *Blue Martini* name through extensive advertising and promotion. By way of example, the Complainant states that during the year ended 31 December 2000, the Complainant or its parent company (on this the complaint is not clear) spent US \$7.6 million on advertising.

Secondly, the Complainant relies on its incorporation under the name *Blue Martini Software Limited* on 17 March 2000 in England. The Complainant does not go on to state whether it has traded under that name.

Thirdly, the Complainant states that Blue Martini Software Inc will own all rights, title and interests in the *Blue Martini* trade mark in the United Kingdom. Blue Martini Software Inc has filed an application for registration of that trade mark in the UK (filed on 4 May 1999). The application had been opposed by Tradall & Bacardi on unrelated grounds. This opposition has now been withdrawn. It appears from the complaint that the application has not yet proceeded to grant.

On the basis of these three grounds, the Complainant contends that it has Rights in the name *Blue Martini*.

It is not clear from the complaint what the Complainant contends constitute the grounds for the registration being an Abusive Registration in the hands of the Respondent (although the Complainant has confirmed that it believes the Domain Name to be an Abusive Registration). The only factor which might be considered to form a contention that there is an Abusive Registration is the statement in the Complaint that "*The current registered owner of the Domain Name does not appear to operate a website under the challenged Domain Name. The confirmation date of the abuse would be March 2, 2000 the date he registered the Domain Name*".

Respondent:

The Respondent has not responded

7. **DISCUSSION AND FINDINGS**

General

The Complainant has not submitted with the complaint any additional documents to support the matters set out in the complaint. A question arises as to whether in these circumstances, where no additional supporting documents are supplied, the complaint itself can constitute evidence, rather than merely argument in support of the Complainant's case. On the basis of the following reasoning the Expert considers that the matters set out in the complaint constitute evidence and are not merely assertions. The DRS Procedure (paragraph 3(b)ix) requires that the Complainant complete a statement when submitting his complaint in the following form: "*The information contained in this complaint is to the best of the Complainant's knowledge true and complete. The complaint has not been presented in bad faith and the matters stated in this complaint comply with the Procedure and applicable law*". The complaint, including this statement must be signed by an authorised representative of the Complainant. The Expert considers that such a declaration entitles the information so verified to be treated as evidence and to have its admissibility, relevance and materiality weighed in accordance with the provisions of paragraph 12(b) of the DRS Procedure. This treatment is also consistent with practice under English law where a statement of case or pleading which has been verified by a statement in a similar form can be treated as evidence in the case (Civil Procedure Rules Part 32.6(2) (a)).

Having established that the matters set out in the complaint can be considered as evidence, the relevance and weight of that evidence must also be considered.

Additionally, in the current case the Respondent has not made any response. Accordingly, the Expert is entitled to draw inferences as appropriate from the Respondent's failure to respond (DRS Procedure 15(c)).

Complainant's Rights

The Complainant asserts rights in the name *Blue Martini* on the basis of use of the name in its business, the Complainant's incorporation and registration in the UK as *Blue Martini Software Limited* and an application for a UK trade mark, *Blue Martini*. The Complainant has not relied in the complaint on any registered trade mark right (the application for a UK trade mark is not enforceable until the application is granted (section 9(3) Trade Marks Act 1994).

The term "Rights" is defined in the DRS Policy as follows: "*Rights: include, but is not limited to rights enforceable under English law*". Under English Law, rights in a name are enforceable on the basis of an action in "passing off" where the complaining party has amongst other things, acquired goodwill and a reputation in a particular name (although these are not the only elements to passing off). There is no need for any form of registration to take place for this right to exist under English law – the right comes into existence through use of the name. The Complainant has submitted that substantial amounts of money (US\$7.6 million) were spent in the year to 31 December 2000 promoting the *Blue Martini* name for software. Advertising expenditure of that level is capable of providing support for the existence of goodwill and reputation in a name to support of a claim for passing off under English law.

Although not establishing any Rights on their own account, the Expert considers that the Complainant's incorporation as *Blue Martini Software Limited*, the promotion of software under the *Blue Martini* name through the website www.bluemartini.com. and the application for the trade mark *Blue Martini* in the UK are consistent with and give weight to the Complainant's assertion that it has Rights in the *Blue Martini* name.

As the Respondent has not submitted a response, none of this evidence has been challenged. Whilst the Complainant has not helped itself by submitting a complaint without supporting documentation, the Expert nonetheless finds that the matters stated in the complaint and verified by the declaration contained in the complaint are sufficient to establish Rights in the name *Blue Martini*.

On a strict legal analysis, it may be said that the rights in question have accrued to the Complainant's parent not the Complainant itself. In the current case no point has been taken on this – the complaint does not seek to distinguish between the two companies and the Respondent has not responded. Given that the Complainant is a wholly owned subsidiary of its parent company, the point would, in any event, be merely a technicality. It is also relevant that the complaint form, although naming *Blue Martini Software Limited* in the box labelled "Complainant's Details", is said in the body of the complaint, to be made "...on behalf of *Blue Martini software Inc and Blue Martini Software Limited*..." For

the purposes of the current complaint it seems inappropriate to draw a distinction between the Complainant and its parent company. Accordingly, the Expert finds that the Complainant has Rights in the name *Blue Martini*.

Comparison of Complainant's Rights and the Domain Name

The Complainant has Rights in the name *Blue Martini*. The Domain Name is *bluemartini.co.uk*. The name in which the Complainant asserts Rights is (not including the first and second level suffixes) identical to the Domain Name. The first and second level suffixes (".uk" and ".co") are a purely functional part of the domain name and would be recognised as such by anyone accessing a web site at a URL containing the Domain Name. On that basis, in comparing the Rights and the Domain Name it is appropriate to exclude the first and second level suffixes.

Accordingly, the Complainant has Rights in respect of a mark which is identical to the Domain Name.

Abusive Registration

The only express contention put forward as to the Domain Name being an Abusive Registration is that the Respondent does not appear to operate a website using the Domain Name. However, non-use of the Domain Name is not in itself evidence of an Abusive registration (DRS Policy, paragraph 3 (b)).

The DRS Policy (paragraph 3) contains a non-exhaustive list of factors which may be evidence of an Abusive Registration. There is little to support any of these factors in the material which has been supplied to the Expert. There is no evidence in relation to the grounds: 3(a)(i)B ("Blocking"); 3(a)(i)C (registration or acquisition for the purpose of unfairly disrupting the business of the Complainant); 3(a)(ii) (using the Domain Name in a way which has confused people); or 3(a)(iii) a pattern of Abusive Registration.

The factor in relation to which there is some evidence is the first ground 3(a)(i)A – that the Respondent has registered the Domain Name "*Primarily for the purposes of...transferring the Domain Name to the Complainant or to 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*".

In the pack of papers supplied to the Expert by Nominet there is a print of the website at the address www.bluemartini.co.uk. The site is one operated under the name "Register.com". The Register.com site invites offers for the Domain Name and, in certain places on the site, it states that the minimum offer should be US\$200. The cost of

registering the Domain Name is apparently less than US\$200 (the current fee at Register.com is advertised as US\$90). There is no evidence as to any costs being incurred by the Respondent other than the registration fee itself. In the absence of any response from the Respondent, the Expert considers it reasonable to infer that the out-of-pocket costs which the Respondent has incurred amount only to the registration fee. The Domain Name is therefore currently being offered for "...*valuable consideration in excess of the Respondent's documented out-of-pocket costs directly associated with acquiring or using the Domain Name*". The question, however, remains as to whether this was the Respondent's primary purpose for registering the Domain Name.

There is no evidence before the Expert suggesting any intention to acquire or use the Domain Name for any purpose set out in paragraph 4 of the DRS Policy – this is the non-exhaustive list of factors which may demonstrate that the Domain Name is not an Abusive Registration. No website has been established using the Domain Name – the only use to which the Domain Name has been put is to point to the Register.com website which offers the Domain Name for sale.

The Expert considers the following additional factors relevant to the question of Abusive Registration:

- The Complainant was using the name *Blue Martini* prior to the Complainant's registration of the Domain Name on 2 March 2000.
- It appears from the Complainant's website that it (and/or its parent company) has an active business in at least the United States under the *Blue Martini* name where the Respondent is also located.
- The name *Blue Martini* appears to be an invented name. Although the two words, Blue and Martini exist independently in common usage, their combination appears to be an invention.
- The *Blue Martini* name itself does not appear to make a great deal of sense to anyone other than the Complainant.
- Without any response from the Respondent, it is difficult to see what purpose the Respondent had in registering the Domain Name which incorporates such a made-up name, other than to sell it to the business trading as *Blue Martini* – that is the Complainant and its parent company.

In light of these factors and the lack of any response from the Respondent, the Expert finds that on the balance of probabilities, the Respondent registered the Domain Name

primarily for the purpose of selling the Domain Name to the Complainant or a competitor of the Complainant for valuable consideration in excess of the Respondent's out-of-pocket costs directly associated with acquiring the Domain Name and, accordingly, that the Domain Name is an Abusive Registration in the hands of the Respondent.

8. **DECISION**

The Expert finds that: the Complainant has Rights in the name *Blue Martini*; the name in which the Complainant has Rights is identical to the Domain Name; and the Domain Name is an Abusive Registration in the hands of the Respondent. The Expert directs that the Domain Name *bluemartini.co.uk* be transferred to the Complainant.

Stephen Bennett

Date