

Nominet UK Dispute Resolution Service

DRS 133

The London Metal Exchange-v- CPIC Net

Decision of Independent Expert

1. Parties

Complainant: The London Metal Exchange
Address 56 Leadenhall Street
London
Postcode: EC3A 2DX
Country: UK

Respondent: CPIC Net
Address: 15 5th Street
Closter
Postcode: NJ 07624
Country: USA

2. Domain name:

lmeholdings.co.uk (“the Domain Name”)

3. Procedural Background

The Complaint was lodged with Nominet on 29 November 2001. Nominet validated the complaint and notified CPIC NET (“the Respondent”) of the complaint on 29 November 2001 and informed the Respondent that it had 15 working days within which to lodge a Response. The Respondent failed to respond. Mediation not being possible in the circumstances, Nominet so informed the Complainant and on 10 January 2002 the Complainant paid Nominet the appropriate fee for a decision of an Expert pursuant to paragraph 6 of the Nominet Dispute Resolution Service Policy (“the Policy”).

Sallie Spilsbury, the undersigned (“the Expert”) has confirmed to Nominet that she knew of no reason why she could not properly accept the invitation to act as expert in this case and further confirmed that she knew of no matters which ought to be drawn to the attention of the Parties which might appear to call into question her independence and impartiality.

4. Formal/procedural issues

The identity of the Respondent(s)

The Complaint has been brought against CPIC NET and its Internet Service Provider (the “ISP”) which acted as CPIC NET’S agent in arranging for the registration of the Domain Name. The ISP is not a party to Nominet’s terms and conditions relating to domain name registrations and is therefore not bound by the policy or procedure for the Dispute Resolution Service. Accordingly the decision will be considered as a complaint against CPIC NET alone.

No Response submitted

The Respondent has not submitted a Response to the Complaint.

The failure to submit a Response is a breach of paragraph 5a of the Procedure for the conduct of proceedings under the Dispute Resolution Service (“the Procedure”). This required the Respondent to submit a Response to Nominet within 15 days of the commencement of proceedings (i.e. by 21 December 2001).

Paragraph 15b of the Procedure provides as follows:

If, in the absence of exceptional circumstances, a Party does not comply with any time period laid down in this Policy or Procedure, the Expert will proceed to a Decision on the Complaint.

Are there exceptional circumstances which would suggest that it is not appropriate to proceed to a Decision?

It is the view of the Expert that there are no exceptional circumstances. The Respondent has made no attempt to explain its lack of response and there is no other evidence to suggest that anything exceptional has occurred.

The Expert is accordingly authorised under the Procedure to proceed to decide the Complaint. Under paragraph 16a of the Procedure the Expert should reach a decision based on the Parties’ submissions (the Complaint in this case) and the Policy and Procedure. In the absence of any exceptional circumstances the Expert is also entitled to draw such inferences from the Respondent’s non-compliance with the Policy or Procedure as she considers appropriate (paragraph 15 c of the Procedure).

Earlier Complaint

The Complainant states that it submitted a previous complaint to Nominet against the Respondent on 13 October 2000 (“the 2000 Complaint”). The 2000 Complaint related to the Domain Name and it was made under the former dispute resolution policy operated by Nominet which has since been replaced by the Policy and Procedure. On the basis of the Complainant’s unchallenged submissions it appears that the 2000 Complaint was never fully resolved. The Complainant brings this Complaint as a fresh complaint under the Policy and Procedure. Neither the Policy nor the Procedure prohibit a Complainant from bringing such a complaint. The Expert finds nothing within the Policy or Procedure to prohibit her consideration of this Complaint.

However the position may differ where an earlier complaint has already been fully determined by Nominet. It has not been necessary for the Expert to consider this point in making this decision.

Is the 2000 Complaint relevant to this decision?

Under paragraph 16a of the Procedure the Expert is to make her decision on the basis of the Parties' submissions and the current Policy and Procedure. On that basis the Expert does not find the substance of the 2000 Complaint to be relevant to her decision on this current Complaint.

UDRP decision

The Complainant has also lodged a complaint in relation to the domain name lmeholdings.com. The complaint was brought against Mr Hussain of the Respondent under the Uniform Dispute Resolution Policy ("UDRP"). The UDRP complaint has no bearing on the current decision- save for the fact that it concerns a very similar registration made in similar circumstances (see below).

5. The facts

The Complainant

The Complainant has traded under the names London Metal Exchange and LME in the UK and internationally for over 100 years in the field of common metals and their alloys. The primary trading name of the Complainant has been London Metal Exchange but the acronym LME has for many years been used as the principal brand name for the corporate group. The Complainant's homepage is located at www.lme.co.uk.

The Complainant owns the following registered trade marks registered in respect of, amongst other things, common metals and their alloys; business services, computerised database management; operation, supervision and regulation of markets and exchanges; transportation and storage services relating to metals and their alloys:

TRADE MARK REGISTRATIONS AT THE UK REGISTRY

LME (6 REGISTRATIONS 1544582-1544587)
LONDON METAL EXCHANGE (6 REGISTRATIONS 1544469-1544474)
LMEX (2195363)

TRADE MARK REGISTRATIONS AT THE US REGISTRY

LME (2161156)
LONDON METAL EXCHANGE (2181659)

The Complainant asserts that it has been well known within the UK and internationally as the owner of the above registered trade marks. There is no evidence before the Expert to call this assertion into doubt.

The Respondent

The Complainant has produced evidence which seeks to establish that the Respondent has a propensity to register domain names consisting of well-known marks belonging to third parties.

In support of this allegation the Complainant has produced an undated extract from the Network Solutions Database showing the Domain Name registrations held by the Respondent. These number well in excess of 100 registrations, some of which consist of well-known trade marks belonging to third parties, including other marks relating to commercial markets and finance e.g. Nasdaq-lse.com and Lloydsrbs.co.uk. The Complainant has also produced evidence in the form of an excerpt from *Net Searchers Newsletter* dated 11 September 2001 which asserts that Syed Hussain of the Respondent “has a long record as a cybersquatter”. It must however be borne in mind that this statement is anecdotal and that the Respondent has not taken up the opportunity to refute this allegation in a Response.

Finally the Complainant has produced evidence of three other ICANN disputes involving the Respondent (apparently unconnected to the Domain Name at issue in this Complaint) in relation to each of which the Respondent was unsuccessful.

The Domain Name

The Respondent registered the Domain Name through its ISP on 14 June 2000. The background to the registration was as follows: on 13 June 2000 Reuters published an article which stated that the Complainant wished to set up a new company called LME Holdings. On the following day (Greenwich Mean Time) the Domain Name (replicating the proposed corporate name) was registered. The Complainant asserts that given the transatlantic time difference the Respondent could have seen the Reuters article and registered the Domain Name on the same day. This may well have happened- in any event the time difference between the Reuters article and the Domain Name registration was very short. The Complainant also alleges that the Respondent simultaneously registered the domain name lmeholdings.com. This registration was the subject of the WIPO Arbitration and Mediation Center decision under UDRP referred to above.

On 3 October 2000 the Respondent was approached by an agent of the Complainant. Mr Hussain of the Respondent sent an email to the agent in the following terms:

“Yes, we are open to any reasonable offer. We would sell our domains to your clients. Would you extend an offer to us ASAP?”

In a subsequent telephone conversation almost one year later on 27 September 2001 Mr Hussain indicated to the Complainant’s solicitor that the Respondent wished to use the Domain Name as a website about property/real estate. The Complainant asserts that:

“The clear impression that [the solicitor] received from the conversation was that Mr Hussain considered the whole thing a joke and had no genuine interest in the Domain Name other than to get some money for it”.

As stated above the Respondent has not replied to this assertion and on paper it is difficult to form a view of the weight to be attached to the solicitor’s untested opinion.

The Complainant has produced no evidence that the Respondent has made any use of the Domain Name.

6. The Parties’ contentions

Complainant

The Complainant contends that it has rights in respect of a name or mark which is identical or similar to the Domain Name. In support of this claim it relies on the trade mark registrations set out above and its length of and extent of use of the trading names London Metal Exchange and LME both in the UK and internationally.

The Complainant also alleges that the registration of the Domain Name is an Abusive Registration under the terms of the Policy. The Complainant asserts that the registration was abusive for the following reasons:

- (i) There are circumstances indicating that the Respondent registered the Domain Name as a blocking registration,
- (ii) There are circumstances indicating that the Respondent registered the Domain Name primarily for the purpose of selling the Domain Name to the Complainant for profit,
- (iii) The Respondent is engaged in a pattern of making Abusive Registrations.

In support of this the Complainant relies on:

- (a) the timing of the registration of the Domain Name (as set out above),
- (b) the Respondent’s offer to sell the Domain Name to the Complainant and the Respondent’s subsequent position (as set out above) and
- (c) the other registrations of the Respondent and disputes involving those registrations (as set out above).

Respondent

The Respondent has made no submissions.

7. Discussion and findings

Clause 2 of the Policy provides that a Complainant must prove that:

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

(ii) The Domain Name, in the hands of the Respondent, is an Abusive Registration.

The onus of proving both of the above elements is borne by the Complainant who must prove them on the balance of probabilities (paragraph 2b).

The term “Rights” is defined by the Policy to include, but not be limited to, rights enforceable under English law but the term does not extend to a name or term which is wholly descriptive of the Complainant’s business.

Abusive Registration is defined in the Policy to mean amongst other things

A Domain Name which:

- (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.

The first criterion under clause 2 of the Policy- the Complainant’s Rights

The Complainant objects to the Respondent’s use of the LME mark. The Domain Name comprises the letters LME with the addition of the word “holdings”.

The Complainant has trade mark registrations covering, amongst other things, the LME mark both in the UK and in other territories. Given that the LME and corresponding London Metal Exchange marks are apparently well- known in commercial circles, the Complainant’s activities are also likely to have generated sufficient goodwill to give rise to enforceable rights under the English law of passing off.

The Complainant is accordingly able to establish that it owns the requisite rights in the LME mark by virtue of its trade mark registrations and/or rights under passing off law.

The next point for consideration is whether the Domain Name is identical or similar to the mark(s) in respect of which the Complainant has rights.

The addition of the word “holdings” to the letters “lme” is of little import. The focus and dominant feature of the Domain Name are the letters “lme” which the evidence suggests have come to be associated with the Complainant. There is no doubt that the Domain Name is similar to the Complainant’s marks.

The second criterion under clause 2 of the Policy- Abusive Registration

Registration or acquisition in a manner which at the time when the registration or acquisition took place took unfair advantage or was wholly detrimental to the Complainant's Rights.

Paragraph 3 (a) of the Policy sets out a non-exhaustive list of factors which may be evidence that a Domain Name is an Abusive Registration. These echo the Complainant's submissions and include the following (adopting the order in which the Complainant has made its submissions):

(i) There are circumstances indicating that the Respondent registered the Domain Name as a blocking registration against a name or mark in which the Complainant has rights,

(ii) There are circumstances indicating that the Respondent registered the Domain Name primarily for the purpose of selling 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

(iii) In combination with other circumstances indicating that the Domain Name in dispute is an Abusive Registration, the Complainant can demonstrate that the Respondent is engaged in a pattern of making Abusive Registrations.

Blocking Registration

In the Expert's view the evidence put forward by the Complainant establishes circumstances indicating that the Respondent registered the Domain Name as a blocking registration having become aware of an apparent desire on the part of the Complainant to incorporate a business called LME Holdings. The timing of the registration in the immediate aftermath of the Reuters article leads to a clear inference that the Respondent acted swiftly on receipt of the information about the proposed company in order to secure a valuable Domain Name to the detriment of the Complainant's rights. The Respondent's other existing registrations indicate a depth of commercial acumen on the part of the Respondent which make it difficult to infer that the Domain name was selected for any other reason than its perceived connection to the Complainant.

Primary intention to sell the Domain Name

The above evidence also establishes circumstances indicating that the Domain Name was registered primarily for selling to the Complainant or to a competitor of the Complainant. The Respondent's offer to sell the Domain Name in October 2000 is an indication of its intent. The Expert does not find it determinative that the initial approach to the Respondent appears to have been instigated by the Complainant's agent. The Respondent would be aware of the value of the Domain Name to the Complainant and could simply bide its time until an approach was made to it.

It is also noteworthy that in October 2000 the Complainant was invited to make a “reasonable” offer for the name rather than simply being quoted a fee to cover the Respondent’s out of pocket expenses. This would suggest that the Respondent was interested in profit.

In the conversation of September 2001 Mr Hussain informed the Complainant’s solicitor that he intended to use the Domain name as a website. The uncanny timing of the registration of the Domain Name coupled with the offer to sell it to the Complainant do not corroborate Mr Hussain’s professed intent to set up his own unrelated website.

On the balance of probabilities the Expert finds that the Complainant has established circumstances indicating that the registration of the Domain Name was an opportunistic measure made with the objective of securing a Domain Name that was about to become very valuable. The primary intention which can be inferred is that the Domain name would be offered for sale to the Complainant or to a competitor at an appropriate time and held as a blocking registration pending this transaction. In reaching this decision the Expert finds it unnecessary to place any weight on the untested opinion of the Complainant’s solicitor referred to at section 5 of this Decision.

The Complainant indicates that the Domain Name still does not “point” to a website and asserts that this supports its claim that the Domain Name was registered primarily with a view to sale. It must however be borne in mind that under paragraph 3b of the Policy failure by a Respondent to use the Domain Name is not in itself evidence of Abusive Registration. In any event the Respondent’s primary intention can be inferred from the above facts without relying on the Respondent’s non- use of the Domain Name.

Pattern of Abusive Registrations

The above evidence also establishes that the Respondent is engaged in a pattern of Abusive Registrations. In reaching this conclusion the Expert relies on the extract from the Network Solutions database which feature a range of the Respondent’s domain registrations consisting of well-known trade marks of third parties. The comment in the Net Searchers Newsletter that Mr Hussain has a long record as a cybersquatter has not been taken into account for the reasons set out above. The previous decisions against the Respondent under UDRP and ICANN support the Expert’s finding- but on the basis of the limited detail before the Expert they are not in themselves conclusive.

The established pattern of Abusive Registrations in conjunction with the above findings concerning blocking registrations and primary intent provide a third ground for finding the Domain Name to be an Abusive Registration.

8. Decision

The Expert finds that the Complainant has proved on the balance of probabilities that the two elements in paragraph 2 of the Policy are present, namely that the

complainant 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.

Accordingly the Expert finds in favour of the Complainant and directs that the Domain Name be transferred to the Complainant.

Sallie Spilsbury

29 January 2002