

Nominet UK Dispute Resolution Service

DRS 00445

Vodafone Group Plc -v- Knights Independent Traders

Decision of Independent Expert

1. Parties:

Complainant:	Vodafone Group Plc
Address:	The Courtyard 2-4 London Road Newbury Berkshire
Post Code	RG14 1JX
Country	United Kingdom
Respondent:	Knights Independent Traders
Address:	Weavers Cottage 5 Main Street Keyworth Nottingham NG12 5AA
Postcode	NG12 5AA
Country	United Kingdom

2. Domain Name

vodafoneretail.co.uk

3. Procedural Background

The Complaint was lodged with Nominet on 12th June 15, 2002. Nominet validated the Complaint and notified the Respondent of the Complaint by letter dated 14th June, 2002 sent by post and email informing the Respondent that it had 15 days within which to lodge a response. The Respondent failed to respond within this deadline (or at all). On 15th July, 2002 Nominet wrote to the Complainant confirming that the Respondent had failed to file a Response and further that the Complainant had until 29th July, 2002 to formally request (and pay the appropriate fee for) an expert decision founded on the Complaint. On 16th July, 2002 the Complainant wrote to Nominet confirming its request for an expert decision and paid the appropriate fee pursuant to the Nominet UK Dispute Resolution Service Procedure (the "Procedure").

On 22nd July, 2002 Tom Thomas the undersigned (the "Expert") 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 Expert considered two factors:-

- (a) The Complaint contained an item of correspondence sent by the Complainant to the Respondent bearing the legend “Without Prejudice”. The Expert was therefore required to consider whether it was competent or appropriate to take account of that letter in this decision. Given that the Complainant had chosen to waive any right of privilege in relation to the letter and that the Expert was satisfied that the admission of the letter would not be to the Respondent’s detriment the Expert took the view that it was competent to accept the letter in evidence.
- (b) The Respondent has failed to submit a response to Nominet in time (or at all) in accordance with paragraph 5a of the Procedure.

Paragraph 15b of the 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”.

In this case both the email and the posted correspondence sent by Nominet to the Respondent was returned to Nominet undelivered. In both cases the address details were as provided by the Respondent. Is this then an example of exceptional circumstances referred to in paragraph 15b of the Procedure? In the Expert’s view it is the responsibility of the Respondent (or in this case the Respondent’s Officers) to ensure that up to date address details are maintained with Nominet. Failure to ensure that this is done should not in the Expert’s view be allowed to impede the progress of a validly raised complaint. The Expert therefore finds that there are no exceptional circumstances in this case for the purpose of paragraph 15b.

Accordingly, the Expert will now proceed with a decision on the Complaint notwithstanding the absence of a response from the Respondent. It is worth noting here that the Respondent appears to be the trading name of a Mr Philip Knight and that for the purpose of this decision the Expert views Mr Knight and the Respondent as being synonymous.

Paragraph 15c of the 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 parties non compliance as he or she considers appropriate.”.

Although in this case the immediate reason for the Respondent’s failure to submit a response is clear, i.e. the Respondent’s failure to maintain up to date contact details with Nominet, the reason for that failure may be based on a variety of factors. In the circumstances therefore the Expert has drawn no special inferences from the absence of a response to the Complaint. The Expert is satisfied that the probable facts asserted by the Complainant set out in the following section may be treated, for the purpose of this decision, as facts.

5. The Facts:

The Complainant is a well known telecommunications company registered in England and Wales. It is the proprietor of a variety of UK and Community Trade Mark registrations for the mark “Vodafone”.

The Complainant is the holding company of Vodafone Retail Limited, a company also registered in England and Wales which has traded under the Vodafone Retail Limited name since 1st August 1997. Vodafone Retail Limited has been the registrant of the domain name vodafone-retail.co.uk from 11th July 1997 to date. Since August 1997 the Vodafone online retail store has operated from the website at www.vodafone-retail.co.uk.

The Domain Name was registered for the Respondent on 10th September 2000. It currently resolves to a web page promoting the services of UK2.NET although until at least 12th June 2002 it resolved to a website at www.vodafoneretail.co.uk which appears to have offered mobile phones (including those of other manufacturers such as Nokia and Motorola) and related accessories for sale.

On or before 12 September 2001 the Respondent sent an email to the Complainant offering to transfer the Domain Name and related website (together with the vodafoneretail.com domain name, the registrant of which is also the Respondent) for “a modest fee” stating that the set up costs for the website were £500. On 14th September 2001, a solicitor for the Complainant, wrote a Without Prejudice letter to the Respondent (sent by post and e-mail) in response to the Respondent’s email of or before 12th September. The letter (and email), refers to the Complainant’s trade mark registrations and suggests that the Respondent may be in contravention of the Complainant’s rights. It concludes with a request that the Respondent agree to transfer the Domain Name to the Complainant. The letter was returned to the Complainant as “the addressee had gone away”.

On 15th May 2002 the Complainant was made aware of a customer who apparently received an “upgrade quote” from the Respondent trading through the website at www.vodafoneretail.co.uk.

On 23rd May 2002, a solicitor for the Complainant sent an email to the Respondent in an attempt to make contact. The email was returned as undeliverable. On 23rd May 2002, the same solicitor left a voicemail message on the mobile telephone of the Respondent in an attempt to make contact. There has been no response from the Respondent.

6. The Parties’ Contentions:

Complainant:

The Complainant’s contentions are as follows:

1. The Complainant has established rights in the name “Vodafone” since 1986, both by reason of various trade mark registrations and by reason of common law rights arising out of usage of and consequent goodwill in the word.

2. The Respondent has no rights or legitimate interests in respect of the Domain Name. The “Vodafone” word was created by the Complainant in conjunction with its business and, through both the trade mark registrations and public usage, the name has become unequivocally associated with the Complainant and its business activities. The Respondent is in no way associated with the Complainant’s business and does not, either through his own name or any associated company name, have any right or legitimate interest in that name.
3. The Respondent’s registration of the Domain Name is an abusive registration in accordance with Paragraph 3(a)(i) in that the Respondent has registered the Domain Name “for the purposes of selling the Domain Name to the Complainant for valuable consideration” and in excess of the Respondent’s out of pocket costs.
4. The Respondent’s registration of the Domain Name is an abusive registration in accordance with Paragraph 3(ii) of the Policy in that the Respondent “is using the Domain Name in a way which has confused people or businesses into believing that the Domain Name is registered to, operated or authorised by, or otherwise connected with the Complainant.”
5. Notwithstanding the Respondent’s request for money, his registration alone of the Domain Name is an example of bad faith following the judgement in British Telecommunication PLC and another v One in a Million Limited and others [1999] FSR 1. In that case the Court of Appeal held that the Court had jurisdiction to grant an injunction in a passing-off action “where a defendant is equipped with, or is intending to equip another with an instrument of fraud..... A name which will, by reason of its similarity to the name of another inherently lead to passing-off is such an instrument ...”. In this instance there is no doubt that the Respondent’s use of a name identical to the Complainant’s name and registered trade marks, is evidence of his being equipped with an instrument of fraud.

Respondent:

The Respondent has not responded.

7. Discussion and Findings:

General

In accordance with paragraph 2 of the Nominet UK Dispute Resolution Policy (the “Policy”) the Respondent must submit to proceedings under the Dispute Resolution Service if, in respect of a domain name, the Complainant satisfies the Expert on the balance of probabilities 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.”

Definitions of “Rights” and “Abusive Registration” are provided in paragraph 1 of the Policy.

Complainant’s Rights

The Complainant is the proprietor of a number of registered trade marks comprising of the word “Vodafone” and its subsidiary Vodafone Retail Limited is the proprietor of the domain name vodafone-retail.co.uk.

When comparing any name or mark in which the Complainant has rights with the Domain Name, the first and second level suffixes of the Domain Name, being generic in nature, are to be discounted.

Although the Expert notes the information provided by the Complainant in relation to Vodafone Retail Limited and the website at www.vodafone-retail.co.uk it is not necessary to look further than the Complainant’s rights in the Vodafone name. The Expert is satisfied the Complainant’s direct proprietary interest in the Vodafone name, the distinctive nature of that name and the goodwill associated with the Vodafone brand constitute sufficient grounds to conclude that the Complainant has Rights in respect of a name which is similar to the Domain Name.

Abusive Registration

Paragraph 1 of the Policy defines “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 a decision took place took unfair advantages of or was unfairly detrimental to the Complainant’s rights; or
- ii has been used in a manner which took unfair advantage of or was unfairly detrimental to the Complainant’s Rights”

The Policy provides (at paragraph 3a) a non exhaustive list of a factors which may be evidence that a domain name is an Abusive Registration. Of these factors the Complainant asserts that paragraphs 3a(i)A and 3a(ii) are relevant to this case.

Paragraph 3a(i)A refers to:-

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

- A Primarily for the purpose of selling, renting or otherwise 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 this regard the only piece of evidence produced by the Complainant was the email sent by the Respondent on or before 12th September 2001. Unfortunately for the Complainant the Expert find that this email alone is insufficient to support a finding of Abusive Registration on this ground for two reasons. Firstly the Complainant has in the Expert’s

view failed to show that the Domain Name was registered by the Respondent “primarily for the purpose of selling [it] to the Complainant”. It appears from the email (and certainly the Complainant produced no evidence to the contrary) that the Respondent had been operating its website for some 14 months and that one reason put forward by the Respondent for selling the Domain Name was that the Respondent was unable to cope with the traffic generated by the site. Whether or not this was in fact the case we shall perhaps never know but the Expert finds that the Complainant has provided no evidence to establish the Respondent’s primary purpose.

Secondly nothing in the email itself suggests that the sum sought by the Respondent was (or would have been) in excess of its out of pocket expenses directly associated with the acquisition or use of the Domain Name. Certainly the figure of £500 referred to in the email seems to the Expert to be entirely credible as an estimate of such expenses.

Paragraph 3a(ii) refers to:-

“Circumstances indicating that the Respondent is using the Domain Name in a way which has confused people or businesses into believing that he Domain Name is registered to, operated or authorised by, or otherwise connected with the Complainant.”

Here the Complainant again relies on a single email to substantiate its claim. In this case the email in question is an internal communication sent within the Complainant’s organisation the relevant text of which was as follows:-

“One of our call centre agents has received a call from a customer who has received an “upgrade quote” from a website claiming to be Vodafone Retail. This website can be found at <http://www.vodafone.co.uk>. It is not a Vodafone company website and I am concerned that customers are clearly being misled into thinking that Vodafone are trading through the site”

Even if the information narrated in the email is indeed accurate (and it is at best third hand information) the email itself does not in the Expert’s view show that the customer in question was in confused or misled into believing that the Domain Name and the Respondent’s related website was in any way connected with the Complainant. Indeed a cursory glance at the Respondent’s website would in the Expert’s opinion dispel any notion in the mind of a visitor that they were looking at a site connected with the Complainant.

As stated above the list of factors contained in paragraph 3a of the Policy is non-exhaustive and serves only to illustrate factors which may be evidence of an Abusive Registration. So are there any other factors that suggest an Abusive Registration in this case? Reference was made in the Complaint to the One in a Million case and the Complainant went so far as to provide an extract from the Court of Appeal judgement. In this respect the Expert agrees with the comments made in DRS 00389 (scoobydoo.co.uk). This is not a case to be decided under the laws of passing off or trade mark infringement and attempting to import the findings of a Court in relation to such matters does not assist the Complainant. The DRS Policy operated by Nominet stands apart and cases brought under the Policy in relation to alleged Abusive Registrations must self evidently be decided upon the terms of the Policy.

The only factor which the Expert identifies as being of assistance to the Complainant is to be found in the Respondent’s email sent to the Complainant on or before 12th September

2001. In that email the Respondent stated that in a 14 month period his website had attracted over 140,000 hits to his website. Even discounting that figure to estimate the actual number of individual visitors to the site, the Expert is persuaded that the vast majority of those visitors would have been attracted to the site because of the Vodafone name in its address and that this was clearly the Respondent's intention.

The question for the Expert to consider therefore is whether these findings amount to evidence of the Respondent taking unfair advantage of the Complainant's Rights. In this respect the Expert has the benefit of drawing on the decision of the Appeal Panel in respect of DRS00248 (Seiko UK Limited -v- Designer Time/Wanderweb) and in particular the following passage of text from that decision:-

"Essentially Seiko's complaint is that Wanderweb's registration of the Domain Names has gone beyond making the representation "we are a shop selling Seiko / Spoon watches" and is instead making the representation(s) "we are The Seiko/Spoon watch Shop" or "we are the official UK Seiko/Spoon watch shop".An example of a domain name which, in the opinion of some members of the Panel, would make the former but not the latter representation was given by the Expert in paragraph 7.28 of the Decision: "we-sell-seiko-watches.co.uk".

The Panel agrees that if there is support in the evidence for the suggestion that the Domain Names make, or are liable to be perceived as making, the latter representation (i.e. that there is something approved or official about their website), this would constitute unfair advantage being taken by Wanderweb or unfair detriment caused to Seiko."

Applying the same principles in this case the Expert finds that the volume of traffic attracted to the Respondent's website is sufficient to infer that the Domain Name was perceived by at least some of those visitors to have some official connection with the Complainant. In this respect the Expert considers the fact that on arrival at the Respondent's website any visitor would realise that no such official connection existed to be irrelevant. Accordingly the Respondent's actions, in the Expert's view, amount to use in a manner which took unfair advantage of the Complainant's Rights.

8. Decision:

The Expert finds, albeit not without some difficulty, that on the balance of probabilities the Complainant has rights in a name which is similar to the Domain Name and that the Domain Name in the hands of the Respondent is an Abusive Registration. The Expert therefore directs that the Complaint in relation to the Domain Name be allowed and the Domain Name transferred to the Complainant.

Tom Thomas

8th August 2002

Date