



Neutral Citation Number: [2015] EWHC 3509 (Ch)

Case No: HC-2015-000379

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION

Royal Courts of Justice
Strand, London, WC2A 2LL

Date: 02/12/2015

Before :

HIS HONOUR JUDGE DIGT

Between :

YOYO.EMAIL LIMITED	<u>Claimant</u>
- and -	
ROYAL BANK OF SCOTLAND GROUP PLC and	<u>Defendants</u>
Others	

JONATHAN D.C. TURNER (via Direct Professional Access) for the **Claimant**
SIMON MALYNICZ (instructed by **Pinsent Masons LLP**) for the **Defendants**

Hearing dates: 25 and 26 November 2015

Approved Judgment

I direct that pursuant to CPR PD 39A para 6.1 no official shorthand note shall be taken of this Judgment and that copies of this version as handed down may be treated as authentic.

.....
HIS HONOUR JUDGE DIGT

His Honour Judge Dight :

The cross-applications

1. By their application notice dated 29 May 2015 the defendants ask the court, first, to strike out the Claim and/or for reverse summary judgment on the Claim and, secondly, to strike out the claimant's Defence to Counterclaim and/or for summary judgement on the counterclaim. By its application notice dated 24 August 2015 the claimant asks the court, first, for permission to amend the Particulars of Claim, secondly, for answers to a request for information made pursuant to Part 18 of the CPR and, thirdly, for a direction that the proceedings be transferred to the Intellectual Property Enterprise Court ("IPEC"). It is agreed (for the purpose of the defendants' application only) that I should approach the arguments on the basis of the proposed Amended Particulars of Claim, including the additional amendments suggested on the second morning of the hearing.

The background

2. This Claim concerns the domain names, *rbsbank.email*, *rbs.email*, *natwest.email*, *coutts.email* ("the Domain Names") that the claimant registered for itself in March and April 2014 through an internet service provider and registrar by the name of GoDaddy of Scottsdale, Arizona, USA. The defendants are respectively the registered proprietors of the Trade Marks "RBS", "RBSBANK", "NATWEST" and "COUTTS". Having formed the view that its rights were being infringed the defendants filed a complaint with the World Intellectual Property Organisation ("WIPO") on 19 May 2014 pursuant to the Internet Corporation for Assigned Names and Numbers ("ICANN") Uniform Dispute Resolution Policy ("the UDRP"). Proceedings in respect of such complaints are dealt with in accordance with the UDRP Rules of Procedure ("the UDRP Rules"). The domain name dispute resolution panel ("the Panel") operating under the UDRP scheme concluded, in paragraph 6 of their decision dated 11 August 2014 ("the Decision"), (1) that the Domain Names were identical or confusingly similar to the defendant's registered trade marks, (2) that the claimant's proposed use of them could not be regarded as bona fide, nor was the intended use of them legitimate or fair and (3) that the claimant had registered the Domain Names and intended them to be used in bad faith. The Panel ordered that the Domain Names be transferred to the defendants. The Domain Names have been transferred (and are now registered to the first defendant's domain name management company in Sweden) but have been held in "lock" because of these proceedings.
3. The claimant contends that the Panel's decision was wrong on each ground of their conclusion and commenced these proceedings (after having made an abortive claim in the Luton County Court) for essentially negative declaratory relief to the effect that it has been guilty of no wrongdoing. The defendants deny that the claimant is entitled to the relief which it seeks and counterclaim for passing off and infringement of its Trade Marks. The claimant seeks to bring a counterclaim to counterclaim for revocation of two Community Trade Marks insofar as they extend to electronic mail services.
4. By its proposed Amended Particulars of Claim in this Claim, which had been issued on 8 February 2015, the claimant seeks the following relief:

- “1. *Declarations that:*
- (a) the Claimant is entitled to the domain names and entitled to recover and retain them;*
 - (b) the Claimant is entitled to make the domain names available to users of its intended email services for addressing emails to the respective Defendants, whether the service is provided free of charge or for payment, if the Claimant makes it clear that it is not authorised or licensed by or connected or associated with the Defendants;*
 - (c) the Claimant has rights or legitimate interests in the domain names;*
 - (d) the Claimant did not register the domain names in bad faith;*
 - (e) the Claimant has not used and is not using the domain names in bad faith;*
 - (f) the Claimant has not committed and does not threaten or intend to commit any act of passing off by use or possession of the domain names;*
 - (g) the Claimant has not infringed and does not threaten or intend to infringe the Claimant’s registered trademarks;*
 - (h) the administrative panel did not decide the dispute between the parties in accordance with the UDRP, the UDRP Rules and applicable rules and principles of law, as required by paragraph 15(a) of the UDRP Rules; and*
 - (i) the purported decision of the administrative panel was not a decision within the meaning of the UDRP and the UDRP Rules and was a nullity;*
- and/or declarations in substantially similar terms and/or to the like effect.”*

The parties’ general contentions

5. In respect of the Claim the defendants submit that the court has no jurisdiction to act as a review or appeal body from the Decision and that the claimant has no reasonably arguable cause of action: the Claim should therefore be struck out pursuant to CPR 3.4(2). The defendants rely on the decision of Mann J in *Toth v Emirates* [2012] FSR 26 (in relation to the similar “Nominet” scheme relating to UK registered domain names) in support of the propositions that the claimant has no cause of action for appeal from or review of the Panel’s decision and that there is no practical utility in granting a declaration which would have that effect. In addition, and in any event, the defendants submit that the claimant has no defence to their passing off claim that stands a real prospect of success and there is no other compelling reason why the counterclaim should be tried. The claimant submits that it has a realistic prospect of succeeding in its claim for declaratory relief (based on, inter alia, the proper construction of the UDRP in accordance with the law of the State of Arizona and an argument that the *Toth* decision is wrong or ought to be distinguished) and that there are compelling reasons why the case should go to trial. As to the counterclaim the claimant says that it has a strong defence which requires a number of factual issues to be determined and that it is not therefore open to the court to dispose of the matter

summarily. It is agreed that I need not determine the technical issues, involving Community Law, arising out of the parties' respective contentions relating to the Trade Marks claims, save insofar as they concern the Common Law cause of action of passing off. I propose to consider the defendants' application for summary judgment on its counterclaim before turning to that part of their application which seeks to strike out the Claim.

Passing off and summary judgment

6. I remind myself that the test for summary judgment as set out in CPR 24.2 is as follows:

"The court may give summary judgment against a claimant or defendant on the whole of a claim or on a particular issue if-
(a) it considers that-
(i) that claimant has no real prospect of succeeding on the claim or issue; or
(ii) that defendant has no real prospect of successfully defending the claim or issue; and
(b) there is no other compelling reason why the case or issue should be disposed of at a trial"

I have also reminded myself of the relevant notes in the White Book which explain the nature and application of the test. Mr Malynicz has drawn my attention specifically to *Easyair Ltd v Opal Telecom* [2009] EWHC 339 (Ch) at [15] and Mr Turner to *Nigeria v Santolina* [2007] EWHC (Ch) 437, both decisions of Lewison J, as he then was. It is necessary, with one exception, only to cite the principles set out by the learned judge in the later of those two cases:

"i) The court must consider whether the Claimant has a "realistic" as opposed to a "fanciful" prospect of success: Swain v Hillman [2001] 1 All ER 91, [2000] PIQR P51;

ii) A "realistic" claim is one that carries some degree of conviction. This means a claim that is more than merely arguable: ED & F Man Liquid Products v Patel [2003] EWCA Civ 472 at 8.

iii) In reaching its conclusion the court must not conduct a "mini-trial": Swain v Hillman.

iv) This does not mean that the court must take at face value and without analysis everything that a Claimant says in his statements before the court. In some cases it may be clear that there is no real substance in factual assertions made, particularly if contradicted by contemporaneous documents: ED & F Man Liquid Products v Patel at 10.

v) However, in reaching its conclusion the court must take into account not only the evidence actually placed before it on the application for summary judgment, but also the evidence that can reasonably be expected to be available at trial:

Royal Brompton Hospital NHS Trust v Hammond (No 5) [2001] EWCA Civ 550, [2001] Lloyd's Rep PN 526, 76 ConLR 62;

vi) Although a case may turn out at trial not to be really complicated, it does not follow that it should be decided without the fuller investigation into the facts at trial than is possible or permissible on summary judgment. Thus the court should hesitate about making a final decision without a trial, even where there is no obvious conflict of fact at the time of the application, where reasonable grounds exist for believing that a fuller investigation into the facts of the case would add to or alter the evidence available to a trial judge and so affect the outcome of the case: Doncaster Pharmaceuticals Group Ltd v Bolton Pharmaceutical Co 100 Ltd [2006] EWCA Civ 661, [2007] FSR 63;

vii) On the other hand it is not uncommon for an application under Pt 24 to give rise to a short point of law or construction and, if the court is satisfied that it has before it all the evidence necessary for the proper determination of the question and that the parties have had an adequate opportunity to address it in argument, it should grasp the nettle and decide it. The reason is quite simple: if the Respondent's case is bad in law, he will in truth have no real prospect of succeeding on his claim or successfully defending the claim against him, as the case may be. Similarly, if the Applicant's case is bad in law, the sooner that is determined, the better. If it is possible to show by evidence that although material in the form of documents or oral evidence that would put the documents in another light is not currently before the court, such material is likely to exist and can be expected to be available at trial, it would be wrong to give summary judgment because there would be a real, as opposed to a fanciful, prospect of success. However, it is not enough simply to argue that the case should be allowed to go to trial because something may turn up which would have a bearing on the question of construction..."

7. Mr Turner drew my attention to a different seventh principle identified by Lewison J in the *Nigeria* case:

"(vii) Although there is no longer an absolute bar on obtaining summary judgment when fraud is alleged, the fact that a claim is based on fraud is a relevant factor. The risk of a finding of dishonesty may itself provide a compelling reason for allowing a case to proceed to trial, even where the case looks strong on the papers..."

Mr Turner submits that this principle is particularly important in considering the right of his client to challenge the findings of the Panel that it has acted in bad faith, a matter to which I will turn in due course.

8. The law relating to passing off is not in dispute. In *Reckitt & Colman v Borden* [1990] 1 WLR 491, which involved lemon-shaped plastic containers in which fresh lemon juice was sold, Lord Oliver of Aylmerton said (at 499D):

"The law of passing off can be summarised in one short general proposition – no man may pass off his goods as those of another.."

before moving on to identify and consider the three factual matters which a claimant has to prove in showing that a defendant has passed off his goods as those of the claimant in the following passage:

"First, he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying "get-up" (whether it consists simply of a brand name or a trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff's goods or services. Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff. Whether the public is aware of the plaintiff's identity as the manufacturer or supplier of the goods or services is immaterial, as long as they are identified with a particular source which is in fact the plaintiff. For example, if the public is accustomed to rely upon a particular brand name in purchasing goods of a particular description, it matters not at all that there is little or no public awareness of the identity of the proprietor of the brand name. Thirdly, he must demonstrate that he suffers or, in a quia timet action, that he is likely to suffer damage by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff."

9. The first of the three elements of the cause of action, namely the goodwill and reputation of the defendants in the public mind by association with the names RBS, RBSBANK, NATWEST and COUTTS, is not in dispute. In paragraph 20 of their Defence and Counterclaim the defendants particularised their case as to their reputation and goodwill and that paragraph was specifically admitted by the claimant in its Reply and Defence to Counterclaim. The paragraph of the Defence and Counterclaim, insofar as material, is in the following terms:

"The defendants are respectively the owners of a valuable reputation and goodwill in the RBS/RBSBANK, NATWEST and COUTTS businesses in the United Kingdom ('UK'). Further or in the alternative the Trade Marks have an enhanced distinctive character and/or a reputation as a result of the use that has been made of them in the United Kingdom. In particular: –

20.1. The first defendant's operations in the UK are conducted under or by reference to the RBS and RBSBANK marks through various divisions, including "Personal and Business Banking" which offers a range of banking products and related financial services to the personal market and small and medium sized businesses with a turnover of up to £2 million and "Commercial and Private Banking" which is a provider of banking, finance and risk management services including private banking and investment services. It also has a significant international presence. Its current turnover is in the region of £14.16 billion with a net income of £260 million. It employs over 110,000 employees.

20.2 *It is the owner of approximately 1,200 registered domain names which incorporate the mark "RBS" either alone or with suffixes and phonetic equivalents and approximately 50 domain names which incorporate the mark "RBSBANK" either alone or with a suffix.*

20.3 *The second defendant is the largest retail and commercial bank in the UK. It carries out business by reference to or under the mark NATWEST in approximately 1600 branches across the UK, has 7.5 million personal customers, 850,000 small business accounts and employs over 33,000 people.*

20.4 *The second defendant is the owner of approximately 450 registered domain names incorporating NATWEST.*

20.5 *The third defendant is a private bank and wealth manager and one of the world's oldest banks. It carries out business by reference to or under the mark COUTTS in 23 branches in the UK. It is the owner of approximately 170 domain names incorporating the mark 'COUTTS' either alone or with suffixes or phonetic equivalents*

20.6 *Under or by reference to the mark COUTTS it has won multiple prestigious awards for its UK services including in recent years..."*

20.7 *The third defendant also has a significant public presence by reference to or under the mark COUTTS through sponsorship of public events..."*

10. Nor is the third element in dispute, in the sense that Mr Turner accepted in the course of his submissions that "if the Yoyo system is misleading to a substantial number of members of the public, then it is rather difficult to see how the conclusion that damage will follow could be resisted. So the central issue is...misrepresentation".
11. As to that central issue, misrepresentation to the public (whether intentionally or not) leading or likely to lead the public or a substantial number of people to whom the Domain Names are distinctive (see *Fage v Chobani* [2014] FSR 29) to believe that the services offered in association with the Domain Names are the services of or connected with the defendants, the defendants submit that the case law establishes that the placing of the Domain Names on the register leads, by itself, to passing off because it makes a representation that the owner of the names is connected or associated with the defendants, which of itself causes damage. The defendants also say that the registration of the Domain Names is an instrument of fraud. In both respects the defendants rely on the reasoning of Aldous LJ in *British Telecom v One in a Million & Others* [1999] FSR 1 and submit that the mere fact of registration of the Domain Names by the claimant gives rise to a cause of action which cannot be defeated on the grounds advanced by the claimant. The defendants do not seek summary judgment on the basis of use by the claimant of the Domain Names, merely on the basis of registration.
12. Relying heavily on the comment made immediately before the passage cited above from the speech of Lord Oliver in the *Jif* lemon case where he said:

“Although your Lordships were referred in the course of the argument to a large number of reported cases, this is not a branch of the law in which reference to other cases is of any real assistance except analogically. It has been observed more than once that the questions which arise are, in general, questions of fact.”

the claimant first submits that the decision in *One in a Million* turned on its own specific facts and is of no assistance in determining the instant case. Secondly the claimant submits that the decision concerned a state of affairs which existed many years ago and the internet has developed considerably since then such that the reasoning of the Court of Appeal would no longer be valid today. Thirdly the claimant argues that the way in which it intends to use the Domain Names in the course of its business means that there is no risk of confusion with the defendants’ business and therefore no misrepresentation. Mr Turner submitted that the factual issues which need to be determined at a trial are (1) whether the claimant genuinely intends to use the Domain Names in the way explained by Mr Laporta in his evidence and (2) if so, whether it would be likely to mislead a substantial number of members of the public.

13. In *One in a Million* the defendants had registered a large number of domain names comprising the names or trade marks of well-known commercial or other enterprises without their consent. None were in use as active sites. The plaintiffs included British Telecommunications Plc, Virgin Enterprises Ltd, J.Sainsbury Plc, Marks & Spencer Plc and Ladbroke Group Plc. On appeal from a decision of Mr Jonathan Sumption QC, granting summary judgment to the plaintiffs, one of the issues which the Court of Appeal had to consider was whether the mere registration and ownership of the domain names, without using them, could amount to passing off. Aldous LJ reviewed the law stretching back into the 19th Century before concluding, on the facts of the case brought by Marks & Spencer Plc (at page 22), as follows:

“It is accepted that the name Marks & Spencer denotes Marks & Spencer Plc. and nobody else. Thus anybody seeing or hearing the name realises that what is being referred to is the business of Marks & Spencer Plc. It follows that registration by the defendants of a domain name including the name Marks & Spencer makes a false representation that they are associated or connected with Marks & Spencer Plc. This can be demonstrated by considering the reaction of a person who taps into his computer the domain name marksandspencer.co.uk and presses a button to execute a “Whois” search. He will be told that the registrant is One In A Million Ltd. A substantial number of persons will conclude that One In A Million Ltd. must be connected or associated with Marks & Spencer Plc. That amounts to a false representation which constitutes passing off.

Mr. Wilson submitted that mere registration did not amount to passing off. Further, Marks & Spencer Plc. had not established any damage or likelihood of damage. I cannot accept those submissions. The placing on a register of a distinctive name such as “marksandspencer” makes a representation to persons who consult the register that the registrant is connected or associated with the name registered and thus the owner of the goodwill in the name. Such persons would not know of One In A Million Ltd. and would believe that they were connected or associated with the owner of the goodwill in the domain name they had registered. Further, registration of the domain name including the words

“Marks & Spencer” is an erosion of the exclusive goodwill in the name which damages or is likely to damage Marks & Spencer Plc.

Mr. Wilson also submitted that it was not right to conclude that there was any threat by the defendants to use or dispose of any domain name including the words “Marks & Spencer.” He submitted that the second and third defendants, Mr. Conway and Mr. Nicholson, were two rather silly young men who hoped to make money from the likes of the plaintiffs by selling domain names to them for as much as they could get. They may be silly, but their letters and activities make it clear that they intended to do more than just retain the names. Their purpose was to threaten use and disposal sometimes explicitly and on other occasions implicitly. The judge was right to grant quia timet relief to prevent the threat becoming reality.

I also believe that domain names comprising the name “Marks & Spencer” are instruments of fraud. Any realistic use of them as domain names would result in passing off and there was ample evidence to justify the injunctive relief granted by the judge to prevent them being used for a fraudulent purpose and to prevent them being transferred to others.

The other cases are slightly different. Mr. Wilson pointed to the fact that there are people called Sainsbury and Ladbroke and companies, other than Virgin Enterprises Ltd., who have as part of their name the word Virgin and also people or firms whose initials would be B.T. He went on to submit that it followed that the domain names which the defendants had registered were not inherently deceptive. They were not instruments of fraud. Further there had been no passing off and none was threatened and a transfer to a third party would not result in the defendants becoming joint tortfeasors in any passing off carried out by the person to whom the registrations were transferred. Thus, he submitted, there was no foundation for the injunctive relief in the actions brought by four of the plaintiffs.

I believe that, for the same reasons I have expressed in relation to the Marks & Spencer Plc. action, passing off and threatened passing off has been demonstrated. The judge was right to conclude, at p. 273:

“The history of the defendants' activities shows a deliberate practice followed over a substantial period of time of registering domain names which are chosen to resemble the names and marks of other people and are plainly intended to deceive. The threat of passing off and trade mark infringement, and the likelihood of confusion arising from the infringement of the mark are made out beyond argument in this case, even if it is possible to imagine other cases in which the issue would be more nicely balanced.”

I also believe that the names registered by the defendants were instruments of fraud and that injunctive relief was appropriate upon this basis as well. The trade names were well known “household names” denoting in ordinary usage the respective plaintiff. The defendants registered them without any distinguishing word because of the goodwill attaching to those names. It was the value of that goodwill, not the fact that they could perhaps be used in some way by a third party without deception, which caused them to register the names. The motive of

the defendants was to use that goodwill and threaten to sell it to another who might use it for passing off to obtain money from the plaintiffs. The value of the names lay in the threat that they would be used in a fraudulent way. The registrations were made with the purpose of appropriating the plaintiffs' property, their goodwill, and with an intention of threatening dishonest use by them or another. The registrations were instruments of fraud and injunctive relief was appropriate just as much as it was in those cases where persons registered company names for a similar purpose."

While, of course, Aldous LJ's reasoning was based on the facts of the specific cases before him it seems to me that he was setting out principles of more general application and that the ratio of the case, based on the core fact of registration of a distinctive domain name giving rise to a misrepresentation to members of the public that the registrant is connected or associated with the goodwill in the name, hence amounting to actionable passing off, is binding on me and I intend to follow it.

14. As with the example given by Aldous LJ in respect of registration of the Marks & Spencer name it seems to me that the mere registration of the Domain Names, which are distinctive names, makes a representation to persons who consult the register that the registrant is connected or associated with the names registered and thus the owner of the goodwill in the names and would believe that the registered owners were connected or associated with the owner of the goodwill in the domain name they had registered.
15. I do not accept Mr Turner's submission that the reasoning of Aldous LJ is out of date because the internet has developed to such an extent over the period of time since that decision (or that the public has become significantly more sophisticated) that the reasoning no longer holds good. I need not, nor do I, accept at face value the claimant's assertion that the developments of internet use since the 1990's means that there would in the instant case be no confusion of the sort considered by Aldous LJ. There is no need, in my judgment, for there to be a factual exploration of the use of the internet made by the public today and, in particular, of the use of the "Who-is" site. The essential factual elements behind Aldous LJ's decision have not altered, namely the registration of a distinctive domain name on a register which may be accessed by the public. Further, as I suggested in argument, the example given by Aldous LJ as to the use of Who-is to identify the owner of the domain name is not what compelled him to his conclusion but was an example used by him to demonstrate the sort of confusion that would be created by registration of the name "marksandspencer.so.uk" by someone who had no connection with the owner of the goodwill in that name.
16. Nor do I accept that the law has moved on in any way relevant to the issues which I have to consider since *One in a Million* was decided. The reasoning of the Court of Appeal has been followed and applied in a number of cases in the intervening years by judges at first instance and in the Court of Appeal. Recently, in *Smithkline Beecham Limited & another v GSKLINE Ltd & another* [2011] EWHC 169 (Ch) Arnold J summarised the principles identified by Aldous LJ in *One in a Million* referring to them as the "instruments of deception" doctrine, which he applied in the case before him in giving summary judgment for the claimants. In *Vertical Leisure*

Limited v Poleplus Limited & another [2014] EWHC 2077 (IPEC) His Hon Judge Hacon, on an application for summary judgement in a claim for (inter alia) passing off in respect of poles used by pole dancers, considered that the decision of the Court of Appeal in *One in a Million* was “undoubtedly good law by which I am bound”. The learned judge explained the decision of Aldous LJ in the following way:

“18....As I read the judgment...essentially he was making two points. The first is that the placing on the register of the distinctive name makes a representation to persons who consult the register that the registrant is connected or associated with the name registered, thus with the owner of the goodwill, and that this erodes the goodwill in that name and causes damage to the owner of the goodwill. In other words, registering the domain name of itself gives rise to passing off of a conventional nature

19. In relation to this it was argued for the defendant that this should no longer be followed because the public today are more sophisticated than they were in 1999 when the BT case was decided, and that the representation which Aldous LJ inferred would not necessarily follow today. There was no evidence at all to support this. It was said that this is an application for summary judgment and I should not blindly follow the law as stated in BT because the realities of the world have moved on. I do not accept that. It seems to me that if, as I have found, that goodwill subsists, then, in relation to the relevant public, the likelihood of a misrepresentation, as identified by Aldous LJ, will follow. It also seems to me that [the second defendant] must have thought the same, because he registered the names and openly offered them to the claimant, presumably expecting the public to assume that there would be a connection between the claimant and the domain names. In any event, I am bound by the judgment of Aldous LJ.

20. The second essential point made by Aldous LJ in relation to passing off was that domain names registered in the way he described were instruments of fraud...the threat of passing off essentially arose from the registration of a domain name which, thus created, was an instrument of fraud. It seems to me again that BT v One in a Million establishes a principle of the law by which I am bound...”

I likewise have formed the view that *One in a Million* establishes a principle of law by which I am bound and leads me to the conclusion that the registration of the Domain Names by the claimant amounted to passing off.

17. Further I reject the submission that the claimant’s proposed business model and intended use of the Domain Names needs to be explored at trial. In paragraph 12 of its Reply and Defence to Counterclaim the claimant asserts that no one has been or would be misled by the claimant’s registration of the Domain Names into believing that the claimant’s products or services are those of or connected or associated with or approved by the defendants. The claimant emphasises that it has not threatened to use the Domain Names to pass off or dispose of them as alleged by the defendants. I accept the defendants’ submission, for the reasons that I have already given, that actionable passing off occurred at the point of registration of the Domain Names and therefore I need not consider the steps which the claimant suggests it would take to avoid confusion, however because the point has been argued I will briefly do so.

18. The use to which the claimant intends to put the Domain Names is set out in the witness statement of Mr Giovanni Maria Laporta made on 14 August 2015. He says:

"26. I intend to provide a website for the service at www.yoyo.email or www.yoyo.space. At this website a member of the public will be able to join Yoyo and register a username of the form username@yoyo.email, which he will also be able to use as his email address free of charge.

27. Initially, the member will be able to send an email to a company by identifying the intended recipient on our website, typing in the message and uploading any enclosed documents. Our mail server will record the date and time of receipt and the identities of the sender and recipient, as well as giving the message a serial number. Our server will then send a notification by way of a sealed email to the relevant email address...our server will record the date and time of the accessing and inform the sender....

28. If the recipient replies to the message, the reply will be directed to the relevant username@yoyo.email... we may also have a message blind copied to addresses of the form xyz@companyname.email, where available, to facilitate recordkeeping, but this would be an entirely "back office" use without users being aware of the use of these domain names."

I found it difficult to understand, in the context of the system described in the above explanation, why it was that the claimant needed to register or use the Domain Names at all given that the intended members of the claimant's system at the stage of development described above would not know about them and they would be for "back-office" use only. In any event, there is nothing in that first stage of the claimant's system which would neutralise or correct the misrepresentation and confusion which, in my judgment, would be created by registration of the Domain Names in the first place. Those factual assertions are, in my judgment, not capable of affording the claimant a defence to the counterclaim and need not be explored at trial.

19. In the course of his submissions Mr Turner offered an undertaking on behalf of the claimant to conceal the identity of the registered owner of the Domain Names and to place that information in some type of privacy lock, but that would not, in my judgment, alter the position. The Domain Names would still be owned, and available for use, by a company which has no right to the goodwill attaching to those names whether or not the public were made aware that the representations made in respect of them were made by the claimant or some other person.
20. However, Mr Laporta goes further in his witness statement, and describes how he will reveal the Domain Names to the claimant's customers and allow them to be used as the claimant's system develops:

"30. At a later stage we intend to launch a "Yoyo Local" service, in which users will be able to send and receive e mails directly from their email programs on their devices, without having to access our website. For this to work as a recorded delivery system, recipients' email addresses would have to be at domain names registered by Yoyo, so that the messages are delivered and received via our server. The .email addresses would come into their own at this stage,

enabling emails to be sent by users with recorded delivery to easily memorable email addresses for the recipients via our server. It is only at this stage that members would be made aware of such addresses. As existing members they would already be aware that Yoyo is an independent company, not connected with recipients to whom emails are sent.

31. We intend to make it very clear to users that we are not licensed or authorised by or connected in any way with any companies for which we provide email addresses, both at the outset, when entering our website, and later on when we enable Yoyo Local users to send email to companies at xyz@companyname.email... We have absolutely no intention or desire to be confused or associated with any other company. On the contrary, the whole purpose of our project is to enable an independent verification of the sending and receipt of emails."

21. In the course of the hearing I also watched two brief videos which demonstrated the current version of the system described in paragraph 31. Mr Turner described that system as a "work in progress" the development of which will take some time. It is apparent from both the evidence before me and the submissions which I heard that the claimant has not settled on the details of the system which it wishes to use. Mr Turner submits that the Court should allow the counterclaim to proceed to trial so that it can examine the system and consider the likelihood of removing the potential confusion that might otherwise exist as to the ownership of the Domain Names.
22. Even taking its evidence at its highest the claimant does not satisfy me that it has a realistic, as opposed, to fanciful prospect of successfully defending the counterclaim. Implicit in the scheme described by Mr Laporta in paragraphs 30 and 31 and by Mr Turner in his submissions is the substantial risk of confusion which the proposed use of disclaimers would, it is suggested, avoid. The proposals of Mr Laporta, for that is all they are, would only address the problems caused by use of his company's website by its members and would not address the *One in a Million* issue of the misrepresentation caused by the initial registration. In any event I am entitled to reject, as unformulated and hence merely speculative, the proposals and the effect which is claimed for them. Applying the principles identified by Lewison J in the *Easyair* case I have no hesitation in concluding that the defendants are entitled to summary judgment on that part of their counterclaim founded on passing off.
23. I should add one further comment. It was suggested that, like Aldous LJ, I could come to the conclusion that the registration of the Domain Names was, by itself, an instrument of fraud (see p.18). However, it is not necessary for me to do so and, in my judgment, it adds nothing to the matters which I have to consider. Further, the fact that the registration of the Domain Names might be categorised as equipping the claimant with an instrument of fraud does not give rise to a compelling reason why the counterclaim should be allowed to proceed to trial in accordance with CPR 24.2(b). The bona fides and honesty of the claimant and Mr Laporta, for the purposes of this application for summary judgment, are not factual matters in issue.

Declaratory relief and application to strike out the Claim

24. Counsel are agreed that if I come to the conclusion that the defendants are entitled to succeed on their application for summary judgment on the counterclaim for passing off then the claimant's prayer for declaratory relief in the Claim would be rendered otiose, with the possible exception of sub-paragraphs 1(e) and (f), namely that "(e) the Claimant did not register the domain names in bad faith; and (f) the Claimant has not used and is not using the domain names in bad faith". In theory, therefore, I need not rule on the defendants' application to strike out the Claim, save in respect of those sub-paragraphs. However, since that part of the application was fully argued it seems to me that I should say something about it, albeit less than I might otherwise have done were it the only application before me.
25. In support of its contention that there is no cause of action disclosed by the Amended Particular of Claim which the Court could give effect to and no practical utility in making the declarations sought by the claimant the defendants rely on the decisions of Mann J in the *Toth* case and of Ms Sonia Proudman QC, as she then was, in *Patel v Allos Therapeutics* [2008] ETMR 75.
26. *Toth* turned on the proper construction of clause 10(d) of the Dispute Resolution Service Policy ("the DRS") (and clause 17(c) of the related procedural rules) regulating the service offered by Nominet to deal with complaints that certain UK registered domain names were identical or similar to names or marks owned by the complainant and that the registration of those domain names was abusive. Under the DRS the complaint would be determined by a person described as an "Expert" subject to a right of appeal. Clause 10(d) of the DRS provides specifically that

"the operation of the DRS will not prevent either the Complainant or the Respondent from submitting the dispute to a court of competent jurisdiction".

By paragraph 14 of its Amended Particulars of Claim the claimant purports to submit the dispute relating to the Domain Names to the Court in reliance on clause 4k of the UDRP in the ICANN system governing the complaint between the claimant and defendants before the Panel. Clause 4(k) of the UDRP provides (so far as material) as follows:

"k. Availability of Court Proceedings. The mandatory administrative proceeding requirements set forth in Paragraph 4 shall not prevent you or the complainant from submitting the dispute to a court of competent jurisdiction for independent resolution before such mandatory administrative proceeding is commenced or after such proceeding is concluded..."

27. In *Toth* the claimant had registered the domain name "Emirates.co.uk" about which the well-known Dubai airline of that name complained to Nominet in accordance with the DRS. The complaint was upheld. Mr Toth then started proceedings in the Patents County Court for negative declaratory and other relief. At first instance, on an application to strike, His Hon Judge Birss QC, as he then was, refused to strike out the claims for declarations. In allowing the appeal Mann J held that the DRS did not create a cause of action (para 48), that the question of whether there had been an abusive registration was for the expert appointed in accordance with the DRS and there was no room for parallel court proceedings on the point (paragraph 53) and that

there was no basis for (or practical utility in) granting a declaration where the DRS left the question of abusive registration to the expert.

28. In *Patel* the defendant had successfully complained under the UDRP in respect of a disputed domain name which the panel ordered to be transferred to the defendant. The unsuccessful respondent to that complaint then commenced proceedings in the Chancery Division and was met with an application for (reverse) summary judgment. Ms Proudman granted summary judgment to the defendant and dismissed the claim holding that the proceedings disclosed no cause of action and were totally without merit. In respect of clause 4k of the UDRP she said that:

“[the sub-clause] appears to assume that the court to whom the matter is referred may be able to review the Panellist’s decision on its merits, because the paragraph speaks of “referring the dispute” to the court for “independent resolution”. However, it is trite law that an agreement cannot confer a jurisdiction on the court which it does not otherwise have. Under the [UDRP] the Registrar will abide by a judicial decision, but the function of this Court is not as a judicial review or appellate body. The claimant must demonstrate some independent right of action justiciable in this Court. Thus if a complaint is dismissed, the complainant may refer the case to the Court for an order that its trade mark has been infringed. If, on the other hand, the complaint is upheld, the burden is not on the complainant to establish infringement. It is for the registrant to plead and prove a cause of action giving him an interest in retaining the domain name. An unsuccessful registrant therefore faces considerable difficulty in identifying a cause of action upon which the Panel’s decision can be challenged...”

29. The defendants therefore submit that *Toth* and *Patel* were correctly decided and that the application of the principles set out in them to the facts of the present case should lead to the conclusion that 1) the claimant has no separate cause of action here, (2) claiming a declaration does not solve the claimant’s problem because the Court has no jurisdiction to decide whether the Panel decision was correct and there would be no practical utility in granting a declaration and (3) clause 4k does not envisage the Court revisiting the Panel’s decision.
30. The claimant submits that the UDRP should not be construed in accordance with the usual principles of English law relevant to the construction of contractual documentation but should be treated as the equivalent of an international treaty which is governed, in any event, by the law of the State of Arizona. It is said that the law of Arizona would allow reference to the *travaux préparatoires* which led to the drafting of the UDRP and US caselaw demonstrates that the Federal Courts are prepared to reopen WIPO panel decisions in certain cases. The claimant also submits that it does not need a cause of action in the sense intended by the *Patel* case because it is entitled to seek a declaration which would have practical utility in the circumstances of this case. It was submitted that Mann J was wrong to reach the conclusions in the *Toth* case but that in any event that decision is distinguishable because of the differences between the UDRP and the DRS. In any event, it is said, it would be wrong for there to be no process by which the Decision of the Panel could be reviewed, and no such process exists under the UDRP.
31. My conclusions on the application to strike out the Claim are:

- 1) adopting the reasoning of Ms Proudman in *Patel* drives me to hold that on a proper construction of the UDRP clause 4k does not give rise to a separate cause of action in favour of the claimant;
- 2) nor does it afford any jurisdiction to this Court to act as an appeal or review body from the Decision;
- 3) in reaching that construction of clause 4k I am not persuaded on the evidence as to Arizona law put before me that the court in Arizona would take account of the WIPO *travaux preparatoires* nor is there any sufficiently close link between the *travaux preparatoires* and the final wording of the UDRP to persuade me that it is part of the relevant factual matrix or would be taken into account in construing the UDRP in accordance with principles of English law if they were to be applicable or if Arizona law were to be treated as the same as English law;
- 4) there is no material difference between the wording and proper construction of DRS and the UDRP schemes (at least so far as clauses 10(d) and 4k are concerned) and the reasoning of Mann J in *Toth* is compelling and, albeit by analogy, should be applied in this case;
- 5) there is no practical utility in granting declaratory relief in this case for the reasons explained by Mann J in *Toth*, because the UDRP scheme has dealt with the issue between the parties, because any declaration made by this Court could not alter the findings of the Panel and the effect of my conclusions on the application for summary judgment on the counterclaim render the claim otiose.

32. For the avoidance of doubt I should add that my conclusions extend to the relief sought in sub-paragraphs 1(e) and 1(f) of the Prayer. Nor is there any compelling reason why the questions of bad faith should be allowed to go to trial. The Panel found against the claimant in each respect, having taken account of allegedly similar findings against the claimant made by other panels who had heard complaints in cases referred to as *Statoil*, *Sheraton* and *Lurpak*. Even if the court were to come to a different conclusion the Decision would stand. The declaratory relief would have no practical impact on the rights in respect of the Domain Names. There is no evidence to suggest any other practical utility in granting such declarations. In the circumstances I have come to the conclusion that this is a plain and obvious case for striking the Claim out. Had I not done so I would have granted reverse summary judgment, dismissing the Claim on the basis that it had no real, as opposed to fanciful, prospect of succeeding and that there was no other compelling reason why it should proceed to trial.