

DISPUTE RESOLUTION SERVICE

DRS8598

Decision of Independent Expert

Chess Properties Limited
and
Mr Ronnie Clarke

1. The Parties:

Lead Complainant: Chess Properties Limited
5 Marlowes
Hemel Hempstead
Herts
HP1 1LA

Respondent: Mr Ronnie Clarke
5 Belsize Road
Hemel Hempstead
Hertfordshire
HP3 8DJ
United Kingdom

2. The Domain Name:

chess-properties.co.uk

3. Procedural History:

The Complaint was received on 14 May, 2010 and validated by Nominet on 17 May. Notification of the Complaint was sent to the Parties on the same date. A Response was received and notified to the Parties on 18 May. The Complainant's payment for a full expert decision was received on 6 July, 2010. On 7 July Nominet invited the undersigned Peter Davies ("the Expert") to act as Expert in the case. On the same date Peter Davies confirmed to Nominet that he knew of no reason why he could not properly accept the invitation, and 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. The Expert's appointment is dated 12 July, 2010.

4.Factual Background

The Complainant is the owner and sole Director of Chess Properties Limited, trading as Chess Properties (“the Company”), an estate & letting agent in Hemel Hempstead, Hertfordshire. The Company was registered under Company Number 5928587 on 8th September 2006 with the Complainant and the Respondent named as Directors with equal shares. On 13th September, 2006 the Company registered the domain name www.chessproperties.co.uk. The Company commenced trading in December 2006.

On 21st December 2009 the Parties signed an agreement for the completion of the purchase by the Complainant of the Respondent’s share of the Company, from which the Respondent resigned as a director and employee. The agreement provided, inter alia, that the Respondent may not “at any time after the date of Completion use any corporate or trading name, mark logo or style which may suggest a connection with the Company or which is similar to any corporate or trading name, mark or style used by the Company”.

On 10 February 2010 another estate & lettings agent, Flaggs LLP was established, with Company Registration No OC352232. This company is identified on Whois as the registered owner of www.flaggs.co.uk with a registration date of 1 October 2009. In April 2010 the Respondent was appointed as a member of Flaggs Limited Liability Partnership. On 5th May 2010 the Respondent registered the Domain Name and www.chess-properties.com on his own account.

On 12th May 2010 the Complainant became aware that both the Domain Name and www.chess-properties.com were being used to direct traffic to the Flaggs website and emailed the Respondent the following day, requesting him to stop using them. The Respondent removed the redirect to the Flaggs website, or caused it to be removed, on the same day. The page currently resolves to a parking page with general links, not related to the Complainant’s business.

5. Parties’ Contentions

5.1 The Complainant

The Complainant is the sole Director of Chess Properties Limited, trading as Chess Properties, an independent estate & letting agent in Hemel Hempstead, Herts. The Company has been in business since 2006 and has an established market presence through its promotional and trading activities. Evidence is submitted of the Company’s marketing activities, which clearly rely upon its distinctive brand name.

An agreement was signed in December 2009 for the completion of the purchase by the Complainant of the Respondent’s share of the Company, from which the Respondent resigned as a director and employee. The agreement provided, inter alia, that the Respondent may not “at any time after the date of Completion use any corporate or trading name, mark logo or style which may suggest a connection with the Company or which is similar to any corporate or trading name, mark or style used by the Company”.

When the Company was established in 2006 the domain name chessproperties.co.uk was purchased and has been used since this time as an integral part of the distinctive brand. Until his departure from the Company, the Respondent was fully aware of, and instrumental in the implementation of, the marketing and promotional strategy of which the domain name chessproperties.co.uk formed a central part.

Several members of the Company's staff left during February and March 2010. It soon became apparent that they had set up a rival estate & lettings agency, Flaggs Limited Liability Partnership, with Company Registration OC352232, established at Companies House on 10th February 2010. The Respondent was seen and generally known to be involved with the establishment of Flaggs, although at that time he was not named as a member of the Limited Liability Partnership. The Respondent bought the domain name www.flaggs.co.uk in October 2009 in his own name and transferred it to Flaggs in March 2010, i.e. once Flaggs LLP had been registered at Companies House. The Respondent also bought, and still has registered in his name, www.flaggsestateagents.co.uk on 26th November 2009. He was appointed as a member of Flaggs LLP on 20th April 2010.

On 5th May 2010 the Respondent purchased the Domain Name and www.chess-properties.com.

On 12th May 2010 it was found that both the Domain Name and www.chess-properties.com were being used to direct traffic to the Flaggs website. This clearly indicates that the Respondent has attempted to divert trade from the Complainant to the benefit of the Respondent.

There can be no reason for the Respondent to use the Domain Name and www.chess-properties.com other than to cause the Complainant's business harm.

Section 12.2.1.4 of the legal Agreement of 21st December 2009 provides that the Respondent may not "at any time after the date of Completion use any corporate or trading name, mark logo or style which may suggest a connection with the Company or which is similar to any corporate or trading name, mark or style used by the Company."

At 11.02am on 13th May 2010, the Complainant emailed the Respondent, requiring him within 24 hours to cease and desist from use of the Domain Name and www.chess-properties.com.

By 5pm on 13th May the Respondent had removed the redirect to Flaggs website. However, the Complainant has received no confirmation that the Respondent will no longer use the Domain Name or www.chess-properties.com nor sell them on to a third party.

The purchase of the Domain Name and www.chess-properties.com by the Respondent, the use to which they have thus far been put and the potentially damaging uses to which they might be put in the future together represent an Abusive registration within the terms of the DRS Policy.

5.2 The Respondent

The Complaint contains a large amount of text that is irrelevant and doesn't concern the Complaint.

The Respondent will be filing a dispute against the Complainant and Chess Properties Ltd in relation to chessproperties.co.uk. This will be a separate action and should not be joined with the Complaint.

The Respondent registered chess-properties.co.uk on 5th May 2010 as this was a free domain which was not registered.

Chess Properties Ltd does not own any trademark or registered logos. The Complainant is correct in stating that the Respondent directed this website (chessproperties.co.uk) through to Flaggs LLP. The Respondent does not believe this to be unreasonable, as he is not purporting to be Chess Properties or making slanderous comments regarding Chess Properties or any employees. If the Domain Name was so integral how had it remained unregistered for almost four years?

The Complainant is correct in stating that the Respondent received an e-mail from her at the stated time. However it is completely unreasonable to expect someone to respond fully within 24 hours given that the Respondent wanted to obtain advice and reflect.

The Respondent read the Complainant's e-mail and stopped forwarding any traffic from this totally unadvertised domain to Flaggs. The Respondent did not reply to the Complainant as he was seeking legal advice.

Flaggs LLP and the Respondent are not prepared to be dictated to as to whom they may wish to sell the Domain Name to. The Domain Name and www.chess-properties.com are registered in the Respondent's sole name and have nothing to do with Flaggs LLP. The Respondent sees no legal grounds to "surrender" the Domain Name.

There are many inaccuracies in the Complaint. Firstly the domain name www.flaggs.co.uk was registered in February 2010 and not October 2009. Secondly it was registered directly to Flaggs LLP not to the Respondent.

The Respondent understands that the Complaint deals only with www.chess-properties.co.uk and with no other domain names owned by either the Respondent or Flaggs LLP.

6. Discussions and Findings

Paragraph 2 a. of the Policy requires the Complainant to prove, 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.*

Rights:

DRS Policy makes it clear that the first of these requirements is intended to represent a relatively low threshold for the establishing of rights in a name or mark. The Complainant does not have a registered trademark in her company's trading name, but evidence is available to show that this name has been in use for a significant period. A measure of commercial goodwill now attaches to it, sufficient to establish an unregistered, common law right in the Company's trading name. Moreover, as the sole owner of the Company, the Complainant has rights, as proprietor, in the domain name www.chessproperties.co.uk. This is a name which differs from the Domain Name in dispute by a single hyphen. The DRS Policy Overview states that

“a name or mark will ordinarily be regarded as identical to the Domain Name if, at the third level, and ignoring the presence of hyphens and the absence of spaces and ampersands, they are the same”.

The Respondent argues that, as the Domain name had not earlier been bought by the Complainant and was available for purchase, it could not be (a) improper to acquire it, nor (b) of importance to the Complainant, or damaging to her interests. These assertions may possibly be relevant to the question of whether the Respondent's registration of the Domain Name was an Abusive Registration under the terms of the DRS Policy, but they do not undermine the Complainant's rights in the Company's trading name in any way.

The Respondent's states that www.chessproperties.co.uk will be the subject of legal proceedings against the Complainant at some future time. It is not possible to know whether this represents a challenge to the Complainant's Rights, as they are to be defined and evaluated under the DRS Policy. In the absence of further information about these proceedings, I am not able to take them into account in this Decision.

Finally, in considering the Complainant's rights, the Complainant has a contractual right vis-à-vis the Respondent, under the terms of the agreement of December 2009 between the Parties, prohibiting the Respondent from use of “any corporate or trading

name, mark logo or style which may suggest a connection with the Company or which is similar to any corporate or trading name, mark or style used by the Company”. It is not appropriate in this Decision to adjudicate upon the enforceability of contract terms between the Parties. However, taken in conjunction with other evidence submitted by the Complainant, I have no difficulty in finding that the Complainant has rights in the trading name of the Company, which is a name which is identical or similar to the Domain Name.

Abusive Registration

Paragraph 1 of the DRS Policy defines an Abusive registration of a Domain Name as one which either

i. was registered or otherwise acquired in a manner which, at the time when the registration or acquisition took place, took unfair advantage of or was unfairly detrimental to the Complainant's Rights; or

ii. has been used in a manner which has taken unfair advantage of or has been unfairly detrimental to the Complainant's Rights;

In my view, the Respondent’s registration of the Domain Name falls clearly within these definitions.

Paragraph 3 (a) of the DRS Policy provides a non-exhaustive list of factors which may support a finding of an Abusive Registration including:

i. Circumstances indicating that the Respondent has registered or otherwise acquired the Domain Name primarily:

A. for the purposes 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;

B. as a blocking registration against a name or mark in which the Complainant has Rights; or

C. for the purpose of unfairly disrupting the business of the Complainant;

ii. Circumstances indicating that the Respondent is using or threatening to use the Domain Name in a way which has confused or is likely to confuse people or businesses into believing that the Domain Name is registered to, operated or authorised by, or otherwise connected with the Complainant;

The Respondent argues that he did not purport to be Chess Properties Ltd, nor did he publish “slandorous comments” about the Company or any of its employees. Nevertheless, a re-direction from the Domain Name to a site managed by a competing estate agency of which he is a partner, is unfairly detrimental to the Complainant’s Rights. The re-direction was stopped on receipt of the Complainant’s email, but this

leaves the Domain Name in the Respondent's hands, with a continuing risk of confusion on the part of prospective clients of the Complainant.

The Respondent questions the factual accuracy of the Complaint at various points. He claims the Complainant was wrong about the registration date of www.flaggs.co.uk and whether registrations were made in the Respondent's name or that of the partnership of which he was subsequently a member. There are occasions when the timing of domain name registrations and the identity of the registrant are crucial in determining whether a registration is abusive in the hands of a respondent. This is not the case in this Dispute.

7. Decision

The Complainant has rights in a name or mark which is identical or similar to the Domain Name which, in the hands of the Respondent is an Abusive Registration. I direct that the Domain Name be transferred to the Complainant accordingly.

Signed: Peter Davies

Dated: 27 July, 2010