

DISPUTE RESOLUTION SERVICE

D00013891

Decision of Independent Expert

Virgin Enterprises Limited

and

SJT Consultancy Limited

1. The Parties:

Lead Complainant: Virgin Enterprises Limited
The Battleship Building
179 Harrow Road
London
W2 6NB
United Kingdom

Respondent: SJT Consultancy Limited
4 South Grove
Alderley Edge
SK9 7EX
United Kingdom

2. The Domain Names:

virginentrepreneurs.co.uk
virginstartups.co.uk

3. Procedural History:

I can confirm that I am independent of each of the parties. To the best of my knowledge and belief, there are no facts or circumstances, past or present, or that

could arise in the foreseeable future, that need be disclosed as they might be of such a nature as to call in to question my independence in the eyes of one or both of the parties.

19 February 2014 15:57 Dispute received
20 February 2014 10:09 Complaint validated
20 February 2014 10:16 Notification of complaint sent to parties
20 February 2014 12:20 Response received
20 February 2014 12:21 Notification of response sent to parties
25 February 2014 01:30 Reply reminder sent
27 February 2014 14:51 Reply received
28 February 2014 11:49 Notification of reply sent to parties
28 February 2014 11:49 Mediator appointed
05 March 2014 10:38 Mediation started
07 April 2014 14:21 Mediation failed
07 April 2014 14:31 Close of mediation documents sent
09 April 2014 16:17 Expert decision payment received

4. Factual Background

The Complainant

The Complainant was incorporated in England and Wales in 1986. It is a member of the Virgin group of companies (the Virgin Group). The Complainant is responsible for the ownership, management and protection of intellectual property in the VIRGIN mark.

The Virgin Group was established by its chairman, Sir Richard Branson, in 1970 when he started a business under the VIRGIN mark selling popular music records by mail order. Since then the Virgin Group has grown significantly in terms of its size, geographic reach and, most significantly for the purposes of this Complaint, the range of industries that the Virgin Group operates under the VIRGIN mark directly or through licences. The Virgin Group's offerings are diverse and include clothing, experience days, cinemas, airlines, music festival and radio, media, mobile phones, broadband, holidays, hotels, financial services, banking, books, trains, gaming, racing, social and environmental services, a not for profit foundation, business start-up and entrepreneur schemes, health and life care services, fitness centres, cosmetics and beauty and spa services. Annex 2 to the Complaint is a witness statement from the Complainant's Trade Mark Attorney. She describes how the diverse activities operated by the Virgin Group are unified under the VIRGIN brand by adding a suffix to the VIRGIN component to designate the particular activity e.g. VIRGIN VISION, VIRGIN GAMES, VIRGIN RECORDS etc..

The Virgin Group runs VIRGIN STARTUP, which is a not-for-profit service for entrepreneurs. Its objective is to help people apply for a business start-up loan and to provide related advice and support. The UK government launched the Start Up Loan Company in 2012 and Virgin Startup is one of a network of delivery partners across England. The exact date that Virgin Startup began operating is unclear. The Complainant says that it has been running "for quite some time". It adds that even before Virgin Startup the Virgin Group were renowned for encouraging and facilitating start-up companies and entrepreneurs.

The Complainant owns an extensive portfolio of UK trade mark and Community Trade Mark registrations for the VIRGIN mark. It provides a schedule of 94 registrations for the VIRGIN word mark and for the stylised VIRGIN signature mark which cover a wide variety of classes of goods and services. The registrations date from 1973 onwards.

The Complainant also owns a series of 4 UK trade marks featuring the mark VIRGIN STARTUP registered as of 25 July 2013.

The VIRGIN mark has a high level of brand recognition. Annexed to the Complaint is a schedule of surveys from 2000-2012 which demonstrate that VIRGIN has been consistently ranked in the top ten of the most recognised and valuable brands in the UK and internationally. These include 6 surveys for 2011 in which the Complainant was ranked as follows:

The Centre for Brand Analysis	2011	No. 14 in the Official Top Business Superbrands Official
The Centre for Brand Analysis	2011	No. 17 in the Official Consumer Superbrands Official
MPP Consulting	2011	GBBRand Top 100 British Brands
Clear	2011	The 100 most desired brands
Brand Finance	2011	UK Most Valuable Brands
TLG Communications	2011	UK's Business Thought Leaders

Also annexed to the Complaint is a 2011 survey report from Reputation Institute who measure over 200 of the UK's biggest organisations as part of its global "Rep Trak" reputation study. The Virgin Group ranked at 14th.

The virgin.com domain name was registered on 10 September 1997 and is used to identify the Virgin Group website and business offerings.

The Respondent and the Domain Names

The Respondent registered the Domain Names on 2 September 2011 (virginentrepreneurs.co.uk) and 6 August 2011 (virginstartups.co.uk). Both Domain Names resolve to a click through site. There is no evidence that the Domain Names have been put to any other use.

The Complainant contacted the Respondent about the Domain Names in 2013. The Respondent replied by letter dated 14 August 2013 indicating that it would transfer the Domain Names to the Complainant for the price it had paid for them, on condition that a representative from the Respondent (Mr Thompson) were given 30 minutes with Sir Richard Branson (Chairman of the Virgin Group) to pitch his business ideas.

The Respondent's letter goes on to state that Mr Thompson has studied Sir Richard Branson "in great detail" and had previously visited Virgin Head Office to make a presentation to a former Virgin employee.

5. Parties' Contentions

The Complaint

The Complainant asserts Rights in the VIRGIN mark which predate the Respondent's registration of the Domain Names. It relies on its numerous trade mark registrations and its registration of the virgin.com domain name. It also submits that the VIRGIN mark is inherently very strong and distinctive and the mark has acquired an enhanced distinctive character through the high profile use that has been made of it on a global scale.

The Complainant asserts that the Domain Names are confusingly similar to its VIRGIN mark. Given the reputation and the rights owned by the Complainant in the VIRGIN mark a relevant consumer seeing the Domain Names would assume that they relate to a service provided by the Virgin Group. In support of this it relies on screenshots of a Google search for the elements "virgin" and "startup" and "entrepreneurs" which show that the search engine associates those terms with the Complainant.

The Complainant submits that the Domain Names are Abusive Registrations under the DRS Policy. It makes the following specific submissions:

- (a) The Respondent had no legitimate reason to register the Domain Names except to benefit from the Complainant's well known VIRGIN mark by either attempting to sell, rent or otherwise transfer the Domain Names to the Complainant, or by using them to refer to the Complainant and/or to interrupt the Complainant's business or block its registration of the domains.
- (b) Even though it has no legitimate interest in the Domain Names the Respondent is currently using the Domain Names to benefit financially from the sponsored links on the click through site to which the Domain Names resolve.
- (c) In view of the distinctive nature of the VIRGIN mark and the scope of the Virgin Group's businesses, there is no way that the Respondent could use the Domain Names without confusing the public into believing that the Domain Names are registered to, operated or authorised by or otherwise connected with the Complainant.

The Response

The Respondent asserts that the Domain Names were registered before the Virgin Group had an interest in the areas of business start-ups and entrepreneurship.

The Respondent has indicated that it would sell the Domain Names to the Complainant at cost price conditional on the opportunity to make an exclusive pitch to Sir Richard Branson.

The Respondent annexes to the Response its letter to the Complainant dated 14 August 2013 (referred to in section 4 of this Decision). In that letter the Respondent asserts that it does not believe that the Complainant can claim to own a word of the English language such as the word "virgin".

The Reply

The Complainant submits that the Respondent's attempt to secure a meeting with Sir Richard Branson amounts to blackmail and that this supports its argument that the Respondent's registration of the Domain Names was abusive because it gives rise, retrospectively, to the inference that the registrations were secured for the purposes of taking advantage of the Complainant. The Complainant also points out that 30 minutes of Sir Richard Branson's time is invaluable and a transfer of the Domain Names which met this condition would amount to consideration in excess of the Respondent's out of pocket disbursements.

The Respondent's contention about ownership of word in the English language is disputed by the Complainant. It points out that the majority of registered trade marks are English language words and that The VIRGIN mark is very strong and distinctive. The Complainant has taken a considerable amount of time and energy to secure global protection for its intellectual property rights.

6. Discussions and Findings

Under Paragraph 2 of the Nominet Dispute Resolution Service Policy (the Policy) In order for the Complainant to succeed it must establish on the balance of probabilities, both:

that it 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 as defined in Paragraph 1 of the Policy.

Rights

Rights are defined in Paragraph 1 of the Policy as follows;

"Rights means rights enforceable by the Complainant, whether under English law or otherwise, and may include rights in descriptive terms which have acquired a secondary meaning."

The Complainant has established that it owns registered Rights in the VIRGIN mark through numerous trade mark registrations. It has also established that it owns unregistered Rights in the goodwill that has been generated through the long standing and extensive use of the VIRGIN marks in connection with a substantial and diverse range of business activities. The results from various brand surveys which have been annexed to the Complaint demonstrate that the VIRGIN mark is widely recognised and associated with the Virgin Group and that the mark is a valuable commodity.

The Complainant also owns registered Rights in the VIRGINSTARTUP mark which is the subject of 4 trade mark registrations which were registered with effect from 25 July 2013. The question of whether any Rights in this particular mark existed as at the date of registration of the Domain Name is addressed below, in the Abusive Registration section of this Decision.

The next issue is to consider whether the marks in which the Complainant owns Rights are identical or similar to the Domain Names.

There are 2 Domain Names at issue in this complaint, namely virginentrepreneurs.co.uk and virginstartups.co.uk.

The Complainant's VIRGIN Mark

Neither of the Domain Names is identical to the Complainant's VIRGIN mark. They each have an additional component ("entrepreneurs" and "startups" respectively). Nevertheless VIRGIN stands out as the dominant feature of each of the Domain Names. This is significant given that the formula "Virgin [plus activity]" (e.g. Virgin Records) is in common use by the Virgin Group. The public is therefore accustomed to seeing the VIRGIN mark being followed by a wide range of types of activity and it connects the composite mark with the Virgin Group.

The overall effect is that the significance of the word "virgin" is not displaced by the introduction of the subsequent words into the Domain Names.

For the purposes of this section of the Policy the Expert finds that the Domain Names are similar to the Complainant's VIRGIN mark.

The Complainant's VIRGIN STARTUP Marks

In relation to the virginstartups.co.uk domain name, the Complainant owns Rights in a mark which is almost identical to the Respondent's virginstartups.co.uk domain name. The only alteration is the addition of the letter "s" into the Domain Name which is both visually and aurally insignificant.

For the purposes of this section of the Policy the Expert finds that the Domain Names are similar to the Complainant's VIRGIN STARTUP marks. It follows that the Complainant has established on the balance of probabilities that it has Rights in respect of names or marks which are identical or similar to the Domain Names. The first element of the criteria under the Policy has been satisfied.

Abusive Registration

An Abusive Registration is defined in Paragraph 1 of the Policy as follows:

"Abusive Registration means a Domain Name 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 took unfair advantage of or was unfairly detrimental to the Complainant's Rights".

The Complaint is based on both of these grounds.

Registration

The Complainant relies on the following provisions of the Policy:

3 a. A non-exhaustive list of factors which may be evidence that the Domain Name is an Abusive Registration is as follows:

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;

The issue is whether the Domain Names were registered in a manner which at the time when the registration took place, took unfair advantage of or was unfairly detrimental to the Complainant's Rights in its marks.

The Domain Names were registered in August and September 2011, many years after the Virgin Group began trading. The Summary of brand surveys which the Complainant has annexed at annexes 3 and 4 to the Complaint show that in 2011, when the Domain Names were registered, the Virgin Group was recognised as a

successful and valuable brand with a high level of brand recognition. The schedule of trade mark registrations at Annex 5 show that the Complainant was the proprietor of numerous trade mark registrations for the VIRGIN mark at that time and the witness statement at Annex 2 to the Complaint demonstrates that the VIRGIN mark was used widely in 2011 in conjunction with an extensive range of activities.

However what is not established is when the Virgin Group began trading as VIRGIN STARTUP. The Government scheme to which VIRGIN STARTUP is linked seems to have begun in 2012, although there seems to have been some general encouragement of entrepreneurship by the Virgin Group before that time. The Complaint uses ambiguous language to describe when the startup venture began, simply stating that the Complainant has been running VIRGIN STARTUP “for quite some time”. The trade mark registrations for VIRGIN STARTUP (July 2013) postdate the registration of the Domain Names by some margin.

On the basis of this information the Expert finds that the Complainant has not established that its registered and unregistered Rights in the VIRGIN STARTUP marks were in existence at the time that the Domain Names were registered. The Expert will accordingly disregard the VIRGIN STARTUP marks in this part of the Decision and will focus exclusively on the VIRGIN mark and related trade mark registrations which predate registration of the Domain Names.

There is no *direct* evidence before the Expert that the Respondent registered the Domain Names with an intent to take advantage of or unfairly disrupt the business of the Complainant. Instead, the Expert is invited to infer that, given the well-known status of the Complainant’s VIRGIN mark, the Respondent must have been aware of the Complainant and/or its marks when it registered the Domain Name in 2011 and to have intended to take advantage of the Complainant's Rights. The Complainant also points out that there is no connection between the Respondent and the VIRGIN mark which could legitimate the registration.

The Expert finds these submissions to be compelling. Despite the Respondent’s assertion to the contrary, the use of “virgin” in connection with business activity prevents it being understood as a generic term in everyday use. It is a phrase with trade mark (or brand) significance and a strong association with the Complainant.

In 2011 the Complainant’s VIRGIN mark was already a household name. It is improbable that the Respondent would have been unaware of the Complainant at the time he registered the Domain Names. In support of the finding of awareness is the fact that Mr Thompson of the Respondent indicates in his letter of August 2013 that he had studied Sir Richard Branson in great detail and had had previous business contact with the Virgin Group.

In these circumstances, the Expert infers that the motivation for the registration of the Domain Names was to exploit the association with the Complainant’s business. This falls within the definition of Abusive Registration in Paragraph 1 of the Policy because such exploitation is parasitical and takes unfair advantage of the goodwill and property associated with the VIRGIN mark. This finding is reinforced by the Respondent’s offer to transfer the Domain Names to the

Complainant on condition that Mr Thompson secured access to Sir Richard Branson so that he could pitch business ideas to him.

The Expert agrees that this amounts to an offer to transfer the Domain Names for valuable consideration in excess of the Respondent's documented out-of-pocket costs directly associated with acquiring or using the Domain Name. Paragraph 3a1A of the Policy permits the Expert to draw an inference that the Respondent's motivation in registering the Domain Names was to secure such an advantage.

For these reasons the Expert finds that the registration of the Domain Names by the Respondent were Abusive Registrations.

Use

The Complainant relies on the following provision of the Paragraph 3a of the Policy:

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 Complainant submits that there is no way that the Respondent could use the Domain Names without causing confusion. Given the observations above about the strength of the VIRGIN mark and of the associated goodwill the Expert agrees that any active use by the Respondent of the Domain Names would be likely to confuse the public into the mistaken belief that the Domain Names are associated with the Complainant. This is supported by the printouts at Annexes 5 and 6 to the Complaint which show that a Google search of the terms "virgin" "entrepreneurs" and "startup" show the Virgin Group featuring almost exclusively in the search results. The Respondent is effectively holding Domain Names which it cannot put to legitimate use.

But there remains the question about whether the Domain Names have in fact been actively used by or on behalf of the Respondent to date. The Domain Names have been used to link to "parking pages". The Complainant finds the fact that the Respondent is deriving pay per click revenue from the Domain Names to be objectionable. But it provides no evidence that income is being generated for the Respondent. Nor does it complain that any specific sponsored links on the parking pages are likely to cause confusion or to take advantage of its Rights.

A search by the Expert on 25 April 2014 showed that each of the parking pages to which the Domain Names resolved featured editorial links which appeared to have been generated by the Respondent's internet service provider. These covered

issues relating to e-commerce generally, such as how to react to the Heartbleed Internet virus and running viral advertising campaigns. It was not clear that these links are sponsored and there were no obvious advertising links on the page.

The Expert notes that the Policy provides at Paragraph 4e as follows:

"Sale of traffic (i.e. connecting domain names to parking pages and earning click-per-view revenue) is not of itself objectionable under the Policy. However, the Expert will take into account:

- i. the nature of the Domain Name;*
- ii. the nature of the advertising links on any parking page associated with the Domain Name; and*
- iii. that the use of the Domain Name is ultimately the Respondent's responsibility."*

The Expert is mindful of the observations of the Appeal Panel in *Oasis Stores Limited v Dale (DRS 06365)* who noted at Paragraph 8.15 of the decision "In cases such as this, where the behaviour of a "parking page" is involved and an Expert or an Appeal Panel is asked to reach conclusions based on such behaviour, the relevant party would be well advised to provide full and detailed explanations as to exactly what is happening and what is causing the relevant page to behave in the manner concerned."

No such explanation has been forthcoming from the Respondent. Nevertheless the Expert is conscious that to make a finding that the current use of the Domain Names amounts to an Abusive Registration would involve her in effectively making out the Complainant's case for it on this issue in a way that would go well beyond the submissions and evidence that the Complainant has raised. That would not be appropriate.

The Expert accordingly finds that the Complainant has not discharged its obligation to demonstrate on the balance of probabilities that the current and historic use to which the Domain Names are being put takes unfair advantage of the Complainant's Rights or is causing unfair detriment to them.

7. Decision

The Domain Names were registered in a manner which, at the time when the registration took place, took unfair advantage of the Complainant's Rights. Accordingly, the Domain Names in the hands of the Respondent are Abusive Registrations. The Expert directs that the Domain Names be transferred to the Complainant.

Signed Sallie Spilsbury

Dated 7th May 2014