

## DISPUTE RESOLUTION SERVICE

D00014312

### Decision of Independent Expert

Kover S.R.L.

and

Ms Kassandra Karine Ferreira / Bonbon Trading Limited

#### **1. The Parties:**

Complainant: Kover S.R.L.  
via Ferravilla, 70  
DESIO (MB)  
I-20832  
Italy

Respondent: Ms Kassandra Karine Ferreira and Bonbon Trading Limited  
64 Knightsbridge  
London  
Greater London  
SW1X 7JF  
United Kingdom

#### **2. The Domain Name(s):**

milanobedding.co.uk ("the Domain Name")

#### **3. Procedural History:**

The Complaint was submitted to Nominet on 5 June 2014. On 6 June 2014, Nominet validated the Complaint and notified it to the Respondent. The

Respondent was informed in the notification that it had 15 working days, that is, until 27 June 2014 to file a response to the Complaint.

On 26 June 2014 the Respondent filed a Response. On 3 July 2014, the Complainant filed a Reply to the Response. The case proceeded to the mediation stage. On 21 November 2014, Nominet notified the Parties that mediation had been unsuccessful and invited the Complainant to pay the fee for referral of the matter for an expert decision pursuant to paragraph 8 of Nominet's Dispute Resolution Service Procedure Version 3 ("the Procedure") and paragraph 7 of the corresponding Dispute Resolution Service Policy Version 3 ("the Policy"). On 3 December 2014, the Complainant paid the fee for an expert decision. On 8 December 2014, Andrew D S Lothian, the undersigned, ("the Expert") confirmed to Nominet that he was not aware of any reason why he could not act as an independent expert in this case. Nominet duly appointed the Expert with effect from 11 December 2014.

#### **4. Preliminary**

The Expert notes that there is a lack of clarity in the Parties' submissions and correspondence as to the identity of the Respondent. The Complainant's submissions appear to be directed interchangeably to the Registrant, Ms. Ferreira, and to a company on whose behalf she is said to be acting named Bonbon Trading Limited. In the Response, the Respondent replies to the Complainant's contentions at times in the first person singular (which might denote Ms. Ferreira) and at others in the first person plural (which, from the context, appears to denote Bonbon Trading Limited and/or its predecessor entities).

The WhoIs record for the Domain Name does not do anything to dispel the confusion. The Registrant is listed as "Ms. Cassandra Karine Ferreira". The WhoIs goes on to say that the Registrant is "Trading as: Bonbon Compact Living". Below this is a listing of the Registrant type which provides "UK Limited Company, (Company number: 5150108)" and underneath that is the Registrant's address which commences with the line "Bonbon Trading Limited". This is followed by a line stating "Data validation: Registrant contact details validated by Nominet on 10-Dec-2012".

The Expert consulted the UK Companies House database in respect of company number 5150108 and found this to be Bonbon Trading Limited, being the company listed in the Registrant's address field. The Expert also consulted Nominet as to the meaning of the data validation entry and was informed that Nominet's Data Quality team validate the Registrant name and address but do not consider the organisation type or company number for validation purposes. The Data Quality team reported that they were able to validate a "high confidence match" against the Respondent name and a match for the given address.

Nominet further advised that the Domain Name was initially registered to a company named Bonbon Trading Limited on 15 September, 2000 (the Expert notes in passing that this is not the present Bonbon Trading Limited, which was incorporated in 2004) and was transferred to Ms. Ferreira on 13 April, 2012. Nominet stated that when Ms. Ferreira completed her part of the transfer she added the company number in the "Registrant type" field.

Turning to the wording of the Policy on Respondent identity, paragraph 1 defines the Respondent as "the person (including a legal person) in whose name *or on whose behalf* a Domain Name is registered" (Expert's emphasis). In light of the WhoIs record and in particular Ms. Ferreira's addition to the "Registrant type" field, the Expert considers it reasonable to infer that while Ms. Ferreira is the named Registrant, she has registered the Domain Name on behalf of Bonbon Trading Limited rather than exclusively in a personal capacity.

Furthermore, as the Parties appear to treat Ms. Ferreira and Bonbon Trading Limited as somewhat interchangeable and as the former was apparently content to list the latter in the WhoIs record in a way which indicates an interest beyond a mere contact address, the Expert determines that both of these persons, taken together, shall be treated as the proper Respondent in this case.

## **5. Factual Background**

The Complainant is an Italian limited company incorporated in 1984 which has been manufacturing furniture under the trade mark MILANO BEDDING since 1996. The Complainant is the owner of several registered trade marks for the MILANO BEDDING mark in international classes 20 and 24 including Italian registered trade mark no. MI2000C014214 filed on 29 December 2000 and registered on 16 February 2001 and International registered trade mark no. 755360 filed on 16 February 2001 (with priority date of 29 December 2000) granted in various countries, such as Austria, France and Germany. Each of these marks is figurative in nature, being a rectangular dark imprint containing the underlined word "milano" aligned left, with the word "bedding" in smaller characters written above and aligned to the right hand side.

The Complainant is the registrant of a variety of domain names using MILANO BEDDING in the second level. The earliest of these is <milanobedding.it> which was created on 20 March 1997. The Complainant is also the registrant of <milanobedding.com>, created on 13 November 1999, although the Parties' correspondence indicates that this domain name was originally registered by the Respondent and that the Complainant gained control of it at a later date.

The "Milano Bedding" name was also used in the name of an Italian limited company called Milano Bedding SRL which was incorporated on 3 April 1996.

This company had the same majority shareholder as the Complainant. Milano Bedding SRL went into voluntary liquidation on 28 December 2000 and was subsequently cancelled on 13 February 2007. At some point prior to the liquidation its business appears to have been taken over by the Complainant.

On 1 October 1999, Milano Bedding SRL and the Respondent's predecessor, then named Bonbon Trading Limited, entered into a formal agency agreement for a 36 month term whereby Milano Bedding SRL offered that company a sales agency for MILANO BEDDING products for the territory of the United Kingdom subject to various conditions.

On 1 October 2002, the Complainant and a company named Addax Overseas Limited ("Addax") of Tortola, British Virgin Islands, entered into a similar agency agreement whereby the Complainant offered Addax a sales agency for MILANO BEDDING products for the territory of the United Kingdom on similar conditions. This agreement was to continue indefinitely, subject to termination upon written notice. The Complainant says that Bonbon Trading Limited was still the Complainant's agent notwithstanding this agreement.

By letter to the Complainant of 1 March 2012 Addax asked the Complainant to invoice commissions due under its agency agreement to Bonbon Trading Limited ("Bonbon"), being the Respondent company incorporated in 2004, and to pay these direct into Bonbon's bank account. This letter was signed on behalf of both Bonbon and Addax by the same person, indicating that there is a close connection between these two entities.

By letter to Addax and Bonbon dated 7 April 2014 the Complainant sought to terminate the agency agreement of 1 October 2002, citing various breaches including an alleged failure to visit customers at an agreed frequency, an alleged failure to introduce any new clients within a five year period, and the registration of the Domain Name without authorisation.

The Complainant has submitted evidence in the form of copy invoice documentation demonstrating that it achieved sales of MILANO BEDDING products in the United Kingdom exceeding €250,000 over the period from 2005 to 2013. According to these invoices, the vast majority of the sales appear to have been effected via the Addax/Bonbon agency.

The Domain Name was registered on 15 September 2000. Screenshots of the Complainant's website at <milanobedding.it> dated November 2001, November 2005 and November 2008 show links named "The United Kingdom site", "The UK web site" and "UK WEBSITE" respectively which the Respondent says, and the Complainant does not deny, were linked to the Domain Name. A screenshot of the Complainant's website in November 2010 also provided by the Respondent shows a page titled "Europe Retailers" which contains the statement: "GREAT BRITAIN / ENGLAND: Agent: Bonbon Trading: admin@milanobedding.co.uk - www.milanobedding.co.uk".

The Parties do not provide historic screenshots of the website at the Domain Name, although the Complainant provides a screenshot of the Respondent's website at <www.sofaandsofabed.com> dated June 3, 2014 and it is a matter of admission by the Respondent that the Domain Name was pointed to that website for an approximate period between early April and mid-May 2014. According to the Complainant's screenshot, the Respondent's said site appears to offer the Complainant's products for sale. Various slogans are used referring to "Milanobedding UK" including "Milanobedding UK, We use the best mechanism on the market, converting the sofas into every day beds in seconds without the need to remove any of the seat or back cushions".

Both Parties state that the Domain Name currently points to the Respondent's Internet service provider's parking page. The Respondent notes that this change was effected from mid-May 2014. However, when the Expert visited the associated website there was no page displayed. It is not clear whether the Domain Name has therefore been deactivated since the Parties made their submissions or whether it remains configured as they describe but is responding intermittently.

Between 29 April and 13 May 2014 the Complainant received three emails from what it describes as "English clients". These emails state that the individuals concerned have identified the website at the Domain Name during independent searches and suggest that it is likely to confuse consumers into believing that they are buying direct from the manufacturer.

On 22 June 2014, the Respondent, Ms Ferreira wrote an email to a member of staff at the Complainant stating:-

"As discussed over the telephone I would need you to confirm that our conditions will stay the same and that you will finally list Bonbon as a retailer, we would then also prefer to work directly with you.

If agreed and as we have been working together and known each other for a long time, I will arrange for the domain name to be transferred to you for the end of September.

Please forward us your details for the transfer, you would also need to withdraw your process with Nominet as this will be done in good faith."

## **6. Parties' Contentions**

### **Complainant**

The Complainant asserts that it has Rights in the name or mark MILANO BEDDING by virtue of its registered trade marks, and by use of this name in

multiple domain names dating back to 20 March 1997. The Complainant also focuses on the fact that the majority shareholder of both the Complainant and of Milano Bedding SRL is the same person and that "the proprietorship is the same".

The Complainant submits that the Domain Name is an Abusive Registration because there are circumstances indicating that the Respondent has registered the Domain Name primarily for the purpose of unfairly disrupting the business of the Complainant and that there are 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 states that it did not grant any authorisation to the Respondent to apply for the registration of the Domain Name. The Complainant submits that the extent of the Respondent's authority, arising from the agency agreement, was to act as distributor of the Complainant's goods in the United Kingdom and not to effect any domain name registrations. The Complainant adds that it has set up a network of independent retailers, each of whom may advertise their right to sell MILANO BEDDING branded furniture. The Complainant notes that this is not a franchising model in which franchisees would be allowed to call themselves "Milano Bedding".

The Complainant describes the termination of the Respondent's and Addax's agency agreement and notes that the Respondent defaulted so seriously that it was impossible to continue this even on a temporary basis. The Complainant also submits that the Respondent had gone far beyond the terms of the agreement by continually making the misleading representation that the Respondent was "Milano Bedding" rather than a sales representative. The Complainant adds that the Respondent continues to sell the Complainant's furniture to the public without any licence from the Complainant.

The Complainant states that the Respondent has configured the Domain Name so that when "www.milanobedding.co.uk" is typed into a browser, this is redirected to "www.netcom.co.uk". The Complainant adds that if the Domain Name is typed into the "Google" toolbar, the user is redirected to the Respondent's website at "www.sofaandsofabed.com". The Complainant argues that the wording found at the latter website, and in particular the use of the word "our" in connection with the Complainant's products, falsely suggests that the sofas offered for sale are manufactured by the Respondent. The Complainant notes that the Respondent fails to indicate on its website that it is or was a sales representative rather than the Complainant itself and adds that before notice of termination of the agency agreement the Respondent also used the MILANO BEDDING mark on the top left of its homepage.

The Complainant describes the terms of the three emails which it received between 29 April and 13 May 2014 from what it states are "English clients". The Complainant argues that the emails demonstrate initial interest confusion, deceptiveness to the detriment of the public and "impairment to the detriment of the Complainant". The Complainant asserts that the use of the Domain Name falsely implies that the Respondent is the Complainant itself and that such use is not fair. The Complainant also submits that while the registration of the Domain Name itself was unfair, the use of the Domain Name after the termination of the Parties' commercial relationship renders it even more abusive. The Complainant adds that it is a well-established principle of UK and international law that it is unfair for a mere agent to appropriate to himself the trading style of his principal. The Complainant notes that the Respondent was aware of the Complainant and its domain names at the time when it registered the Domain Name and yet chose to register this to benefit from the Complainant's reputation and goodwill without the Complainant's permission.

The Complainant refers to the domain name <milanobedding.com> and states that this was previously registered by the Respondent and that the Respondent refused the Complainant's request to transfer it. The Complainant states that <milanobedding.com> was "forcedly assigned to the Complainant" as a result of a proceeding started by the Complainant "before the Authority in charge". The Complainant submits that the raising of this proceeding indicates that the Respondent has always been trying to usurp the Complainant's rights. The Complainant also asserts that, had the Respondent acted in good faith, it would have transferred the Domain Name pursuant to the transfer of <milanobedding.com>.

The Complainant finally contends that the Domain Name infringes upon the law of passing off by the Respondent's misrepresentation of the Complainant's goods as having an association with the Respondent.

## **Respondent**

The Respondent states that it registered the Domain Name in 2001 and that it has always been used to market the MILANO BEDDING collection of sofas and sofa beds in the United Kingdom and for no other purpose. The Respondent states that this has always been known by the Complainant and notes that for several years the Complainant provided a link on the first page of its website pointing to the Domain Name. The Respondent adds that the Complainant wrote emails to an address at the Domain Name and says that the Complainant also arranged for the Respondent's business cards to be printed using the Domain Name as the website and email address (image of sample card provided).

The Respondent states that after it received notice of termination of the agency agreement, a representative of the Complainant offered to trade the Domain Name for the domain name <bonbon.uk.com> which the Respondent

claims was registered by the owner of the Complainant and redirected to the Complainant's website. The Respondent adds that the said representative also stated that the Complainant's owner had suggested that the Respondent should obtain a "Bonbon Twitter" account. The Respondent states that at this point it had "had enough" and decided to cease use of the Domain Name.

The Respondent says that its Internet service provider suggested that it replace the Domain Name with one of the Respondent's other domain names, <sofaandsofabed.com>, and to have the Domain Name pointed to this for "a month or two" to save as many as possible of the links which the Respondent had built up since 2001. The Respondent states that it did not see any problem with this as the owner of the Complainant had done the same with <bonbon.uk.com>. The Respondent notes that the Domain Name is now pointed to its Internet service provider's site.

The Respondent states that it has never misused the Domain Name and had only ever marketed the Complainant's products on the corresponding site. The Respondent states that it attempted to contact the Complainant on 20 June 2014 to negotiate a settlement but that after the Complainant's owner had accepted a solution this was rejected after he spoke to his lawyer.

The Respondent provides historic screenshots of the Complainant's website as outlined in the Factual Background section above, noting that the Complainant's website has featured a link to the Domain Name entitled "The United Kingdom site", "The UK web site" or "UK WEBSITE" on various occasions since 2001.

The Respondent adds that the people and companies "complaining in this claim" are old customers of the Respondent who know them very well and that if they knew the full picture "they would fully understand". The Respondent also states that it intends to keep the domain name "and for now have it pointed to my ISP or nothing".

### **Complainant's reply to response**

In summary, the Complainant submits that the Response is devoid of a legal basis and that the Respondent has failed to give a reason that might excuse or validate the registration of the Domain Name. The Complainant asserts that the Respondent continues to use the Domain Name for profit even though the Parties' relationship has been terminated by the Complainant and, as such, that the fact that the Respondent has only used the Domain Name for marketing the Complainant's products is irrelevant.

The Complainant contests the Respondent's submission that the registration of the Domain Name was authorised by the Complainant. The Complainant seeks to demonstrate the lack of authorisation by virtue of a chain of emails between the Parties dating back to 2009 during which the owner of the Complainant said that he was obtaining all possible top level domains for



MILANO BEDDING and requested a representative of the Respondent to transfer the Domain Name. The Complainant points out that the Respondent's representative replied "[The Domain Name] is bonbon's and now I am regretting reading the below that I gave you <milanobedding.com> for free". The Complainant adds that the Respondent had been compelled to transfer <milanobedding.com> and did not provide this for free.

The Complainant notes that it appears that the Respondent wishes to withhold the Domain Name in order to force the Complainant to continue the business relationship and as a price for the Respondent's efforts in marketing the Complainant's goods. The Complainant submits that this is unfair and that the Respondent has already been paid for its work as the Complainant's agent.

With regard to the business card produced by the Respondent, the Complainant states that this has the website URL variant of the Domain Name, "www.milanobedding.co.uk" on it rather than the Domain Name itself. The Complainant submits that the Respondent has failed to prove that the Complainant agreed to such printing and that in any event this would only show that the Complainant had wished the name of the website to be communicated to potential customers in order that they could view the Complainant's goods. The Complainant argues that this is not the same as a consent to registration of the Domain Name itself.

The Complainant submits that a lot of time passed before it became aware of the registration of the Domain Name, that it never authorized this and that it has been unofficially insisting upon its return. The Complainant explains that it did not take action against the Respondent previously because the Parties were working together.

The Complainant asserts that it is not acceptable for the Respondent to introduce any discussion of the terms of a distribution agreement with the Complainant into the dispute regarding the Domain Name. The Complainant contends that this constitutes use of the Domain Name in a manner which takes unfair advantage of or is unfairly detrimental to the Complainant's Rights in accordance with paragraph 1(i) of the Policy and repeats that there are circumstances indicating both that the Respondent registered the Domain Name primarily for the purpose of unfairly disrupting the business of the Complainant (per paragraph 3(a)(i)(C) of the Policy) and 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 (per paragraph 3(a)(ii) of the Policy).

## 7. Discussions and Findings

### General

In terms of paragraph 2(b) of the Policy the onus is on the Complainant to prove to the Expert on the balance of probabilities each of the two elements set out in paragraph 2(a) of the Policy, namely 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.

### Complainant's Rights

Paragraph 1 of the Policy provides that 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 requirement to demonstrate Rights under the Policy is not a particularly high threshold test. Rights may be established in a name or mark by way of a trade mark registered in an appropriate territory, or by a demonstration of unregistered so-called 'common law rights'.

The Complainant claims Rights in the Complainant's various registered trade marks for the term MILANO BEDDING. There are two particular considerations raised by these. First, the Complainant's trade marks are not registered in the United Kingdom. Secondly, the marks are figurative in nature. With regard to the first consideration, the Expert is satisfied that overseas rights such as the Complainant's registered trade marks can constitute Rights within the meaning of the Policy in accordance with the discussion on this topic in paragraph 1.5 of Version 2 of the Experts' Overview.

With regard to the figurative nature of the Complainant's marks, the Expert discussed this issue in some detail in the case of *Imperative Training Ltd trading as Defibshop v. Alastair Maxwell* (DRS 011555). For the sake of brevity, the Expert will not repeat that entire discussion here. In summary, an approach to the comparison of figurative marks with domain names has emerged in decisions under other domain dispute resolution policies. While these policies have different wording from the DRS, the differences have no effect on the method of dealing with figurative marks. The method provides that where there are dominant/distinctive textual components of the trade mark, which have not been disclaimed and which are severable and capable of being clearly distinguished from the design elements, such elements are to be extracted from the mark and compared to the alpha-numeric string of the

Domain Name. This practice also appears to be broadly in accord with the approach taken by the English courts to figurative marks.

In the present case, the words “Milano” and “Bedding” are dominant in the Complainant’s mark viewed as a whole. These words may thus be extracted and compared to the alpha-numeric string of the Domain Name. The first (.uk) and second (.co) levels of the Domain Name are typically disregarded for comparison purposes given that they are generic and required for technical reasons. Likewise, the space between the two words extracted from the trade mark may be disregarded as white space is not permitted in a domain name, again for technical reasons. On this comparison, the Domain Name is identical to the Complainant’s trade mark.

It might have been argued, although the Respondent did not point this out, that the Complainant’s mark is somewhat descriptive, given that the goods in respect of which it has been registered are beds and bedding. The term “Milano Bedding” might therefore describe beds and bedding which originate in Milan, Italy. In the Expert’s view, special care has to be taken in considering any mark which might be regarded as a descriptive mark registered under the cover of a “figurative figleaf of distinctiveness” as Arnold J. put it in *Starbucks (UK) Ltd v. British Sky Broadcasting Group Plc & Others* [2012] EWHC 3074 (Ch).

That said, in the present case the Expert considers that some distinctiveness is present in the mark due to the use of the Italian word “Milano” coupled with the English word “Bedding” which together give rise to an uncommon phrase. This might usefully be contrasted with a hypothetical mark using the English words “Milan Bedding” or “Bedding from Milan” which in the Expert’s eyes would be far more descriptive. Furthermore, even if the Expert is wrong on this question of distinctiveness, the definition of Rights under the Policy includes rights in descriptive terms which have acquired a secondary meaning. The Complainant has put forward unchallenged evidence of substantial sales in the United Kingdom over a not inconsiderable period which would lend support to an assertion that its mark has acquired such secondary meaning in the minds of the consuming public.

In all of these circumstances, the Expert finds that the Complainant has proved on the balance of probabilities that it has Rights in the mark MILANO BEDDING and that such mark is identical 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 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;*

This general definition is supplemented by paragraph 3 of the Policy which provides a non-exhaustive list of factors which may be evidence that the Domain Name is an Abusive Registration. Paragraph 4 of the Policy provides a similar non-exhaustive list of factors which may be evidence that the Domain Name is not an Abusive Registration.

On this topic, the Parties place the focus squarely on the question of whether it is fair for the Respondent, as a former distributor or sales agent of the Complainant, to retain the Domain Name. This issue is considered in several Appeal Panel decisions in cases under the Policy, which were most recently drawn together in *Toshiba Corporation v Power Battery Inc.* (DRS 07991). The Appeal Panel in that case identified the following principles:-

First, it is not automatically unfair for a reseller to incorporate a trade mark into a domain name and the question of abusive registration will depend on the facts of each particular case.

Secondly, a registration will be abusive if the effect of the respondent's use of the domain name is falsely to imply a commercial connection with the complainant.

Thirdly, such an implication may be the result of initial interest confusion [defined as confusion that may arise, irrespective of the content of the respondent's site, merely as a result of the adoption of a domain name incorporating the complainant's mark] and is not dictated only by the content of the website.

Fourthly, whether or not a commercial connection is implied, there may be other reasons why the reseller's incorporation of the trade mark in the domain name is unfair. One such reason is the offering of competitive goods on the respondent's website.

In addition to expressing these principles, the majority of the Appeal Panel drew a distinction between an "unadorned" use of a trade mark in a domain name (that is, using the mark on its own) and an "adornment" (being the mark with extra descriptive words). The majority noted that "adornment" in a domain name may be seen by Internet users as atypical of the usage of major rights owners, who are free to use much shorter unadorned names. By contrast, the majority noted that an unadorned use might cause Internet users to believe that the name belonged to or was authorised by the trade mark owner.

On one view, it might not be necessary for the Expert in the present case to address the principles laid down in *Toshiba Corporation* because, on a strict construction, this is not a reseller case. The dispute relates to a former agent whose commercial relationship appears to have come to an end and where the domain name used in connection with that relationship has been either deactivated or pointed to a parking page. However, both of the Parties focus heavily on their commercial relationship in their submissions and the Response in particular concentrates almost entirely on this, describing the lengthy history of the Respondent's use of the Domain Name. In these circumstances, the Expert will examine the facts in accordance with the *Toshiba Corporation* principles both for the sake of completeness and to ensure that the reseller aspects to the case are placed in their proper context.

The first principle indicates that the use by a reseller of a trade mark in a domain name does not automatically lead to a finding of Abusive Registration. The Expert notes that a finding of non-abuse has been made in at least one subsequent reseller case under the Policy, namely *YJ Europe Limited and YJ (USA) Corporation v. Garling Consulting Ltd* (DRS 013489). In that case, the expert found that the use of the domain name concerned was made initially with the full knowledge of the complainant's exclusive distributor and latterly with the knowledge of the complainant itself. The expert found that this did not constitute Abusive Registration because it was a use in connection with a genuine offering of goods and services before the respondent was aware of the complainant's cause for complaint (per paragraph 4(a)(i)(A) of the Policy).

In the present case, the Expert considers that the Respondent has established similar knowledge on the part of the Complainant and, arguably, tacit acceptance of the Respondent's past use of the Domain Name, based upon its inclusion as a link on the Complainant's website over several years from 2001. While the Complainant eventually asked for a transfer of the Domain Name in 2009, the Respondent shows that the Complainant nevertheless continued to list the Domain Name on its website the following year in connection with the Respondent's contact details. The historic screenshot evidence, on its own, therefore appears to point in the direction of a fair use of the Domain Name in the past on a similar factual basis as *YJ Europe Limited, supra*. The Expert notes in passing that he does not place any weight on the Respondent's additional submissions that the Complainant allegedly accepted and facilitated the printing of business cards featuring the Domain Name. While there is evidence that such cards have been printed, no evidence has been placed before the Expert to support the Respondent's submission that this was accepted and/or facilitated by the Complainant.

The historic screenshots are not the only relevant fact for the Expert to consider in the present case. It is of some importance that the longstanding agency agreement between the Parties has apparently been terminated. It is not the function of the Expert to interpret or enforce any term of this agreement. Nevertheless, the apparent termination of the Parties' commercial relationship must be brought into consideration because it appears to the

Expert that the Respondent may derive its entire entitlement and ability to make fair use of the Domain Name (in the sense of the Policy) exclusively through the agency agreement.

Neither of the Parties makes any submission or claim that the Respondent is or would be entitled to use the Domain Name in any capacity other than as the Complainant's duly appointed agent. Nor does either party indicate that the Respondent could realistically continue as the Complainant's agent or as a reseller of the Complainant's goods without the Complainant's agreement and cooperation, which has now been withdrawn. The Expert is surprised that the Respondent in particular did not wish to address this issue given its importance to the Respondent's case. For example, the Respondent might have argued that valid termination has not been effected. Alternatively, the Respondent might have described some way in which it proposed to use the Domain Name in the future as a reseller of the Complainant's goods even in the absence of an agency agreement. Considering the correspondence and the terms of the Response, however, it seems to the Expert to be more probable than not that the Respondent accepts that a break in the agreement has occurred, given its attempts to renegotiate the commercial relationship. In all of these circumstances, some doubt exists in the Expert's mind that the Respondent's continued holding of the Domain Name could be considered fair in the face of the termination of the formal agency relationship between the Parties.

Another important consideration is that despite having used the Domain Name in connection with its agency agreement in the past, the Respondent has recently chosen to deactivate it and/or to point it to the website of its Internet service provider. This seems to be a curious action for a commercial agent who claims to be making fair use of a Domain Name in connection with a genuine offering of goods or services. The Respondent's explanation that it had "had enough" of alleged tit-for-tat actions by the Parties using their respective domain names strikes the Expert as inadequate, particularly as the Respondent does not produce any supporting evidence of what is said to have occurred.

It seems to the Expert to be more probable than not that the Respondent has chosen to deactivate the Domain Name in a bid either to disrupt the Complainant's business, which can itself constitute an abusive use of a domain name - see paragraph 3.2 of the Expert Overview Version 2 - or to enhance the Domain Name's effect as a lever to improve the Respondent's prospects in negotiations to restore the agency relationship. On this second possibility, the content of the Respondent's email of 22 June 2014 is particularly telling in that the Respondent offers to transfer the Domain Name to the Complainant provided that certain conditions relating to the agency relationship are met. The Expert considers that it would be very difficult to describe this use of the Domain Name as fair. In the context of the deactivation, such use can only be described as taking unfair advantage of the Complainant's Rights. It effectively amounts to intentionally rendering the

Domain Name inactive, which may lead to embarrassment or loss of business for the Complainant or confusion for its customers, and then holding the Domain Name to ransom in order to place the Complainant at a disadvantage in the Parties' negotiations.

On the second *Toshiba Corporation* principle, the Complainant describes the Respondent's pointing of the Domain Name to its website at <sofaandsofabed.com> as falsely implying a commercial connection with the Complainant. The Complainant asserts that nowhere in the content of that site does the Respondent make it clear that it is merely an (ex-)agent and instead describes the products as though it is the Complainant itself. The Expert can see that on a strict construction this use of the Domain Name might falsely imply a commercial connection with the Complainant. In reality, however, the issue is difficult to address in terms of the second principle largely because it is bound up with the termination of the agency agreement discussed above. In other words, prior to such termination the Respondent was not falsely implying a commercial connection but was using the Domain Name to reflect the terms of its agency relationship.

As regards the third principle, the Expert is doubtful that the Respondent's past use of the Domain Name in its capacity as agent for the Complainant would have been likely to have given rise to much confusion. Indeed, any such confusion which may have arisen was arguably contributed to or condoned by the Complainant. Until its objection to the Domain Name in 2009, and afterwards in 2010, the Complainant appears to have been unconcerned about possible confusion given the fact that it was content to describe the Domain Name as its "UK site" on its own website and indeed to link through to this. Again, the issue is bound up with the alleged termination of the agency agreement, in that the Respondent now appears to have no further commercial connection with the Complainant.

Whether the content of the Respondent's original website is or was confusing or not, it is an inescapable fact that the Domain Name represents an unadorned use of the Complainant's trade mark. As such, taking the majority approach of the Appeal Panel in the *Toshiba Corporation* case, it is likely to be presumed by Internet users to belong to or be authorised by the Complainant. It could thus be considered that the Domain Name in the hands of the Respondent is inherently likely to lead to confusion post-termination of the agency agreement. In the Expert's opinion, it is certainly a fair assumption to make that Internet users visiting the Domain Name by way of typing it into a browser or by following a search result would have a reasonable expectation that the Domain Name belonged to the Complainant or was at least authorised or approved by it on an on-going basis. The Expert considers that in the present circumstances the potential for confusion is significant, notwithstanding the fact that the current use of the Domain Name means that there is either no website or a mere parking page displayed to visitors. In this context, the Expert considers that initial interest confusion is very likely to result.

While the Expert has determined that the likelihood of confusion is significant, on the basis of the above analysis, the Expert is unable to give any weight to the emails of complaint from the Complainant's various business associates. These are all dated between 29 April and 13 May 2014 and each leaves the impression with the Expert that, as contended by the Respondent, they may have been solicited by the Complainant rather than being spontaneous examples of confusion occurring in the marketplace.

Turning to the fourth principle, there is no evidence before the Expert which indicates that the Respondent's past use of the Domain Name was made in connection with selling competitive goods to those of the Complainant. This principle indicates however that there may be other reasons why the incorporation of the trade mark in the Domain Name is unfair. Under this heading, the Expert notes that the present use of the Domain Name as a "bargaining chip" in commercial negotiations and/or as a potential route to cause embarrassment to the Complainant by displaying a dead link or registrar parking page could hardly be described as a fair use of the Domain Name.

Having assessed all the facts and circumstances in accordance with the principles described in *Toshiba Corporation*, the Expert concludes that the present case is quite finely balanced. On the one hand, the Expert notes that for a lengthy period, the Respondent's use of the Domain Name (1) was made with the knowledge and tacit approval of the Complainant and (2) was consistent with the role of an agent exclusively promoting the Complainant's goods. These are circumstances which together may be evidence that the Domain Name is not an Abusive Registration in accordance with paragraph 4(a)(i)(A) of the Policy. On the other hand, the Domain Name represents the unadorned trade mark of the Complainant which enhances the likelihood of confusion, it is not disputed that the Respondent's entitlement to present itself to the public as the Complainant's agent has come to an end, the Domain Name has been subsequently used as a lever in negotiations and the Respondent has chosen to point it either to a registrar parking page or to have it deactivated.

In balancing the competing considerations, the Expert has reached the view that the Complainant's case that the Domain Name is an Abusive Registration should prevail. In the Expert's opinion, the Respondent's apparently fair and tacitly approved use of the Domain Name in the past does not excuse or justify its recent use to hold the Complainant to commercial ransom. Such behaviour is not consistent with fair use in the sense of the line of reseller cases under the Policy and the Expert resolves that it is a use which both takes unfair advantage of and is unfairly detrimental to the Complainant's Rights.

The Expert therefore finds that the Domain Name, in the hands of the Respondent, is an Abusive Registration.



## 8. Decision

The Expert finds that the Complainant has proved that it has Rights in a name or mark which is identical 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 Domain Name be transferred to the Complainant.

**Signed** .....

**Dated** 5 January, 2015 .....

Andrew D S Lothian