

DISPUTE RESOLUTION SERVICE

D00017708

Decision of Independent Expert

Shires Accountants Limited

and

Shire Accountants Ltd

1. The Parties:

Complainant:
Shires Accountants Limited
Checkley Grange
Checkley Lane
Wrinehill
Cheshire
CW39DA
United Kingdom

Respondent:
Shire Accountants Ltd
8 Hartley Business Centre
Hartley Business Centre
272-284 Monkmoor Road
Shrewsbury
Shropshire
SY2 5ST
United Kingdom

2. The Domain Name:

shireaccountants.co.uk

3. Procedural History:

3.1 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.

3.2 Timeline

08 July 2016 11:21 Dispute received
11 July 2016 15:28 Complaint validated
11 July 2016 15:37 Notification of Complaint sent to Parties
13 July 2016 18:01 Response received
13 July 2016 18:01 Notification of Response sent to Parties
18 July 2016 02:30 Reply reminder sent
19 July 2016 08:18 Reply received
19 July 2016 08:18 Notification of Reply sent to Parties
19 July 2016 08:19 Mediator appointed
22 July 2016 10:55 Mediation started
25 August 2016 11:47 Mediation failed
25 August 2016 11:50 Close of mediation documents sent
07 September 2016 02:30 Complainant full fee reminder sent
08 September 2016 11:02 Expert decision payment received

4. Factual Background

4.1 The Complainant is a limited company incorporated in the UK on 23 January 2014. It is a business that provides accountancy services.

4.2 The Complainant is the owner of a UK trade mark registration for the word mark SHIRES ACCOUNTANTS in class 35 covering (inter alia) accountancy services. It was applied for on 26 February 2016 and granted on 20 May 2016.

4.3 The Respondent is a firm of accountants. It registered the Domain Name on 1 June 2015.

5. Parties' Contentions

This section summarises the main contentions of the Parties.

The Complainant

Rights

5.1 The Complainant claims to have traded under its mark "Shires Accountants" for a continuous period of almost 10 years from first establishment in 2007 and to a significant degree in the business

sector of accountancy. As a result, the company has become known under, and recognised as, Shires Accountants.

- 5.2 The Complainant asserts that it has therefore established goodwill in its “Shire Accountants” mark and that it has acquired common law rights in this mark.
- 5.3 The Complainant is the owner of a UK trade mark registration for the word mark SHIRES ACCOUNTANTS in class 35 covering (inter alia) accountancy services, with a registration date of 26 February 2016.

Abusive Registration

- 5.4 The Complainant argues that the Respondent is infringing its registered trade mark by using the mark “Shire Accountants” as a domain name and is intentionally deceiving the public by diverting internet traffic away from the Complainant’s website by causing confusion, which is damaging the Complainant’s goodwill in its “Shires Accountants” mark.
- 5.6 The Respondent was incorporated as a UK limited company under the name Shire Accountants Ltd on 1 June 2015 – the same date on which it registered the Domain Name. The Complainant says that on 28 October 2015 the Respondent changed its name to Shropshire Accountants Ltd. The Complainant contends that the Respondent was therefore only known as Shire Accountants Ltd for 4 months.
- 5.7 The Complainant contends that on 29 October 2015, the officers of the company known as Shropshire Accountants Ltd established a limited liability partnership known as Shire Accountants LLP.
- 5.8 In February 2016, the Complainant became aware of the Respondent and its registration of the Domain Name. At the same time, the Complainant also filed an objection to UK Companies House, complaining of the registration of the name Shire Accountants LLP under the provisions of section 67(1) of the Companies Act 2006 (similarity of company names). The Complainant says that its objection was upheld and that UK Companies House ordered the partnership to change its name.
- 5.9 The Complainant contends that the Respondent has no trading entity presently operating under the name Shire Accountants and is now known and trades as Mercian Accountants Limited (a name it adopted in May 2016).
- 5.10 The Complainant contends that the Respondent operates in the same field (accountancy) and geographical location as the Complainant, which creates a direct connection between the Parties. In addition, the Respondent’s ownership and use of the Domain Name makes a false representation to the public that the Respondent’s services are those provided by the Complainant. This, according to the Complainant,

leads to likely or actual confusion amongst the public (including the Complainant's customers and suppliers) and a dilution of goodwill in its Shires Accountants mark.

- 5.11 The Respondent has recently redirected the Domain Name to a web page that lists the contact details of not only the Respondent's business (under the name Mercian Accountants, with a note which says "*formerly trading as Shire Accountants*") but also the Complainant's business (under the name Shires Accountants).
- 5.12 This inclusion of the Complainant's name and details on the Respondent's web page has been undertaken without the Complainant's authority and further seeks to confuse the public, together with customers and suppliers of the Complainant, and suggests that there is a link between the Complainant and the Respondent's businesses.
- 5.13 The Complainant contends that the Domain Name (i) is intrinsically linked to the trading business of the Complainant and (ii) is not generic such that it could be used in another business. As such, any use of the Domain Name would only disrupt the Complainant's business and infringe the Complainant's trade mark.

The Respondent

- 5.14 The Respondent says that, at the date of registration of the Domain Name, the Complainant had no trade mark application for the mark "Shires Accountants".
- 5.15 When it learnt of the Complainant's application for its trade mark, the Respondent renamed its business to "Mercian Accountants".
- 5.16 Further, upon receipt of a cease and desist letter from the Complainant's solicitors, the Respondent says that it directed the Domain Name to a web page which (i) makes it clear that the Parties are separate businesses and (ii) provides contact details for both businesses. The Respondent says that it has also set up an email rule on the Domain Name to discard all incoming email and send an automated reply with the same information as is displayed on the web page.
- 5.17 Many of the Respondent's clients still use the Domain Name to send highly confidential information to the Respondent as part of the services that the Respondent provides, and therefore it says that it cannot transfer the Domain Name to anyone. In any event, the Respondent denies that the Domain Name is an Abusive Registration.

The Reply

- 5.18 The Complainant asserts that its unregistered rights in its Shires Accountants mark pre-date the date of registration of the Domain Name.
- 5.19 The Complainant contends that an internet search, whether on Google, another search engine or at Companies House, would have identified the Complainant's trading business and also shown that the Complainant operates in the same sector as the Respondent. The Complainant's position is that the Respondent established itself under the name Shire Accountants and registered the Domain Name to imply an association with the Complainant and intentionally divert trade away from the Complainant and to the Respondent.
- 5.20 A Google search for the term "Shires Accountants" lists not only the Complainant's business but also the Respondent's business and its Domain Name. This, says the Complainant, continues to cause confusion amongst the public.
- 5.21 The Complainant says that it first approached the Respondent over 5 months' ago. This, according to the Complainant, is more than sufficient time for the Respondent to have informed its clients to a change of business name and correspondence email address.

6. Discussions and Findings

General

- 6.1 The Complainant is required under paragraph 2(b) of the Policy to prove to the Expert, on the balance of probabilities, that:
- (i) the Complainant has Rights in respect of a name or mark which is identical or similar to the Domain Name; and
 - (ii) the Domain Name, in the hands of the Respondent, is an Abusive Registration.

Complainant's Rights

- 6.2 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*". 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'.
- 6.3 The Complainant is the owner of a UK trade mark registration for the word mark SHIRES ACCOUNTANTS. The fact that this mark was registered some months after the Respondent registered the Domain Name has relevance under the Abusive Registration limb (as to which, see the Abusive Registration section, paragraphs 6.16 and 6.17

below), but this trade mark registration is sufficient for the Complainant to have established that it has Rights under the Policy in the mark SHIRES ACCOUNTANTS. It is therefore strictly unnecessary for me to assess at this stage the Complainant's claim to ownership of unregistered Rights in the nature of goodwill built up through use; this issue is dealt with in the context of Abusive Registration below (paragraphs 6.12, 6.13, 6.15 and 6.23).

- 6.4 The only difference between (i) the Domain Name (ignoring the space between the words SHIRES and ACCOUNTANTS (an element which is not possible to replicate in a domain name) and the generic .co.uk top level suffix) and (ii) the mark in which the Complainant has Rights is that the Domain Name does not include the letter “s” at the end of the “Shire” element. I consider this element to be non-distinctive and it does not materially distinguish the Domain Name from the mark in which the Complainant has Rights.
- 6.5 I therefore find that the Complainant has established that it has Rights in respect of a name or mark which is similar to the Domain Name and accordingly the Complainant has satisfied the first limb of the Policy.

Abusive Registration

- 6.6 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 took unfair advantage of or has been unfairly detrimental to the Complainant’s Rights.
- 6.7 The DRS requires the Complainant to prove its case on the balance of probabilities on both elements of the test set out in the Policy. The Complainant’s submissions on Abusive Registration essentially focus on the circumstances set out in paragraph 3(a)(i) of the Policy.
- 6.8 That paragraph sets out a non-exhaustive list of factors which may be evidence that the Domain Name is an Abusive Registration, as follows:

“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;”

- 6.9 Paragraph 3(a)(i) relates to the Respondent’s motives at the time of registration (or other acquisition) of the Domain Name and therefore, for any of the circumstances listed under paragraph 3(a)(i) to apply, it follows that the Complainant must establish that the Respondent had knowledge of the Complainant and/or its rights at the time that the Respondent registered or otherwise acquired the Domain Name.¹
- 6.10 In this respect, the Complainant argues that the Respondent would have been aware of the Complainant and its “Shires Accountants” mark at the time of registration of the Domain Name as (i) the Complainant’s business is located in the same geographical area as the Respondent’s, (ii) an internet search for the term “Shire Accountants” at that time would have disclosed the Complainant’s business and its use of its “Shire Accountants” mark, and (iii) both of their businesses operate in the same field – namely accountancy services.
- 6.11 However, other than the fact that both parties offer accountancy services, the Complainant has provided no evidence to support its other claims concerning the Respondent’s knowledge of the Complainant’s rights in the term “Shires Accountants” at the relevant time. In particular, there is no evidence before me to show that the Complainant’s business would have appeared in the results of a search conducted on an internet search engine for the term “Shire Accountants” (being the term that is comprised in the Domain Name) on or before 1 June 2015 (the date of registration of the Domain Name). Further, the only information before me concerning the location of the Parties is the address details set out in section 1 above. These addresses show that the Complainant and the Respondent are located in different counties in the UK and there is no obvious link to suggest that the Parties operate in the same area such that they would be competing for clients who are seeking a firm of local accountants.
- 6.12 Further, the strength of the Complainant’s rights at the relevant time were, in my opinion formed on the basis of the evidence before me, weak. The Complainant’s mark in which it enjoys Rights for the purposes of the Policy is comprised of 2 words, “Shires” and “Accountants”. Both of these words are generic English dictionary

¹ See also paragraph 2.4 of the Experts’ Overview, a document put together by Nominet’s panel of Experts which deals with a range of issues that come up in DRS disputes and provides further guidance on the Policy and Procedure for the benefit of prospective DRS parties. It is published on Nominet’s website at: http://www.nominet.uk/wp-content/uploads/2015/08/Expert_Overview.pdf.

words, the first being a non-specific geographical reference to counties in the UK, and the second being a term for a group of people whose job it is to keep or inspect financial accounts.

- 6.13 The weaker the rights, the less well-known the Complainant's name is likely to be and the less likely it is that the Respondent would have had actual or at least constructive knowledge of those rights enjoyed by the Complainant at the time that the Respondent registered the Domain Name.
- 6.14 In addition, the Complainant only filed its application for a UK trade mark registration in February 2016, some 8 months after the Respondent registered the Domain Name. Prior to obtaining this registration, the Complainant claims that it enjoyed unregistered rights in the term. In support of this claim the Complainant has provided screenshots of Facebook and Twitter pages of the Complainant's presence on these social media channels, its certificate of incorporation, a copy of its letterhead showing the "Shires Accountants" name, a copy of a business card again showing the "Shires Accountants" name, and screenshots of various classified adverts websites which show contact details for the Complainant.
- 6.15 None of this evidence, however, proves to the requisite standard that there was ongoing actual business activity conducted by the Complainant under the "Shires Accountants" name going back to the date of registration of the Domain Name, such that the Complainant would have acquired any unregistered rights at that time and that the name "Shires Accountants" would have been recognised by the public as indicating exclusively the accountancy services provided by the Complainant. For example: (i) although the Twitter screenshot states that the "Shires Accountancy" account was set up in July 2012, there is no activity at all in the feed which shows the Complainant was active under this Twitter account in June 2015, (ii) the letterhead is a template document which contains no date reference, (iii) the screenshots of the classified advert websites are all dated 9 June 2016 and (iv) there is no evidence of the Complainant's accounts, sales figures, advertising and promotional expenditure, search engine results and press cuttings dating back to 2007 (or at least to the date of registration of the Domain Name by the Respondent), despite claims that it has traded under the name since that time.
- 6.16 Further, the Respondent correctly states that at the time that it registered the Domain Name the Complainant had no trade mark application for its "Shires Accountants" name and the Respondent makes no admission as to whether it was aware of the Complainant at the date of registration of the Domain Name.
- 6.17 With all of this in mind, I do not accept the Complainant's assertion that the Respondent established itself under the name Shire Accountants and registered the Domain Name to imply an association with the

Complainant and intentionally divert trade away from the Complainant and to the Respondent. I am therefore unable to find, on the balance of probabilities, that the Respondent would have had actual or constructive knowledge of the Complainant and/or its Rights at the time that it registered the Domain Name and accordingly, the Complainant's case on Abusive Registration as it is based on paragraph 3(a)(i) of the Policy fails.

- 6.18 That is not the end of the matter however. The Complainant also seeks to rely on the circumstances as set out in paragraph 3(a)(ii) of the Policy to prove its case on Abusive Registration. That paragraph deals with confusing use of a domain name, subsequent to a respondent's registration or other acquisition of that name. It reads as follows:

“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.”

- 6.19 The Complainant contends that as a result of the Respondent's registration and use of the Domain Name, internet users have been and are likely to be confused into believing that there is a link between the Complainant's and the Respondent's businesses.
- 6.20 The Complainant has not provided any evidence to show that actual confusion has taken place. For instance, despite making the claim of confusion, there is no evidence before me from any of the Complainant's clients or suppliers saying that they have contacted the Respondent in the false belief that they were contacting the Complainant.
- 6.21 In addition, since being contacted by the Complainant's solicitors, the Respondent has made it clear, by way of information contained on the website to which the Domain Name resolves, that the Complainant and the Respondent are not connected and has provided contact details for the Complainant in the event that anyone has in fact reached the Respondent's website thinking that they were locating the Complainant's site and business.
- 6.22 The only reasoning given by the Complainant over likely confusion is that the Domain Name incorporates the Complainant's mark in which it has Rights.
- 6.23 In that respect, although that may be the case (with the exclusion of the letter “s” at the end of “Shire”), as noted above the Rights enjoyed by the Complainant in its mark are relatively weak based on the evidence before me. If the Complainant had proved that it had undertaken substantial trading under the mark such that it had generated significant goodwill and the mark had acquired distinctiveness through

use by the Complainant in the course of trade, in addition to its recently acquired trade mark registration, then I accept that given the closeness of the Domain Name to the Complainant's mark there may well be some likelihood of confusion amongst the relevant public (being, for example, internet users seeking the accountancy services of the Complainant) and that initial interest confusion may well have arisen in this case.

- 6.24 Initial interest confusion is considered and discussed in a number of cases under the DRS and has been one of the factors used by Panellists to determine whether or not a Domain Name constitutes an Abusive Registration. To quote from the Expert's Overview:

“Commonly, Internet users will visit web sites either by way of search engines or by guessing the relevant URL. If the domain name in dispute is identical to the name of the Complainant and that name cannot sensibly refer to anyone else, there is bound to be a severe risk that a search engine, which is being asked for the Complainant, will produce high up on its list the URL for the web site connected to the domain name in issue. Similarly, there is bound to be a severe risk that an Internet user guessing the URL for the Complainant's web site will use the domain name for that purpose.

In such cases, the speculative visitor to the registrant's web site will be visiting it in the hope and expectation that the web site is a web site “operated or authorised by, or otherwise connected with the Complainant.” This is what is known as ‘initial interest confusion’ and the overwhelming majority of Experts view it as a possible basis for a finding of Abusive Registration, the vice being that even if it is immediately apparent to the visitor to the web site that the site is not in any way connected with the Complainant, the visitor has been deceived. Having drawn the visitor to the site, the visitor may well be faced with an unauthorised tribute or criticism site (usually the latter) devoted to the Complainant; or a commercial web site, which may or may not advertise goods or services similar to those produced by the Complainant. Either way, the visitor will have been sucked in/deceived by the domain name.”

- 6.25 Unfortunately for the Complainant, on the evidence before me this is not a case where the name of the Complainant cannot sensibly refer to anyone else (for the reasons given above regarding the strength of the Complainant's rights) and therefore I do not consider that initial interest confusion would apply in this case.
- 6.26 Further, paragraph 4 of the Policy sets out a non-exhaustive list of factors which the Respondent may rely on to show that the Domain Name is not an Abusive Registration.
- 6.27 Paragraph 4(a)(i) states as follows:

“i. Before being aware of the Complainant’s cause for complaint (not necessarily the ‘complaint’ under the DRS), the Respondent has:

- A. used or made demonstrable preparations to use the Domain Name or a domain name which is similar to the Domain Name in connection with a genuine offering of goods or services;*
- B. been commonly known by the name or legitimately connected with a mark which is identical or similar to the Domain Name;*
- C. made legitimate non-commercial or fair use of the Domain Name”*

6.28 With respect to paragraphs 4(a)(i)(A) and (B), the Respondent states that it registered the Domain Name at a time when it operated a business called “Shire Accountants” – the term that makes up the Domain Name in its entirety (excluding the generic “.co.uk” suffix). It also claims that many of its clients still contact the Respondent through the Domain Name and the Complainant does not specifically deny this claim.

6.29 The fact that the Respondent has since changed its business name to “Mercian Accountants” subsequent to the Complainant becoming the owner of a UK trade mark registration for the term “Shires Accountants” does not automatically imply that the original registration, or subsequent use of the Domain Name, is unfair. Until becoming aware of this registration, the Respondent appears to have been reasonably using the Domain Name in ignorance of any rights that the Complainant may have enjoyed at that time. This view is strengthened by the finding above regarding the relative weakness of the Complainant’s rights at the relevant time. There is no evidence before me to show that the Respondent registered the Domain Name and/or is using the Domain Name to intentionally divert internet users to the Respondent’s website instead of the Complainant’s. The adjudication obtained by the Complainant under section 67(1) of the Companies Act 2006 does not detract from this conclusion.

6.30 In view of the findings and conclusions set out above, I find that, on the balance of probabilities, the Domain Name is not being used in a manner which takes unfair advantage of or is unfairly detrimental to the Complainant’s Rights and therefore that the Domain Name, in the hands of the Respondent, is not an Abusive Registration.

6.31 I cannot and do not reach any conclusions either way in relation to the Complainant’s allegations of passing off or registered trade mark infringement. As is well established, such issues are a matter for the Courts and not the DRS.

7. Decision

- 7.1 The Complainant has established that it has Rights in respect of a name or mark which is identical to the Domain Name. However, I do not find that the Domain Name in the hands of the Respondent is an Abusive Registration.
- 7.2 Accordingly, the Complaint fails and I direct that no action be taken with respect to the registration of the Domain Name <shireaccountants.co.uk>.

Signed; Ravi Mohindra

Dated; 5 October 2016