

DISPUTE RESOLUTION SERVICE

D00018401

Decision of Independent Expert

Virgin Group Limited

and

John Palmer

1. The Parties:

Lead Complainant: Virgin Group Limited
THE BATTLESHIP BUILDING
179 HARROW ROAD
LONDON
W2 6NB
United Kingdom

Respondent: John Palmer
62 Langdale Road
Sale
Sale
Cheshire
M33 4FL
United Kingdom

2. The Domain Name(s):

<virginconstruction.co.uk>

3. Procedural History:

3.1 The Procedural History of this matter is as follows:

18 January 2017 12:12 Dispute received
19 January 2017 10:37 Complaint validated
19 January 2017 10:42 Notification of complaint sent to parties
07 February 2017 01:30 Response reminder sent
09 February 2017 09:14 Response received
09 February 2017 09:14 Notification of response sent to parties
14 February 2017 01:30 Reply reminder sent
15 February 2017 17:30 Reply received
15 February 2017 17:30 Notification of reply sent to parties
22 February 2017 16:13 Mediator appointed
22 February 2017 17:21 Mediation started
03 April 2017 16:41 Mediation failed
03 April 2017 16:43 Close of mediation documents sent
12 April 2017 11:55 Expert decision payment received

- 3.2 I have confirmed to Nominet that I am independent of each of the parties and that 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 a such a nature as to call in to question my independence in the eyes of one or both of the parties.

4. Factual Background

- 4.1 The Complainant is a company incorporated in England and Wales and is part of the well known 'Virgin Group' of companies.
- 4.2 The Virgin Group was originally established by its founder and chairman Sir Richard Branson in the UK in 1970, when he started a business selling popular music records by mail order under the "Virgin" name. Since then the Virgin Group has grown significantly in terms of its size, geographic reach and the industries in which it operates. The Virgin Group is now engaged in a diverse range of business sectors ranging from transportation and travel to mobile telephony, media (including internet, television and phone services), music (including broadcasting), radio, fitness, financial services and property development.
- 4.3 Activities conducted by the group under the "Virgin" brand include "Virgin Hotels", which was announced in 2010 and with the first hotel being opened in Chicago in 2015. Further hotel openings are planned in other cities in the United States, and it would appear that in future years it is intended that hotels will be opened in cities outside of the United States, including London.
- 4.4 In connection with those hotel activities, the Virgin Group operates a webpage from the url <http://development.virginhotels.com/> where it seeks enquires from property owners and developers that may wish to partner with the group in order to develop such hotels.

- 4.5 The Complainant is the company within the Virgin Group responsible for the ownership, management, licensing and protection of all trade marks, intellectual property and goodwill in the “Virgin” name. It has a portfolio of approximately 3,000 trade mark applications and registrations in over 150 countries, spanning across the majority of the 45 classes of goods and services. Many of these marks incorporate or comprise the term “Virgin”. They include:
- (a) European Union Trade Mark No. EU004262093 filed on 28 January 2005 and registered on 17 March 2006, for the word mark VIRGIN for services in classes 35, 36, 37 and 44 which covers, amongst other things: "Building construction"; "advisory services relating to development of property"; "advisory services relating to the renovation of property"; "commercial retail property development services"; and "property development".
 - (b) European Union Trade Mark No. EU004660221 filed on 29 September 2005 and registered on 25 August 2006, for the word mark VIRGIN for goods and services in classes 16, 25, 35 and 42 which also covers, amongst other things: "building construction"; "advisory services relating to the development of property"; "advisory services relating to the renovation of property"; "commercial retail property development services"; and "property development".
- 4.6 The Respondent would appear to be an individual who is located in the United Kingdom. Mr Palmer is also the sole director/shareholder of the UK limited company "Virgin Construction Limited". The company was incorporated on 5 July 2016, but has yet to trade.
- 4.7 The Domain Name was registered on 3 July 2016, at the same time as the domain name <virginconstruction.com>. The Domain Name has since registration been used to display a generic place-holding webpage displaying the words “website coming soon”. That webpage continues to be displayed at the date of this decision.
- 4.8 The Complainant first contacted the Respondent by letter on 10 August 2016 demanding certain undertakings in relation to the use of the “Virgin” name. The Respondent did not reply to that letter and subsequent correspondence.
- 4.9 The Complainant also commenced proceedings under the UDRP at WIPO in relation to the <virginconstruction.com> domain name. On 10 April 2017 the UDRP Panel held that the domain name should be transferred into the name of the Complainant; see *Virgin Enterprises Limited v. John Palmer* WIPO Case No. D2017-0312. However, it would appear from that decision that the Respondent took no active part in those proceedings.

5. Parties' Contentions

Complainant

- 5.1 The Complainant describes and provides evidence of the activities of the Virgin Group, including the "Virgin Hotels" business. It claims that the Domain Name is identical or similar to its registered trade marks.
- 5.2 The Complainant also contends that the Domain Name was registered or otherwise acquired by the Respondent as a blocking registration, and/or for the purpose of unfairly disrupting the business of the Complainant and/or that the Domain Name is being used in a way which 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.
- 5.3 In this respect the Complainant refers to *Virgin Enterprises Limited v SJT Consultancy Limited* DRS 013891 and *Virgin Enterprises Limited v Anthony Rundle* DRS 17485, which it contends held that the fame of the Complainant's marks was such that the use of the term "virgin" could not be understood as generic when used in connection with any business activity.
- 5.4 It also claims, inter alia, that the Domain Name is descriptive of services specifically undertaken by the Complainant, most notably in relation to the expansion of Virgin Hotels as described on its dedicated "Virgin Hotel Development" web pages. It maintains that as a consequence the public will mistakenly believe that the Domain Name is associated with the Complainant.
- 5.5 The Complainant acknowledges that to date the Domain Name has not been actively used for any website but contends that this does not matter, claiming that there is no obvious justification for the registration of a domain name that incorporates such a well known brand as that of the Complainant. The Complainant also refers section 3.3 of the Expert's Overview, contending that the Respondent's use of the Domain Name would result in initial interest confusion.

Respondent

- 5.6 The Respondent's Response is very short. The Respondent does not dispute that the Complainant's "Virgin" mark is well known. However, he claims that he is a professional person involved in the construction of new build homes and that he chose the name "Virgin Construction" for the name of his business because "Virgin" signifies "New, Unused; Pristine" and "Construction" described the activity of that business.
- 5.7 The Respondent also relies upon the fact that he was able to incorporate "Virgin Construction Limited" as a company at Companies House. He appears

to contend that, had there been a problem with that choice of name, Companies House would not have allowed him to do this. He claims that he then registered the Domain Name and <virginconstruction.com> "in line with the company [name]".

- 5.8 According to the Respondent, the company has yet to trade but he has "invested a substantial amount of time and money promoting [his] new business". However, exactly what that "investment" has involved is not explained, nor does he supply any evidence to support this contention.

6. Discussions and Findings

- 6.1 To succeed under the Policy, the Complainant must prove first, that it has Rights in respect of a "name or mark" that is identical or similar to the Domain Name (paragraph 2.1.1 of the Policy) and second, that the Domain Name is an Abusive Registration in the hands of the Respondent (paragraph 2.1.2 of the Policy). The Complainant must prove to the Expert that both elements are present on the balance of probabilities (paragraph 2.2 of the Policy).

- 6.2 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. is being or has been used in a manner which took unfair advantage of or has been unfairly detrimental to the Complainant's Rights."

Complainant's Rights

- 6.3 I accept that the only sensible reading of the Domain Name is as the terms "Virgin" and "Construction" in combination with the ".co.uk" suffix. Given this and the fact that the Complainant clearly owns numerous registered trade marks comprising the word "Virgin", I also accept that the Complainant has rights in a trade mark that is similar to the Domain Name. Notwithstanding the incorporation of the word "construction", "Virgin" remains a significant, and possibly the most significant, part of the Domain Name. The Complainant has, therefore, satisfied the requirements of paragraph 2.1.1 of the Policy.

Abusive Registration

6.4 Paragraph 5 of the Policy sets out a non-exhaustive list of factors which may be evidence that the Domain Name is an Abusive Registration. The word “intent” is not expressly used either in the Policy or in the list of factors. However, to succeed under the Policy it will usually be necessary for a complainant to show that the registrant has either registered or used a domain name with the intent to take unfair advantage of the trade mark rights of a complainant. Paragraph 5 of the Policy sets out a series of examples of activities that may constitute the taking of such an unfair advantage.

6.5 Paragraph 8 of the Policy also sets out a non-exhaustive list of factors which may be evidence that the Domain Name is not an Abusive Registration. These include:

“8.1.1 Before being aware of the Complainant's cause for complaint (not necessarily the 'complaint' under the DRS), the Respondent has:

8.1.1.1 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;

....”

6.6 In the present case the Respondent does not deny that he was aware of the Virgin Group of companies and its use of “Virgin” as a trade mark in respect of its various activities. Given the reputation of the “Virgin” name in the UK (among other places) and the fact that the Respondent is based in the UK, that is unsurprising.

6.7 However, under the Policy it is not enough to demonstrate that a respondent had knowledge of the fame of a complainant’s business and marks. A complainant must also demonstrate an intent by means of the registration or use of the domain name to take some form of unfair advantage of a complainant’s marks.

6.8 Further, although I note that the expert in *Virgin Enterprises Limited v SJT Consultancy Limited* DRS 013891, stated that:

“the use of "virgin" in connection with business activity prevents it being understood as a generic term in everyday use”,

I am not convinced that the word “virgin” is completely incapable of being understood as a descriptive term when used in a business context (if this is what the expert meant by that assertion). This strikes me as a far too

sweeping statement. Is it really the case that the term “virgin” in the domain name <virginoliveoil.co.uk> would not be understood as a descriptive term? Each case needs to be examined on its own particular facts and merits.

- 6.9 Nevertheless, I do agree with the expert’s conclusion in that case that the term “Virgin” has a “very strong association” with the Complainant’s group of companies. Given this I accept that on the balance of probabilities and on the particular facts of this case the Respondent did choose the Domain Name in order to take some unfair advantage of the Complainant’s marks.
- 6.10 In this respect the explanation provided by the Respondent for the choice of the name “Virgin Construction” comes across as contrived. I accept that “Virgin” is a word that can be used as a synonym for something that is somehow untouched or pristine. However, the claimed connection with construction of new build homes is not a particularly natural one. “Virgin” is not an obvious word to use to describe new build homes, and the term has an even less obvious connection with the process of construction of such homes.
- 6.11 Further, the term “Virgin Construction” adopts the same format as most (although not all) of the names chosen for other business within the Complainant’s group; i.e. the word “Virgin” combined with a word that describes the nature of that business. As such and given the degree of fame of the Virgin’s marks, it is a choice of name that would immediately call to mind the Complainant’s group of businesses. The Respondent, must have known that this would be the case.
- 6.12 Therefore, the Complainant has more than made out a *prima facie* case that the domain name was chosen to take some form of advantage of the name’s association with the Complainant’s group than any descriptive reading of those terms.
- 6.13 Given this, the Respondent's assertion that the Domain Name has been registered and held in order to take advantage of an alleged descriptive use of the term “Virgin” is not a sufficient answer to that case.
- 6.14 First, if, as he claims, the Respondent has “invested a substantial amount of time and money promoting [his] new business”, one would expect the Respondent to have been able to point to and provide evidence of “demonstrable preparations to use the Domain Name ... in connection with a genuine offering of goods or services” in accordance with paragraph 8.1.1.1 of the Policy. As is set out in section 4.3 of the Expert Overview, the sort of material that an expert expects to see in this respect:

“.. will comprise correspondence with third parties (banks, lawyers, partners etc) in which the plans [to use the domain name] are identified.”

However, no material of this sort has been provided by the Respondent and the mere fact that the Respondent incorporated a company using that name does not amount to sufficient “demonstrable preparations” for these purposes.

6.15 Further, even if the Respondent genuinely intended to trade under the “Virgin Construction” name for some sort of business, it is unlikely that this would make any difference in this case. The obvious association between the Domain Name and the Virgin’s Group’s business means that I accept the Complainant’s contention that any use of the Domain Name by the Respondent for a website for his business, would be likely to result in internet users at least being initially drawn to that website thinking it was somehow connected with the Virgin Group. Such activity would fall within the scope of paragraph 5.1.2 of the Policy.

6.16 I also reject the Respondent’s contention that the mere fact that Companies House allowed him to register a company with the name “Virgin Construction” in some way means that the registration and holding of a domain name with that same name was or is legitimate. The rules that govern what Companies House will allow to be used as a name for a company are quite distinct from those that apply when assessing whether a domain name registration is legitimate under the Policy or whether the use of a domain name or a company name may infringe the intellectual property rights of others.

7. Decision

7.1 I, therefore, find that the Complainant has Rights in a name, which is similar to the Domain Name, and that the Complainant has shown that the Domain Name, in the hands of the Respondent, is an Abusive Registration.

7.2 I, therefore, determine that the Domain Name be transferred to the Complainant.

Signed
Matthew Harris

Dated 10 May 2017