

**DISPUTE RESOLUTION SERVICE****D00019527****Decision of Independent Expert**

Virgin Enterprises Limited

and

Universal Comms W/S Ltd

**1. The Parties:**

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

Respondent: Universal Comms W/S Ltd  
Luay Shakarchy  
21 Carisbrooke Road  
Birmingham B17 8NN  
United Kingdom

**2. The Domain Name:** virgintaxi.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 might be of such a nature as to call in to question my independence in the eyes of one or both of the parties.

13 November 2017 15:52 Dispute received  
14 November 2017 12:01 Complaint validated  
14 November 2017 12:03 Notification of complaint sent to parties  
01 December 2017 01:30 Response reminder sent  
06 December 2017 08:09 Response received  
06 December 2017 08:09 Notification of response sent to parties  
11 December 2017 01:30 Reply reminder sent  
13 December 2017 16:25 Reply received  
14 December 2017 09:01 Notification of reply sent to parties  
14 December 2017 09:01 Mediator appointed  
15 December 2017 17:59 Mediation started  
11 January 2018 11:07 Mediation failed  
11 January 2018 11:08 Close of mediation documents sent

16 January 2018 10:50 Expert decision payment received  
22 January 2018 Renewed mediation/settlement discussions start  
25 January 2018 Expert notified of closure of mediation/settlement discussions.

#### **4.Factual Background**

The content of this section, including details about the Respondent and its business, is provided by the Complainant. The Respondent has not challenged it and I therefore accept as fact the following information.

The Complainant is a company incorporated in England and Wales with company number 01073929. It is responsible for the ownership, management, licensing and protection of all trade marks, intellectual property and goodwill in the VIRGIN name, the VIRGIN signature logo and associated marks and get-up. It is a wholly owned subsidiary of the Virgin Group which has been trading since 1970.

The Respondent is Universal Comms W/S Limited, a UK limited company incorporated in England and Wales on 18 May 2006 with company number 05821212. Its registered office is 110 Hillside Gardens, Edgware, Middlesex HA8 8HD. The Respondent's sole director is Luay Shakarchy.

The Respondent registered the Domain Name on 22 February 2017. It currently resolves to a holding page hosted by 1&1 Hosting.

A private limited company was incorporated on 14 March 2017 under the name 'Virgin Taxi Services Limited' (company number 10668011), for which Luay Shakarchy was also sole company director. 'Virgin Taxi Services Limited' changed its name by resolution to 'Universal Luna Technologies' on 3 April 2017.

The term Respondent will refer in this Decision to either Mr Shakarchy or the company of which he is the sole director as the context requires.

#### **5. Parties' Contentions**

##### **Complainant**

##### **Complainant's Rights:**

The Complainant states that it has registered trademarks incorporating the VIRGIN name in over 150 countries, spanning the majority of the 45 classes of goods and services. These include

(a) EU Trade Mark No. 015255235 registered on 21 March 2016 for the word mark VIRGIN for goods and services in several classes including "transport", "taxi services", "limousines services" and the "reservation and sale of tickets for taxi services, motorcycles services and limousine rides"; and

(b) UK Trade Mark No. 03163121 registered on 29 July 2016 for the word mark VIRGIN for goods and services in classes which include "vehicles", "automobiles", "engines for land vehicles", "motor cars" and "parts and fittings for all the aforesaid goods".

The Complainant asserts that its VIRGIN brand has been promoted internationally for many years and enjoys a global reputation, resulting in the acquisition of substantial goodwill in the name.

The Complainant submits that the Domain Name is identical or similar to the Mark in which the Complainant has Rights, incorporating the Virgin mark in full, save for the addition of the purely descriptive word "taxi" and the suffix ".co.uk" which may be discounted for purposes of comparison.

The Complainant argues that the addition of the generic and descriptive word "taxi" to the VIRGIN name does not distinguish it from the Complainant's Virgin Marks. The Complainant refers to the expert's decision in *Virgin Enterprises Limited v SJT Consultancy Ltd* (DRS 13891) concerning the domain names <virginentrepreneurs.co.uk> and <virginstartups.co.uk>:

“ The public is ... 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.”

### **Abusive Registration**

The Complainant considers that the Domain Name was registered and/or subsequently used by the Respondent in a manner which took unfair advantage of or was unfairly detrimental to the Complainant's Rights.

The Complainant recounts that it wrote to the Respondent several times between April and June 2017, regarding the use of its mark in his company name and the Domain Name, seeking undertakings that he cease using the VIRGIN name. On 7 July 2017 the Respondent replied stating that the Domain Name had been bought from a "very reputable firm". The Complainant points out that the Respondent confirmed that he had not used the Domain Name and had no intention of using it in the immediate future and that the purchase of the Domain Name was "an investment" with a view to selling the Domain Name to the "highest bidder".

The Complainant states that it confirmed to the Respondent on 19 July 2017 that it was not interested in purchasing the Domain Name, as no legitimate reason for using the VIRGIN name in the Domain Name had been put forward. The Complainant nevertheless offered to reimburse the Respondent's out-of-pocket expenses associated with registering and transferring the Domain Name.

The Complainant submits that the Domain Name was registered by the Respondent for the purposes of selling it to the Complainant or to a third party for valuable consideration in excess of the Respondent's costs associated with acquiring the Domain Name, contrary to Paragraph 5.1.1.1 of the Policy.

The Complainant argues that it is inconceivable that at the time of registration of the Domain Name, the Respondent was not aware of the Complainant's reputation.

The Complainant states that the Complainant has not authorised the Respondent to use of the Virgin Marks in any context.

The Complainant further submits that the Domain Name is a blocking registration in contravention of Paragraph 5.1.1.2 of the Policy. By registering the Domain Name, the Respondent has prevented the Complainant from registering or using it, when the Respondent has confirmed in writing that he has "not used the [Domain Name] and "[has] no intention [of] using it in the immediate future".

Alternatively, the Complainant offers the view that the potential sale of the Domain Name to a competitor has the potential to disrupt the Complainant's operations, contrary to Paragraph 5.1.1.3 of the Policy.

The Complainant also argues that the Respondent is using the Domain Name in a way which is likely to confuse Internet users into believing that the Domain Name was connected with the Complainant as provided in Paragraph 5.1.2 of the Policy. Earlier DRS decisions have supported the view that the use of "virgin" in connection with a business activity prevents it being understood as a generic term. In the words of the Expert in *Virgin Enterprises Limited v SJT Consultancy Limited* (DRS 013891)

"It is a phrase with trade mark (or brand) significance and a strong association with the Complainant". Accordingly, in the Complainant's view, there is a strong likelihood that the use of the VIRGIN name in the Domain Name will confuse the public into the mistaken belief that the Domain Name is associated with the Complainant when that is not the case."

The Complainant asserts that although the Domain Name is not currently being used to host an active website, it is still abusive in terms of the Policy. The Complainant cites sections 1.3 and 3.3 of the Nominet Experts' Overview to argue that both use and non-use of a Domain Name can prejudice the Complainant's rights and give rise to actual or threatened confusion on the part of Internet users, in circumstances where a domain name in dispute is identical to the name of the complainant and that name cannot sensibly refer to anyone else.

### **Respondent**

The Response takes the form of an email written in the first person by Luay Shakarchy to the Complainant's solicitors, rather than a formal submission by the Respondent company to Nominet's Dispute Resolution Service. For consistency I have re-stated the content of this communication in the third person, employing the customary terminology for parties' submissions in DRS disputes.

The Respondent refers to his receipt of the dispute notice from Nominet and the earlier letters from the Complainant. As a result of these communications, the Respondent reports that he will not be using the Domain Name.

The Respondent explains that he was developing a start-up company using the Domain Name, before fear of legal entanglement with the Complainant caused him to abandon this undertaking. The Respondent nevertheless remains convinced that by simply owning the Domain Name and retaining it in his possession he is not infringing the Complainant's rights. The Respondent argues that the Domain Name

was available to purchase on 1&1, who have provided written confirmation that by buying the Domain Name he has not broken any laws and that he would be free to sell it on to any other company or owner.

The Respondent asserts that he has incurred losses and endured unnecessary pressure from the Complainant's legal team. The Respondent re-states his position that that he will not use the Domain Name and notes that the Complainant also has no interest in using it. Under these circumstances, the Respondent is unsure why he is the target of this Complaint after confirming he is not using the Domain Name.

The Respondent refers to earlier correspondence where he stated that he would be happy to sell the Domain Name to the Complainant if it offers a reasonable price. In the absence of such an offer, the Respondent takes the view that he could resell the Domain Name to the highest bidder as he has been approached by several parties.

The Respondent remains open to discussion with the Complainant over the purchase, subsequent use or onward sale of the Domain Name and the possible financial arrangements arising from these options.

#### **Complainant's Reply to the Response**

The Complainant notes that the Respondent has not provided evidence to support his reasons for registering the Domain Name and choosing to incorporate the VIRGIN name within it.

The Complainant reiterates that it is not willing to negotiate with the Respondent regarding the sale of the Domain Name. The offer to sell the Domain Name to the Complainant is further evidence that it was registered by the Respondent primarily for the purposes of selling, renting or otherwise transferring the Domain Name to the Complainant at a profit.

The Complainant notes that the Respondent's reasoning appears to be at odds with the statements made in correspondence between the parties. The Complainant refers to the Respondent's letter of 7 July 2017 confirming that he has not used the Domain Name, has no intention of using it in the future and that the purpose of registering the Domain Name was as 'an investment' with the 'prime intention' of selling the Domain Name to a 'prospective customer' and/or 'the highest bidder'. The Complainant submits that these actions are inconsistent with the Respondent's contention that the primary purpose in registering the Domain Name was for the purposes of setting up a legitimate trading business.

#### **Respondent's non-standard submission**

I set out below in its entirety a further statement from the Respondent, known in the DRS Policy as a non-standard submission, which I agreed to consider after the Complaint emerged without an outcome from a second round of mediation discussions.

“It started when I decided to open my own taxi company that adopted a similar concept to UBER with some modification to the original UBER concept, I derived at

the name VirginTaxis as I found it rather catchy and felt it would fit with my new concept. In no way did I compare this to the Virgin Enterprise company.

I admit that I made a mistake as I told VEL that I bought the domain as an investment, this was because I did not want them to know that I was working on the App development.

I then shortly after began to realise that there would be a lot of legal issue with using the domain and I decided to halt the development of my application. This therefore means the dispute virgin made against the legal purchase of my domain resulted in a failed venture on my part. As time continued they offered to pay the expenses I incurred as a result and so I am now sending this email to re-confirm I would agree with VEL offer. I will happily hand VirginTaxis.co.uk domain over in exchange for the company covering the expenses I have had to incur.

Please find attached copy of the contract with the App developer. And receipt of the first payment”.

### **Complainant’s reply to the Respondent’s non-standard submission**

This reply includes reference to matters which fall outside my remit as the nominated Expert in this DRS Complaint and which I have excluded from this summary. The relevant portions of the reply are set out below.

The Complainant notes that the Respondent mentions the domain name <virgintaxis.co.uk> (with an additional ‘s’ to the Domain Name. A WHOIS search confirms that the domain name <virgintaxis.co.uk> was registered under the name of one of the Respondent’s associated companies 2 months **after** the registration of the Domain Name.

The Complainant states that, in light of the Respondent’s failure to disclose this further domain name, the Complainant commissioned a Reverse Whois search against the Respondent and his associated company (Universal Comms W/S Ltd). In addition to the (<virgintaxis.co.uk>) name, the Respondent is also listed as the registered proprietor of the following domain names incorporating the VIRGIN name:  
virgin-taxi.co.uk  
virgin-taxi.com  
virgin-taxis.com

The Complainant submits that the Respondent is engaged in a pattern of registrations incorporating well-known marks in which the Respondent has no apparent rights (namely, the registration of four domain names incorporating the VIRGIN name), and the Domain Name is part of that pattern.

The Complainant confirms that it had previously offered to reimburse the Respondent for his reasonable, documented, out-of-pocket costs directly associated with the registration and transfer of the domain name (subject to the Respondent providing evidence of the direct expenditure relating to this). The Complainant considers that the Respondent’s purported expenditure does not fall into the category of ‘out-pocket-costs directly associated with registering and transferring the domain name’.

The Complainant notes that there is nothing in the appended documentation to suggest

a connection between the Domain Name the ‘App Development’ contract, nor between the Domain Name and the purported payment of \$1,000.

## **6. Discussions and Findings**

### **Parties’ non-standard further submissions**

The Respondent’s non-standard further submission reveals a change in position from that adopted in his initial Response. The Complainant’s submission reacts to this, and in doing so makes clear that there is no agreement between the Parties on the basic issues to be resolved in this Decision in spite of earlier attempts to settle the matter. Neither of these submissions requires me to depart from a conventional analysis - based on the DRS Policy - of the facts of this dispute.

### **DRS Policy**

Paragraph 1 of the DRS 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. is being or has been used in a manner which has taken unfair advantage of or has been unfairly detrimental to the Complainant's Rights;*

Paragraph 2 of the DRS Policy requires a complainant to show that

*2.1.1 The Complainant has Rights in respect of a name or mark which is identical or similar to the Domain Name; and*

*2.1.2 The Domain Name, in the hands of the Respondent, is an Abusive Registration*

### **Complainant’s Rights**

The Complainant has submitted evidence of registered trademarks in the name VIRGIN which I accept as sufficient for the purposes of this Complaint. I have little doubt that the Complainant may also lay claim to rights at common law, based upon its extensive trading history over many years.

The Domain Name combines this protected name with the word “taxi”. My view is that, given the Virgin Group’s wide range of operations, this word appears in the Domain Name in a purely descriptive sense and does not materially distinguish the Domain Name from the term in which the Complainant has rights. The Complainant thus has rights sufficient to satisfy the first leg of the test in paragraph 2.1.1 of the DRS Policy set out above.

### **Abusive Registration**

The Complainant alleges the Respondent’s registration of the Domain Name is abusive in that

it was originally acquired expressly for the purpose of selling it at a profit either to the Complainant or to one of its competitors (DRS Policy paragraph 5.1.1.1)

it is a blocking registration, preventing the Complainant from acquiring the Domain Name (DRS Policy 5.1.1.2)

it was unfairly disruptive of the Complainant's business in opening up the possibility of the Domain Name falling into the hands of a competitor (Policy paragraph 5.1.1.3)

that it gave rise, or threatens to give rise, to confusion on the part of Internet users expecting to reach a site operated by the Complainant (DRS Policy Paragraph 5.1.2)

the registration involved an unauthorised use of its protected trademark and the Respondent has no reasonable justification for having registered the Domain Name (DRS Policy Paragraph 5.1.6).

The Respondent does not address these points systematically, but relies instead upon brief explanations of his actions and the thinking behind them. The Respondent expresses his belief that, by simply owning the Domain Name and retaining it in his possession without using it, he is not infringing the Complainant's rights. Insofar as the domain name market is based upon the principle of "first come first served" the Respondent is correct on that score. Moreover, non-use cannot, as a general proposition, be considered intrinsically abusive. There are many plausible reasons why a registrant may refrain from or delay putting a domain name to use. However, much depends upon the facts of each individual case. Paragraph 1.3 of the DRS Expert's Overview, which offers guidance to complainants and respondents on how DRS Experts interpret DRS Policy, includes the following observation

*...some Experts have found that in certain circumstances, e.g. where the name is a known brand and the Respondent has no obvious justification for having adopted the name and has given no explanation, the non-use itself can constitute a threatened abuse hanging over the head of the Complainant.*

My view is that this reasoning applies to the present Complaint.

From the Complainant's letters the Respondent draws what I think is an incorrect inference that the Complainant has no interest in using the Domain Name. This may or may not be true, but a more accurate interpretation of what the Complainant had to say is that it has no interest in bidding for the Domain Name against actual or possible competing offers or in paying more than the Respondent's out-of-pocket expenses in transferring the Domain Name into its possession.

In his additional non-standard submission, the Respondent aims to clarify his motives for buying and retaining the Domain Name. He considered the name Virgintaxis "catchy" and felt that the business he had in mind under this name was not comparable to anything that might be associated with the Complainant. The Respondent was clearly aware of the Complainant and simply felt that his planned business was sufficiently distanced from the Complainant's as to leave him free to act. Correspondence from the Complainant's solicitors made clear that this was not the case and the Respondent fell back on the idea of inviting a commercial offer for the



Domain Name from the Complainant, using the inducement that other bidders were hovering nearby. The Respondent's words in his letter to the Complainant of 7 July 2017 are unambiguous:

“my prime intention was investment in domain name. I am endeavouring to sale this domain to the highest bidder”.

This however places the Respondent's behaviour within the contemplation of paragraph 5.1.1.1 of the DRS Policy as follows:

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

5.1.1.1 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;

The Respondent's later non-standard submission, with its description of an online taxi service app, might suggest that selling on the Domain Name at a profit was not the Respondent's primary motive when he acquired it. However, no supporting evidence of the Domain Name's role in this start-up activity is offered to give substance to the Respondent's account.

In concluding that the Domain Name is an Abusive Registration in the Respondent's hands, it is not strictly necessary for me to consider the remaining grounds of complaint, namely that the Domain Name unfairly disrupts the Complainant's business and/or that it gives rise to actual or potential confusion on the part of Internet users. The Complainant provides little evidence in this regard, but for completeness I offer the view that a possibility of disruption or user confusion arises from the taxi and other travel services links (some of which repeat the Complainant's trading name) present on the holding page to which the Domain Name points. Accordingly, I conclude that additional grounds for a finding of Abusive Registration are likely to be present, under paragraphs 5.1.1.3 and 5.1.2 of the DRS Policy.

## **7. Decision**

I find that the Complainant has Rights in a name which is identical or similar to the Domain Name and that the Domain Name is an Abusive Registration in the hands of the Respondent. The Domain Name should be transferred to the Complainant.

**Signed**

**Dated** 11 February, 2018

Peter Davies