

DISPUTE RESOLUTION SERVICE

D00022233

Decision of Independent Expert

WebMate Internet Services Limited

and

Mr Garth Piesse

1. The Parties

Complainant: WebMate Internet Services Limited
Westcountry House
Victoria Square
Bodmin
Cornwall
PL31 1EB
United Kingdom

Respondent: Mr Garth Piesse
Manawatu
New Zealand

2. The Domain Names

webmate.co.uk
webmate.uk

("the Domain Names")

3. Procedural History

Nominet checked that the complaint received on 15 January 2020 complied with its UK Dispute Resolution Service (“DRS”) Policy (“the Policy”), before notifying the Respondent and inviting a response. That response was received on 3 February. On 11 February, the Complainant replied to the response.

The offer of mediation did not help resolve the dispute and, on 20 February, Nominet advised both parties that the matter would be referred to an independent expert for a decision, on payment of the appropriate fee. Nominet received that fee on 11 March.

On 12 March I, Mark de Brunner, agreed to serve as an expert under the Policy. I 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 into question my independence in the eyes of one or both of the parties.

4. Factual Background

I have checked and can confirm that the Domain Names do not currently resolve to web pages. From that limited research, the complaint, the response, the reply and the administrative information routinely supplied by Nominet, I accept the following as facts.

The Complainant sells internet services, including email, support for building and running websites and hosting web pages. It has been in business for many years, with its main products “MacAce” and “MacMate”. Its primary domain name, <webmate.me>, was registered in March 2017. It has been using the brand name “webmate” online since April 2018. It was granted trade marks for “webmate” in the UK in May 2018 and internationally in July 2018. The company changed its name from Macace Ltd in December 2018.

The Respondent is in the business of buying and selling domain names. Since 2008, he has owned many domain names that consist of “web” plus a generic term as well as other domain names consisting of a generic term plus “mate”.

The Respondent registered <webmate.uk> on 23 March 2016 (catching it when it dropped - i.e. when the then registrant let the registration lapse without renewing it). He attempted to register <webmate.co.uk> at the same time but was unsuccessful. He eventually managed to drop-catch <webmate.co.uk> on 23 June 2018.

The Domain Names have only ever been used for web pages advertising themselves as for sale. On 10 January 2018, the Respondent received an offer of \$50 from Gary

Hall, on behalf of the Complainant, for <webmate.uk>. The same day, the Respondent made a counter-offer of \$4,695, which Mr Hall rejected.

5. Parties' Contentions

Complaint

The Complainant says it has rights in a name that is identical or similar to the Domain Names.

It argues that the Domain Names are abusive registrations because:

- (i) <webmate.co.uk> was registered by the Respondent after one of the Complainant's trademarks was granted (June 2018 vs May 2018)
- (ii) the Complainant's primary trading location is the UK and there could be no legitimate use of the Domain Names there beyond its use of them
- (iii) the Domain Names have been registered by the Respondent solely to sit on them, unused, with the intention of selling to the Complainant at a profit.

Response

The Respondent accepts that the Complainant has rights in the name "webmate" and that this is similar to the Domain Names.

He argues that these are not abusive registrations because

- (i) the principle set out by the appeal panel in *verbatim.co.uk* (DRS 43310) applies:

"...for this complaint to succeed, the Complainant must satisfy the Panel, as an opener, that the Respondent was aware of the existence of the Complainant or its brand at the date of registration of the Domain Name or at commencement of an objectionable use of the Domain Name."

(paragraphs 8.13-14)

Here the Respondent was not and could not have been aware of the Complainant in March 2016, when he registered <webmate.uk> and first attempted to register <webmate.co.uk>, because the Complainant only applied for its first trade mark in February 2018 and only claims to have started using the name "webmate" from April

2018. When the Respondent registered <webmate.co.uk> a few weeks later in June 2018, he was only accomplishing what he had set out to do some two years earlier and acquiring a domain name which matched with his existing <webmate.uk>. This step was entirely unrelated to the Complainant, which only came to the Respondent's attention when the Complainant filed the present claim. In this connection, the Respondent notes that the Complainant has offered no evidence of reputation.

- (ii) The terms "web" and "mate" are obvious and common – and indeed the Complainant is not even the exclusive holder of a "webmate" trade mark having effect in the UK or the exclusive user of the term in the UK. Other parties have used the term before and since the Complainant adopted it. It is plainly wrong to argue that there could be no legitimate use of the Domain Names other than by the Complainant.
- (iii) The Respondent never had any intention of keeping the Domain Names unused, blocking them pending a sale to the Complainant. The Respondent has used the Domain Names – to resolve to websites offering them for sale. In any case, paragraph 5.2 of the Policy states that failure on a respondent's part to use a domain name for email or a website is not in itself evidence that the domain name is an abusive registration.
- (iv) The Respondent is in the business of buying and selling domain names, which the Policy recognises as a legitimate activity.

Reverse domain name hijacking

The Respondent seeks a finding that the Complainant's conduct in bringing the complaint amounts to reverse domain name hijacking, for the following reasons.

- This is a case which should never have been brought and the Respondent has been put to unnecessary cost and inconvenience in having to defend it. All that happened was the Respondent selected the domain names before the Complainant had started using the relevant name and offered them for sale to the world at large. This does not come remotely close to abusive registration.
- The Complainant sought to give the false impression that it was the exclusive owner of the "webmate" trade mark in the UK.
- The Complainant supplied no evidence in support of its claim that the Respondent "squatt[ed] the domain for resale to us".

- The Complainant ignored the point clearly stated in the Policy that the resale of domain names of itself is legitimate.
- The Complainant decided to raise baseless allegations of abusive registration as an alternative means of obtaining the Domain Names at a reduced price.

Reply

The Complainant makes the following points in reply to the response:

- (i) One of the Domain Names was registered after the Complainant's trade mark was granted, and it takes unfair advantage of the Complainant's rights regardless of its being similar to other domain names held by the Respondent. Registering as many domain names as the Respondent has done will undoubtedly infringe trade marks and other rights, even by accident, and ignorance of those rights is no defence.
- (ii) The Complainant is the UK and WIPO trademark owner of "webmate" for classes 38 (telecoms) and 42 (all things "web" based). It is therefore likely that any other use of the Complainant's mark in the UK on the internet would violate its trademark and that use of the Domain Names would be abusive now or in the future.
- (iii) The registrations were primarily for the purposes of selling, renting or otherwise transferring the Domain Names 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 Names. The Complainant adds that the non-resolution of the Domain Names, or their resolving to a parking page, could mislead its customers into thinking that it has gone out of business.
- (iv) While Nominet does not view domain reselling as abusive per se, a business model the sole aim of which is to buy up all the best domains - potentially including unclaimed trademarks or company names - at scale, is by its nature an abuse.
- (v) The Respondent has been involved in at least twenty other domain name disputes over the last ten years, most of which have been dismissed. His formulaic responses are evidently highly successful and give him the freedom to take unfair advantage of rights at will.
- (vi) The Respondent's agent is a member of the DRS expert panel, which means there is a conflict of interest as well as the likelihood that he has an inside knowledge of DRS procedure.

6. Discussion and Findings

To succeed in this complaint, the Complainant must prove, on the balance of probabilities, that

- it has rights in respect of a name or mark which is identical or similar to the Domain Name; and that
- the Domain Names, in the hands of the Respondent, are abusive registrations.

Rights

Despite the absence of evidence in relation to reputation and unregistered rights, I accept that the Complainant has at least registered rights in “webmate”. The Domain Names consist of this formula plus the generic co.uk and .uk suffixes, which are merely characteristics of the domain name register. I therefore accept that the Complainant has rights in respect of a name or mark which is identical or similar to the Domain Names.

Registration

As defined by the Policy, an abusive registration is a domain name which:

- 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
- has been used in a manner which has taken unfair advantage of or has been unfairly detrimental to the complainant’s rights.

The Complainant’s case is essentially that the Respondent’s registration of one of the Domain Names, after the Complainant’s own registration of an identical or similar trade mark, is necessarily abusive; that the Domain Names could have no conceivable legitimate use by anyone other than the Complainant; and that the Respondent registered the Domain Names in order to cybersquat until he could sell them at a profit to the Respondent.

The Respondent regards his response on the first of these as wholly conclusive of the present dispute. Drawing on the appeal decision in <verbatim.co.uk> (DRS 04331), he says that, for a registration to be abusive, the respondent needs to have known of the existence of complainant or its brand either at registration or when objectionable use began. In this case, the Respondent says, he neither knew nor could be expected to have known of the Complainant or its rights. He is a domain

name dealer and he has many domain names made up of or including generic terms, Both “web” and “mate” are in common use and he acquired a domain name combining the two.

The *Experts’ Overview* (section 2.4) contains a useful gloss on the Verbatim case:

The body of expert decisions under the Policy is developing and certain principles are emerging. The section of the Appeal decision in DRS 04331 (verbatim.co.uk) dealing with ‘knowledge’ and ‘intent’ sets out one panel’s views on that topic. However, new domainer practices (e.g. automated bulk transfers of domain names) are becoming commonplace and to the extent that the Verbatim decision suggests that for a finding of Abusive Registration, the Respondent must have had knowledge of the Complainant and/or its Rights at the relevant time, it is now thought by some Experts that that might overstate the position.

The approach to be taken is therefore not quite as self-evident as the response suggests. It is not inevitable that the Respondent can escape a finding of abusive registration merely by establishing that he did not know of the Complainant and its rights. It is equally true, though, that the simple registration of a trade mark for “webmate” does not automatically entitle the Complainant to the Domain Names.

Domain names are allocated first come, first served, subject to the rules about acquisition or use that takes unfair advantage of or is unfairly detrimental to a complainant’s rights. There can be no short cut to an appropriate conclusion about the character of the registration here, although the analysis seems to me to be straightforward.

The Respondent must have acquired the first of the Domain Names without knowledge of the Complainant’s rights because, on the evidence before me, those rights did not exist at the time. It is just possible to argue that the acquisition of the second of the Domain Names is different because the Complainant had, a few weeks earlier, registered “webmate” as a trade mark. But given the very short time between trade mark and domain name registration, the complete absence of evidence that the Complainant had at that stage built up any goodwill in the name and the fact that this merely added the .uk version of a domain name to the .co.uk version, it seems to me a more reasonable conclusion that the registration of the second of the Domain Names is as unobjectionable as that of the first. I cannot see that either of them takes unfair advantage of the Complainant’s rights.

Evidence of “webmate” being more obviously distinctive might have had a bearing on any assessment of the character of the registration. But there is no such evidence before me.

I can now deal with all the arguments advanced, before looking at the further three points made by the Complainant in its reply to the response. (The numbering below reflects the numbering in the complaint, response and reply sections above.)

- (i) As discussed above, I do not accept that the registrations here automatically infringed the Complainant's rights. In addition, while it is true that ignorance of rights is not necessarily a defence against a claim that those rights have been unfairly infringed, it does not follow that the mere potential for inadvertent infringement will always lead to the conclusion that unfair advantage has been taken.
- (ii) I accept the Respondent's case that it is not inevitable that any UK use of "webmate" other than by the Complainant would infringe the Complainant's rights or that use of the Domain Names by anyone else would automatically be abusive.
- (iii) The Complainant asserts that the registrations were primarily for the purposes of selling, renting or otherwise transferring the Domain Names to the Complainant or a competitor, at a profit. But that is far from self-evident and there is simply no material advanced in support of the proposition. The Complainant's further argument, that its customers could be misled into thinking that it has gone out of business, was added at the reply stage. The Policy says:

9.2 Any reply by the Complainant must be restricted solely to matters which are newly raised in the Respondent's response and were not raised in the Complainant's complaint as originally submitted to us.

9.3 If an Expert is appointed and the reply extends to other matters, the Expert may declare it inadmissible to the extent that it deals with matters going beyond those newly raised in the Respondent's response.

I regard this new argument as inadmissible though, even if I did not, it feels to me like an afterthought to which no significant weight attaches.

- (iv) The Complainant evidently takes issue with the fact that there is a secondary market in domain names, but the Policy is clear that such trading is of itself legitimate – and I am bound by the Policy.
- (v) The Respondent's history of success in DRS disputes does not seem to me to be relevant to the conclusion to be drawn here on the character of the registrations. It should go without saying that such a history does not and could not confer freedom to take unfair advantage of rights at will. But, for completeness, if a complainant asserts to Nominet, according to the Policy, that it has rights in respect of a name or mark which is identical or similar to a domain name and that the domain name, in the hands of the respondent, is

an abusive registration, a respondent must submit to proceedings under the DRS (paragraph 2.1 of the Policy). The Policy says:

The Expert shall be impartial and independent and both before accepting the appointment and during the proceedings will disclose to [Nominet] any circumstances giving rise to justifiable doubt as to his or her impartiality or independence. (15.1)

and that

The Expert will decide a complaint on the basis of the parties' submissions and this Policy. (18.1)

There are of course circumstances in which a Respondent's DRS record is relevant - for example when

The Complainant can demonstrate that the Respondent is engaged in a pattern of registrations where the Respondent is the registrant of domain names (under .UK or otherwise) which correspond to well-known names or trademarks in which the Respondent has no apparent rights, and the Domain Name is part of that pattern.

(Policy paragraph 5.1.3)

But the Complainant has not made out such a case here and indeed its general point about the Respondent's track record (that, in the Complainant's view, it is less rather than more likely that there will be a finding of abusive registration) lies in the opposite direction. In the circumstances, the Respondent's DRS history is not material to this decision.

- (vi) Members of the DRS panel of experts are entitled to represent parties to DRS proceedings. A potential conflict will only arise if they would otherwise be called on to make a decision, or be party to a decision, in which they have an interest. The Respondent's representative here is wholly uninvolved in this decision, which is for me alone – and I have already confirmed my independence. An inside knowledge of DRS procedure is potentially available to all complainants and respondents, depending on the representative they choose – just as parties to a court case might choose a lawyer with particular experience to represent them.

The Respondent seeks a finding that the Complainant's conduct in bringing the complaint amounts to reverse domain name hijacking. The Policy defines this as

using the DRS in bad faith in an attempt to deprive a respondent of a domain name.

But in my view, this was a case it was reasonable to argue. The Complainant made out the best arguments it could. If its evidence was lacking, or it took a view of domain name trading at odds with the Policy, that is reflected in the decision and I do not take it as a sign of bad faith. I therefore decline to make such a finding.

7. Decision

I find that the Complainant has rights in respect of a name which is identical or similar to the Domain Names but that the Domain Names, in the hands of the Respondent, are not abusive registrations.

I therefore direct that no action be taken.

Mark de Brunner

30 March 2020