

DISPUTE RESOLUTION SERVICE

D00009940

Decision of Independent Expert

Locker Shop UK Ltd

and

Mark Simpkin Ltd

1. The Parties

Complainant: Locker Shop UK Ltd
Britannia House
River lane
Saltney
Chester
Cheshire
CH4 8RH
United Kingdom

Respondent: Mark Simpkin Ltd
Unit F1, Adelphi Mill
Grimshaw Lane
Bollington Macclesfield
Cheshire
SK10 5JB
United Kingdom

2. The Domain Name

lockershop.co.uk ("the Disputed Domain Name")

3. Procedural History

The Complaint was filed with Nominet on 31 May 2011. Nominet validated the Complaint on 1 June 2011 and notified the Respondent by post and by email, stating that the Response had to be received on or before 22 June 2011. The Respondent filed a Response on 22 June 2011 and Nominet notified the Complainant that a Reply had to be received on or before 29 June 2011. The Complainant filed a Reply on 29 June 2011.

The Informal Mediation procedure failed to produce an acceptable solution for the parties and so on 25 August 2011 Nominet informed the Complainant that it had until 9 September 2011 to pay the fee for the decision of an Expert pursuant to paragraph 7 of the Nominet Dispute Resolution Service Policy ("the Policy"). On 9 September 2011 the Complainant paid Nominet the required fee.

On 13 September 2011 the undersigned, Jane Seager ("the Expert"), confirmed to Nominet that she knew of no reason why she could not properly accept the invitation to act as an Expert in this case and further confirmed that she knew of no matters which ought to be drawn to the attention of the parties which might appear to call into question her independence and/or impartiality.

4. Factual Background

Complainant

The Complainant is a UK limited company incorporated on 4 February 2010. It began trading in July 2010 selling storage solutions such as lockers, shelving, cupboards and cabinets online.

The Complainant appears to use two main websites, www.lockershopuk.co.uk (domain name registered by the Complainant's representative on 2 February 2010) and www.shelvingstore.co.uk (domain name registered on 12 August 2007 by a third party and subsequently acquired by the Complainant).

On 13 January 2011 the Complainant filed for a UK trade mark in the term LOCKER SHOP in Class 20, which was registered on 15 April 2011.

On 4 August 2010 the directors of the Complainant incorporated another UK limited company called Simply Lockers Limited. On 13 January 2011 Simply Lockers Limited filed a UK trade mark in the term SIMPLY LOCKERS in Class 20, which was registered on 27 May 2011. This company (or one of its directors) is also the registrant of various "simply lockers" domain names including:

simplylockersuk.co.uk (registered on 2 February 2010)
simplylockers.ltd.uk (registered on 16 November 2010)
simplylockers.tel (registered on 4 January 2011)
simplylockersltd.tel (registered on 4 January 2011)

The first two domain names are pointing towards websites under construction, whilst the second two display contact details.

Respondent

The Respondent is a UK limited company incorporated on 1 May 2001. It trades as "The Simply Group", using a range of "simply" websites supplying different types of products.

As part of its activities the Respondent sells storage solutions online, including via the website www.simplylockers.co.uk (domain name registered on 29 January 2003) and is one of the Complainant's main direct competitors. Both companies are based in Cheshire.

Disputed Domain Name

The Respondent registered the Disputed Domain Name on 10 November 2004. It was initially used to point to a website giving basic pricing information and inviting potential customers to contact the Respondent by telephone, fax or email. In December 2010 the Respondent updated www.lockershop.co.uk (for the first time since 5 September 2006) and this, amongst other things, enabled customers to place orders online.

The Dispute

The Complainant first wrote to Nominet on 3 August 2010 asking for advice on the fact that it was using www.lockershopuk.co.uk but that one of its competitors owned the Disputed Domain Name.

Further to the Complainant's correspondence with Nominet and after it started trading, several internet users (both customers and suppliers) sent emails to @lockershop.co.uk by mistake instead of @lockershopuk.co.uk, which meant that they were received by the Respondent instead of by the Complainant. One incident in particular caused a confused customer to cancel an order.

Shortly afterwards the Complainant filed a Complaint under the Policy.

5. Parties' Contentions

Complaint

Background facts asserted by the Complainant

The Complainant underlines that it has spent over £8,000 building its website at www.lockershopuk.co.uk and now has a turnover of over £200,000. It mentions that it is aware that the Respondent holds a number of "simply" domains including the following:

simplygroupuk.co.uk
simplylockers.co.uk
simplytablesandchairs.co.uk
simplydirect.net
simplybenchseating.co.uk
simplyhomesabroad.co.uk
simplymediamanagement.co.uk
simplysmokingshelters.co.uk

The Complainant states that it discovered that the Respondent was also the registrant of the Disputed Domain Name around 3 August 2010. According to the Complainant, the Respondent was not known in the market as Locker Shop and the corresponding website was clearly not the main or current trading website of the Respondent. According to screen captures taken by the Complainant on 15 November 2010, the website had not been updated since 5 September 2006.

One of the Complainant's directors, Mike Maughan, sent the email below to Nominet on 3 August 2010:

"I have a question which I hope you will be able to answer for me.

In February 2010 I set up and registered a new company called Locker Shop UK Ltd with the intention of creating an online business trading in lockers, shelving and storage etc. With this company formation I bought the www.lockershopuk.co.uk domain name and have just launched a website using this name.

It appears that a newly found competitor in this very competitive market is upset with our company formation and domain name.

The company in question is Mark Simpkin Limited who trade as Simply Lockers. The company website is www.simplylockers.co.uk.

It appears that they use to trade as Lockershop and still have the www.lockershop.co.uk domain and a website still exists . As can be seen if you visit this site, it has not been updated since 5th Sept 2006 and is clearly not the main or active trading site for the company.

Through second hand conversations within the industry I have been informed that Mark Simpkin Ltd want to close us down under "Passing Off" rules.

Could you inform me of my position and confirm if we are under any threat and could be closed down."

The next day Nominet replied giving further information about the Policy and explaining that the Complainant should take independent legal advice in the event of concern.

The Disputed Domain Name was renewed by the Respondent in November 2010 and shortly afterwards the Respondent pointed it towards a new website.

The Complainant mentions that it is aware of three incidents where emails have been mistakenly sent to the Respondent due to senders missing the "UK" off its @lockershopuk.co.uk email address, although there could be more. According to the Complainant, one incident in particular confused and misled a potential customer and caused the Complainant damage through the loss of an order.

Complainant's Rights

The Complainant states that it has rights in the Disputed Domain Name for the following reasons:

- It Is a legitimate company registered in England and Wales with Companies House (as evidenced by its certificate of incorporation, its VAT registration and a copy of its letter headed paper).
- It has used the LOCKERSHOP mark (i) since the launch of its website in June 2010, (ii) in all communication with customers (including in its first quote sent on 25

March 2010) and (iii) in all company material since incorporation (as evidenced by the Complainant's brochure).

- It has advertised in numerous publications under the LOCKERSHOP brand (for example various education magazines for schools).
- It has a UK registered trade mark in the term LOCKERSHOP (as evidenced by the certificate of registration).

Abusive Registration

The Complainant asserts that the Disputed Domain Name has been used in a way which has already confused people into thinking that it is controlled by or connected with the Complainant.

The Respondent has misused emails intended to be received by the Complainant which have been sent to it in error as a result of the similarity between the Complainant's domain name and the Disputed Domain Name. As a result the Complainant asserts that the Respondent has misled customers into believing that the Complainant is owned by the Respondent and this has caused the Complainant to lose an order.

The Complainant details three incidents where emails have been mistakenly sent to the Respondent, namely (i) from an advertising supplier who mistakenly emailed advertising details to the incorrect address, (ii) from a customer placing an order (Mr Maughan was expecting this order to be received within minutes and so he was able to ask the customer in question to resend the email) and (iii) from a customer who was sufficiently confused and misled to cancel his order. In this instance Mr Maughan was made aware of the incident due to the cancellation, and the customer subsequently agreed to forward all correspondence to him (also included as evidence). The Complainant sets out this incident below in more detail as follows:

- On or around 8 March 2011 Mr Maughan received a telephone sales enquiry from a customer requesting pricing for some lockers that he needed. He also asked if he could pay by proforma invoice against any order placed. Mr Maughan confirmed all details including his contact details over the telephone.
- On 21 March 2011 the customer sent an email with an attached company order made out to Locker Shop UK Ltd to sales@lockershop.co.uk and not to sales@lockershopuk.co.uk.
- On 22 March 2011 the customer had not received any response and so sent a reminder, also incorrectly addressed to sales@lockershop.co.uk. He then received a telephone call from one of the Respondent's representatives, stating that she was from "Locker Shop" and saying that she could improve on the prices. The customer therefore asked her to send a proforma invoice as requested with the correct pricing. The customer then received an email with pricing information from an email address ending in @simplygroup.co.uk.

- On 24 March 2011 the customer received a proforma invoice from the Respondent which was emailed by another of the Respondent's representatives, also from an email address ending in @simplygroup.co.uk.

- On 25 March 2011 the customer sent the following response:

"Thank you for your email, although I am now completely confused, I was originally dealing with Locker Shop UK Ltd, I was then contact by Rebecca from Locker Shop and now you have sent an invoice from Mark Simkin Ltd. Please can you clarify who I am dealing with before I proceed with any order. I look forward to hearing from you".

On the same day the customer received an email from the same representative of the Respondent stating that the Complainant was part of the Respondent's group as follows:

"Mark Simpkin Ltd is the parent company of Locker Shop UK Ltd. We also trade as the Simply Group. My apologies for the confusion here!"

The customer then replied thanking the Respondent's representative for the clarification and confirmed that he would send a cheque. He then posted a cheque made payable to the Complainant to the Respondent's address.

- On 28 March 2011 the customer received an email from the Respondent stating the following:

"We have received your cheque today, thank you. Unfortunately (and please accept my apologies for this!) we are unable to accept cheques that are not made out to Mark Simpkin Ltd or The Simply Group as stated on the proforma invoice. Would you possibly be able to re-send a cheque made out to the correct name? I can return the cheque that we have received to yourself should that be preferable."

- On 29 March 2011 the customer contacted Mr Maughan again by telephone and he confirmed that the Complainant had nothing to do with the Respondent or Simply Lockers. The customer then sent the following email to the Respondent:

"Thank you for letting me know, I guess it was my error after you confirmed that you were Locker Shop UK Ltd in your previous email. I have however, just had a conversation with Mike from Locker Shop UK Ltd who has confirmed that you are different companies, to be honest I am extremely disappointed with both companies and feel I have been misled and not 100% clear with who I should be dealing with! I have now placed the order with another company so I would appreciate it if you would return the cheque to me".

Mr Maughan then received a further call from the customer seeking clarification over his order, and from that call the customer discovered that the Respondent had received his order by email and had subsequently contacted him by phone and email and misled him as to the Complainant's relationship with the Respondent. The customer was so frustrated with the sequence of events and delays caused that the order was cancelled.

In conclusion, the Complainant asserts that the Respondent's behaviour has deliberately confused and misled a customer into believing that the Complainant was part of the same company or group as the Respondent. This has resulted in damage to the Complainant following cancellation of an order. In the Complainant's opinion this clearly represents an abusive use or registration of the Disputed Domain Name.

Response

The Respondent was set up 10 years ago by Mark Simpkin as an online distributor selling lockers, cupboards, cycle/smoking shelters and various furniture products. It has recently secured ISO9001 and ISO14001 accreditation. Mark Simpkin's business interests also include media and property projects, as detailed on the website www.simplygroupuk.co.uk. Mark Simpkin (the company's owner) and William Knight (the company's general manager) have 20 and 30 years' experience respectively in the UK locker market.

The Respondent believes that it was the first company of its type to embrace an online marketing strategy where previously the industry in question had relied on traditional print media (brochure and trade press). Whilst there may previously have been a couple of basic manufacturer locker websites no company had previously combined a strategy of web development including multiple websites, with and without online ordering and with and without planned pay per click (PPC) and search engine optimisation (SEO) strategies. This approach included a "brand" strategy ("Simply") as evidenced by the Respondent's "Simply" websites including:

www.simplylockers.co.uk (domain name registered on 29 January 2003)

www.simplytablesandchairs.co.uk (domain name registered on 6 September 2005)

and also "unbranded" websites including:

www.education-lockers.co.uk (domain name registered on 6 September 2005)

www.fatfurniture.co.uk (domain name registered on 7 June 2005)

www.lockershop.co.uk (the Disputed Domain Name, registered on 10 November 2004).

The Respondent states that as the market has evolved it has determined that no single strategy constitutes a utopian route to market. It has continued to invest in PPC, SEO and website development, using both external suppliers and in-house resources. It has also continued to acquire new websites to enable it to tap in to changing user internet search habits. The Respondent underlines the fact that having more than one website on the first page of a Google or MSN search generates a clear competitive advantage. In addition the Respondent points out that it has registered with many business to business industry specific websites.

The Respondent states that it owns in excess of 50 websites, some of which are very simple, encouraging the viewer to call its offices for further information (for example www.budgetlockers.co.uk), others giving rather more detail but no prices, inviting viewers to call for more information (for example www.school-lockers.co.uk) and those showing

prices and allowing the viewer to make a decision to order online (for example www.simplylockers.co.uk) or to disregard the Respondent's offering on price grounds and order elsewhere, or to telephone the Respondent to negotiate with an established price starting point.

The Respondent asserts that it is reluctant to provide a complete list of websites at this stage as it considers this to be very commercially sensitive information and is concerned that it may be passed onto the Complainant who is a competitor. The Respondent states however that it would share this list with a neutral third party under the terms of a signed confidentiality agreement.

The Respondent asserts that, whilst customers have the option of ordering online from many of its websites, in actual fact it gets a very low volume of orders in this way. In the Respondent's experience, customers use websites simply as a source of information, and any prices shown on websites are used as a starting point for price negotiations. The website at the Disputed Domain Name was set up as a "has prices / can't order online" website as long ago as 23 April 2005. The Respondent states that what it refers to as "*the previously effective but ugly site*" was always earmarked for a substantial update, but various commercial factors prevented this from being completed until mid-December 2010 when a new website was launched.

The Respondent states that it is widely registered with a range of industry directories and websites (both free and paying). It attaches the first 3 pages of a Google search on "Mark Simpkin Ltd" which lists a mix of its own websites and trade directory entries.

The Respondent points out that it understands the difficulties with incorrectly addressed emails as it has a similar issue with its main corporate website at www.simplygroupuk.co.uk. Emails missing the "uk" before the ".co.uk" are sent to another company and thus the Respondent has to make its correct email address very clear to all its suppliers and customers.

With regard to the customer cancellation issue set out in detail by the Complainant, the Respondent states that its first representative explained to the customer that the Respondent was not Locker Shop UK Ltd, but instead owned www.lockershop.co.uk, and said that the Respondent could offer exactly the same lockers at a competitive rate (this being because the Complainant and the Respondent both sold lockers manufactured by Lion Steel Equipment Limited).

The Respondent accepts that the email dated 25 March 2011 from another of the Respondent's representatives was incorrect. It was from a junior member of staff and, due to a breakdown in internal communications, it was incorrectly stated that the Respondent was the parent company of the Complainant, rather than that the Respondent owned the website www.lockershop.co.uk and was also trading as "The Simply Group". The Respondent apologises unreservedly for this error and the fact that the way the file was handled was not in line with its own internal standards.

To demonstrate how it is now dealing with similar situations, the Respondent attaches some of its correspondence with another confused customer and states that as far as it is aware this is the only other customer enquiry that appears to have been incorrectly addressed.

The Respondent also states that it was only previously aware of one misdirected supplier email dated 3 June 2011, to which one of the Respondent's representatives responded stating that the email had come through to the wrong company (correspondence attached). In addition, when checking its spam folder the Respondent picked up two further emails from additional suppliers dated 17 May 2011 and 24 March 2011 that it was not previously aware of (correspondence also attached). The Respondent states that to the best of its knowledge it has not been inadvertently contacted by any other suppliers.

The Respondent asserts that until receipt of the Complaint it was not aware that the Complainant had registered the trade mark LOCKER SHOP and expresses surprise that it had not been previously contacted about this.

The Respondent also asserts that a number of the Complainant's claims are factually incorrect, and lists the following examples:

- In the Respondent's opinion it is not logical for Mr Maughan not to have become aware of the Disputed Domain Name until 3 August 2010, given that he set up the company in February 2010. Most domain name registration portals show a range of similar domain names when registering and show those which are already taken. At no time has the Complainant made contact with the Respondent to enquire about the possible purchase of the Disputed Domain Name.
- The website at the Disputed Domain Name continued to generate sufficient telephone enquiries for the Respondent that it justified an expensive re-vamp during 2010.
- The Respondent points out that www.lockershopuk.co.uk is not the only website owned by the Complainant - it also owns www.shelvingstore.co.uk. Like the Respondent it has also found it prudent to have more than one identity in the marketplace.
- Since receipt of the Complaint the Respondent asserts that a thorough review has been carried out and it does not believe that it has been contacted by any companies that a neutral party could reasonably consider to be customer of the Complainant, with the exception of the two companies referred to above. Specific training has been provided to the Respondent's representatives to ensure that there are no further incorrect statements. The Respondent asserts that it would be happy to provide reasonable access (under the terms of a signed confidentiality agreement) to internal files to a neutral third party in response to any specific customers or projects that the Complainant believes have been misdirected to the Respondent.
- The Complainant claims that there have been three incidents where emails have been mistakenly sent to the Respondent. However the Respondent believes that it has clarified the first and the third points and disputes the Complainant's second point, namely the reference to a customer placing an order, as it is not aware of any such incident.

- The Respondent strongly contests the Complainant's assertion that the Respondent suggested to anyone in the industry that it would like to take action against the Complainant under the rules of passing off. However, in the light of evidence that it has now uncovered in the course of responding to the Complaint, the Respondent states that this is now the subject of legal consideration.

Furthermore the Respondent would suggest that the Complainant's claims are somewhat economical with the truth, as follows:

In its Complaint the Complainant states *"An established company that existed in this market at the time that we set up Locker Shop UK Ltd and one who could be viewed as one of the market leaders is Mark Simpkin Ltd", also "Mark Simpkin Ltd trades as the "The Simply Group" and has a number of business types and websites that are operated under this trading style", also "In addition Mark Simpkin Ltd also has a range of "simply" domains including the following..."*. The Complainant was thus clearly aware of the Respondent at the time that the company was set up in February 2010. However, in the email to Nominet seeking advice in August 2010 Mr Maughan states *"It appears that a newly found competitor in this very competitive market is upset with our company formation and domain name. The company in question is Mark Simpkin Limited who trade as Simply Lockers. The company website is www.simplylockers.co.uk."*

In the above mentioned circumstances and given its further research conducted in order to fully respond to the Complaint, the Respondent was very surprised to discover the incorporation by the Complainant of Simply Lockers Limited, the registration of the SIMPLY LOCKERS trade mark and the registration of various "simply" domain names (as set out in the Factual Background above).

The Respondent states that it is of course taking appropriate legal advice on the above given Mr Maughan's prior statement acknowledging the Respondent's market position and recognition of its "Simply Lockers" trading style.

The Respondent asserts that its ownership and use of the Disputed Domain Name is not an Abusive Registration and the Complaint should therefore not succeed for the following reasons:

- The Disputed Domain Name was registered by the Respondent in November 2004 and has been continuously live and generating enquiries for the business since April 2005, long before the Complainant was established.
- It is not unusual for companies to have multiple trading identities in the market in which the parties' operate. The Complainant is using www.lockershopuk.co.uk and www.shelvingstore.co.uk. For many years the Respondent has traded under diverse online identities including www.simplylockers.co.uk and www.lockershop.co.uk.
- The Respondent considers that the Complaint has been brought in bad faith and is an example of an attempt at "Reverse Domain Name Hijacking". In the light of the Complaint and the information that the Respondent has uncovered in preparing its Response (bearing in mind that the Respondent has been aware of

the www.lockershopuk.co.uk website for some time), the Respondent is taking further legal advice on this matter.

Reply

In addition to the information contained within the Complaint, the Complainant adds the following additional points:

- To be accurate the Respondent is not a "group" of companies, it is a single company with a large number of personalities and aliases.
- Mostly the Respondent trades under names bearing the "simply" prefix. It does, however, own numerous other domain names and admits to having over 50, although it will only reveal the true extent of its holdings to a third party on condition of confidentiality. According to the Complainant, this is at odds with the Respondent's stated aim of attracting customers to deal with the Respondent - the domain names cannot serve as a trading style of a parent business unless that principal is divulged.
- Furthermore it is a stated aim of the Respondent to have multiple personalities in order to monopolise search engine results.
- Unfortunately due to the Respondent's secrecy as to which websites it owns, and the fact that it fails, in breach of the relevant legislation, to display the mandatory information as to the owner's address and identity, it is difficult to identify which websites belong to the Respondent. In the Complainant's opinion this also serves to confuse and mislead consumers as in the current case.
- Although the Complainant was aware of the Respondent's presence in the marketplace at the time the company was formed, the existence of the website at www.lockershop.co.uk was unknown to the Complainant. Contrary to the Respondent's assertion, the Disputed Domain Name did not (and still does not) appear in any of the searches carried out pre-registration. This was because the Complainant wanted UK in its domain name and searched for the availability of domain names with UK in them (screen shot of search results attached). Furthermore at that time www.lockershop.co.uk did not appear in the results of the major search engines.
- By the Respondent's own admission the website had not been updated since 2006 and the Respondent itself describes it as "*previously effective but ugly*". The website was not an active site in that it was not capable of taking orders online, similar to another 20 websites discovered by the Complainant, also apparently belonging to the Respondent since 2005 (list and screen shots attached). Some of these websites refer to "site under construction" and others are simple four page holding sites, but none of them detail the required ownership information.
- Following the Respondent's discovery of the Complainant's website, the website at the Disputed Domain Name was hastily revamped into a full ecommerce site. The Complainant asserts that this website closely copies the layout and product content of another website owned by the Complainant, www.shelvingstore.co.uk.

Some of the products now marketed on the Respondent's website had not previously been marketed on the old site.

- According to the Complainant, it is well established that in order to protect a domain name the registered owner must actively use and maintain the website and to simply register multiple domain names and operate token sites to thwart competition is not acceptable - presumably Nominet can obtain independently verified figures to show the true amount of visits to the Respondent's website at the Disputed Domain Name.
- In the Complainant's opinion the Respondent's Response regarding the handling of the confused customer issue is disingenuous in that the email from the Respondent's representative actually said that the Respondent owned the Complainant. Given the other incident now admitted to by the Respondent, it is clear that rather than having systems in place to deal properly with any wrongly directed contacts, the Respondent is attempting to steal orders from the rightful addressee.
- In conclusion the following is the Complainant's view of the matter:
 - the Respondent, a single company employing 10-12 people, has registered numerous domain names with a view to monopolising the search engine results and preventing competitors obtaining them.
 - the Respondent has failed to protect any of these domain names by the use of trade marks or registered companies and nor does it place legally required information on its websites to show its ownership.
 - reasonable enquiries by the Complainant failed to reveal the existence of the virtually dormant site at the Disputed Domain Name and it therefore invested around £8,000 in its www.lockershopuk.co.uk website.
 - On discovery of the existence of the Complainant's website, the Respondent revitalised the dormant site in the image of one belonging to the Complainant.
 - There have been a number of occasions, not disputed by the Respondent, in which customers of the Complainant have contacted the Respondent in error and the Respondent has wrongly sought to "steal" that customer, on one occasion by making false statements, an act which in the Complainant's opinion could amount to fraud.
- In conclusion therefore, rather than being an attempt by the Complainant at "Reverse Domain Name Hijacking", in the Complainant's opinion this is a case where a market leader has by stealth and unlawfulness laid a minefield of dormant or semi dormant websites in order to mislead consumers and trip up competitors acting in good faith.

6. Discussions and Findings

General

Under paragraph 2(a) of the Policy, for the Expert to order a transfer of the Disputed Domain Name the Complainant is required to demonstrate, on the balance of probabilities, both of the following elements:

- "(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

The Complainant has demonstrated that it holds a UK trade mark in the term LOCKER SHOP. The Expert is therefore satisfied that the Complainant has Rights in this term under the Policy (which defines Rights as including, but not limited to, rights enforceable under English law).

Furthermore, the Policy stipulates that the name or mark in which the Complainant has Rights (LOCKER SHOP) must be identical or similar to the Disputed Domain Name (lockershop.co.uk). It is accepted practice under the Policy to discount the ".co.uk" suffix, and so the Complainant's mark and the Disputed Domain Name are thus identical to one another.

As a result the Expert finds that paragraph 2(a)(i) of the Policy is satisfied and the Complainant has Rights in respect of a mark which is identical or similar to the Disputed Domain Name.

Abusive Registration

Moving on to paragraph 2(a)(ii) of the Policy, "Abusive Registration" is defined in paragraph 1 of the Policy to mean a domain name which:

- "(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."*

In the Expert's opinion it is clear that the Complainant has not succeeded in proving limb (i) above. The Disputed Domain Name was registered in November 2004, but the Complainant was not incorporated until February 2010 and did not file the LOCKER SHOP trade mark until January 2011. It is therefore not possible to see how the Respondent could have taken unfair advantage of (or acted in a way that was unfairly detrimental to) the Complainant's Rights upon *registration* of the Disputed Domain Name, given the fact that such Rights were not yet in existence.

In the Expert's view, the Respondent's lack of knowledge of the Complainant and/or its Rights at the time of registration of the Disputed Domain Name is quite simply fatal to a successful finding under limb (i) (and in this regard the Expert agrees with the reasoning of the Appeal Panel in *Verbatim Ltd v Michael Toth*, DRS 04331).

Turning to limb (ii) of the definition of Abusive Registration and the Respondent's subsequent use of the Domain Name, the Expert finds the issues to be rather less clear cut.

A list of five factors which may be evidence that the Disputed Domain Name is an Abusive Registration is set out at paragraph 3(a) of the Policy. It should be noted that number (i) applies only at the time of registration, and so the only circumstance which would appear to be relevant in this particular case is number (ii), which 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."

The Complainant has provided detailed evidence in relation to an incident where the Respondent received a customer email intended for the Complainant, and the Respondent's further correspondence with the customer resulted in confusion and ultimately the loss of an order for the Complainant.

Having reviewed the chain of email correspondence with the confused customer in detail, the Expert is prepared to accept the Respondent's assertion that, upon receipt of the two misdirected emails, its first (senior) representative called the customer and explained that the Respondent was not Locker Shop UK Ltd, but instead owned www.lockershop.co.uk, and could offer exactly the same lockers at a cheaper price. The Complainant implies that in this telephone call the Respondent tried to pass itself off as the Complainant, but the Expert does not accept this for two reasons. First, because the Respondent's follow up email sent after the telephone call (by the same senior representative) makes it clear that the Complainant and the Respondent are different entities, as follows:

"Further to our conversation this afternoon, we are able to offer you savings on the prices you have stated on your order. We could offer you the 5 no. 4 compartment lockers for £90.89 each and the 20 no. coin return locks for £19.56 each, giving you a total price of: £845.65 + VAT. I hope this will enable you to proceed with your order with ourselves?"

In addition, it would not have made sense for the Respondent to try and undercut the Complainant if it was simply trying to pass itself off as the Complainant. Thus in the Expert's view the Respondent's first representative made it sufficiently clear that the Complainant and the Respondent were two competing companies.

However, it is not disputed by the Respondent that another of the Respondent's representatives then informed the customer by email that the Respondent was the Complainant's parent company, and this confounded the customer's misunderstanding.

In its defence the Respondent has stated that the error was made by a junior member of staff and that training has since been given to prevent this from happening again. In

view of the surrounding facts and circumstances and the additional evidence provided, the Expert is prepared to accept this explanation, especially given the junior representative's email of apology, which reads as follows:

"My sincere apologies in this- we have a range of companies under the company Mark Simpkin Ltd. After a conversation with my manager, it is completely my misunderstanding as the company we actually own is LockerShop.co.uk and not Locker Shop UK as I confirmed to you. Please accept my apologies in this, it was completely my mistake as I had in no way meant to mislead you. Next time, I will definitely double check my facts! Please don't hesitate to contact us if you require any help in the future, I will return your cheque today. My apologies again for my confusion and for any trouble this has caused you."

As a result the Expert does not find that this one isolated incident is enough to bring the Respondent's behaviour within the terms of paragraph 3(a)(ii) of the Policy.

However, it is clear that the five factors set out at paragraph 3(a) are only examples of what may constitute Abusive Registration, and this list is not exhaustive. The Expert is free to consider what is and what is not abusive behaviour, as long as it falls under the terms of the Policy.

Thus it is necessary for the Expert to consider whether anything that the Respondent has in fact done could be equated with using the Disputed Domain Name in a manner which has taken unfair advantage of, or has been unfairly detrimental to, the Complainant's Rights.

By the Respondent's own admission, it has a strategy of registering numerous domain names that could be termed "generic" such as <education-lockers.co.uk> (registered in 2005), <big-lockers.co.uk> (registered in 2005), and <sports-lockers.co.uk> (also registered in 2005) and pointing them to websites giving varying amounts of pricing and product information, but all allowing internet users to contact the Respondent for further details. The Disputed Domain Name clearly forms part of that pattern. Contrary to the Complainant's assertions, this is a perfectly legitimate business practice as long as the domain names in question do not infringe the intellectual property rights of any third parties (the precise content of the websites to which the domain names are pointing and whether or not this is in compliance with relevant legislation is not relevant to this Complaint, which concerns the Disputed Domain Name).

Could the Respondent's updating of the website to which the Disputed Domain Name is pointing be termed "abusive" under the terms of the Policy? The Respondent's new website was launched in December 2010, before the misdirected emails, but several months after the Complainant had started trading and launched the website at www.lockershopuk.co.uk. It seems very unlikely that the Respondent was unaware of this.

However, in the Expert's opinion, there was nothing terribly abusive about the Respondent's launch of a new website at the Disputed Domain Name, especially given that the Respondent had owned the Disputed Domain Name since 2004 and used it to point to a website which, although not recently updated, contained pricing and contact information. In the Expert's view the new website was simply a predictable business reaction to the appearance of a new competitor in the same marketplace. Contrary to the

Complainant's assertions, the Expert does not find that the Respondent's new website at www.lockershop.co.uk closely copies the Complainant's website at www.shelvingstore.co.uk.

In the Expert's view the Respondent has thus not actively undertaken any activities on its own initiative which could be termed "abusive" under the terms of the Policy. This therefore only leaves consideration of the Respondent's reaction to the passive receipt of various misdirected emails, both from customers and suppliers of the Complainant.

Upon receipt of the first misdirected customer email (as referred to above), the Respondent reacted by trying to undercut the Complainant on price and effectively to "steal" the order. Is this abusive behaviour of the sort the Policy was designed to stop, or is it just the cut throat world of business? Provided that there is no attempt whatsoever to mislead the customer, then the Expert would generally view it as the latter. As outlined above, the Expert is satisfied that any attempt to mislead was an isolated error by a junior member of the Respondent's staff.

The second misdirected email incident that took place after the Complaint was filed and which was highlighted by the Respondent in its Response is also of relevance. Upon being contacted by another of the Complainant's confused customers, the Respondent responded as follows:

"The information you provided allows us to comment as follows:

1. *As you will see from the e-mail and attached invoice sent to your colleague the lockers you bought in February were actually supplied by one of our competitors, "Locker Shop UK Ltd".*
2. *We are able to supply EXACTLY the same lockers as those you bought as that design is manufactured for both ourselves and "Locker Shop UK Ltd" by a trade manufacturer who supplies to the trade only and with whom we have been trading for many years.*
3. *If you require the same quantity and specification as your previous order we can match the previous price.*
4. *To assist you in reaching a decision on where to place your order I would refer you to the attached Credit reports on both our company and "Locker Shop UK Ltd". Please be aware that our company - Mark Simpkin Ltd - holds ISO 9001 and ISO 14001 accreditation and is celebrating its 10th anniversary.*

You will see from the web links below that we have other products you may be interested in either now or in the future, as and when we can be of further assistance please do not hesitate to call us."

To the Expert this seems a perfectly reasonable reaction, being straightforward, to the point and not misleading. Indeed it is difficult to see how else the Respondent could be expected to reply.

In its Response, the Respondent also highlights three misdirected emails from suppliers. The Respondent replied to one email pointing out that it had come through to the wrong company, but did not reply to the other two as they were apparently caught in the Respondent's spam filter. The Expert does not find such behaviour to be abusive, and is

not aware of any other behaviour by the Respondent in relation to the Disputed Domain Name that falls to be considered at the present time.

Finally, the Expert also finds it appropriate to make reference here to one of the traditional maxims of equity: "*he who comes into equity must come with clean hands.*" The Complainant, via Mr Maughan, first wrote to Nominet requesting advice on 3 August 2010 clearly stating that the Respondent was trading as "Simply Lockers" using the website www.simplylockers.co.uk. However the very next day Mr Maughan incorporated a UK limited company called Simply Lockers Limited. This company (or one of its directors) had already registered <simplylockersuk.co.uk> on 2 February 2010 and <simplylockers.ltd.uk> on 16 November 2010, and then went on to register <simplylockers.tel> and <simplylockersltd.tel> on 4 January 2011. On 13 January 2011 Simply Lockers Limited filed a UK trade mark in the term SIMPLY LOCKERS in Class 20. This is detailed in the Respondent's Response, but the Complainant offers no credible explanation in its Reply.

In short, whilst seeing fit to ask Nominet to transfer a domain name registered to a third party since 2004 on the basis of the Complainant's later trade mark rights and the Respondent's subsequent reaction to this (both in relation to the new website and to the wrongly addressed emails), at the same time the Complainant was in the process of acquiring rights (company name, trade mark and domain names) in a term that it knew the Respondent had been using since at least 2003.

In conclusion the Expert has considered the admissibility, relevance, materiality and weight of the evidence as a whole and is not satisfied that the Complainant has succeeded in proving, on balance of probabilities, that the Domain Name is an Abusive Registration in accordance with paragraph 2(a)(ii) of the Policy.

The Policy is essentially a fast, simple procedure designed predominantly for clear cut cases of cybersquatting, which the Expert feels is not the case here. Domain Names are registered on a first come first served basis and in this case the Expert is unwilling to overturn this. If the parties are unable to reach a negotiated settlement then they are of course free to pursue the matter in a court of competent jurisdiction, along with any other related matters. In addition the Complainant is of course free to file another Complaint if the Respondent's behaviour changes and does become abusive in accordance with the Policy (in line with paragraph 10(f)(iv)).

Reverse Domain Name Hijacking

Reverse Domain Name Hijacking is defined under paragraph 1 of the Nominet Dispute Resolution Service Procedure as use of the Policy in bad faith in an attempt to deprive a registered domain name holder of a domain name.

The Expert is somewhat dubious as to the Complainant's claims that it actively chose to register <lockershopuk.co.uk> because it wanted its main domain name to contain "uk", and this is thus why the search results did not reveal the existence of the Disputed Domain Name. To state the obvious, domain names under the .co.uk extension already contain "uk" (indeed that is the whole point), plus in that case why did the Complainant decide to acquire <shelvingstore.co.uk> instead of registering <shelvingstoreuk.co.uk> (which incidentally still appears to be available)? It is therefore not inconceivable that the Complainant only chose to register <lockershopuk.co.uk> because it found that the

Disputed Domain Name was already registered to the Respondent, in which case the subsequent turn of events and resulting confusion could perhaps be said to be of the Complainant's own making.

However, having said this, the Expert does not believe that the Complainant necessarily acted in bad faith in bringing the Complaint, given the nature of its submissions. The Complainant appears not to have received any legal advice and instead has perhaps simply been misled as to the legality or otherwise of the Respondent's business methods. Reverse Domain Name Hijacking is therefore not found.

7. Decision

The Expert finds that the Complainant has Rights in a name which is identical to the Domain Name, but is not satisfied that the Domain Name, in the hands of the Respondent, is an Abusive Registration. No action should therefore be taken in relation to the Domain Name. The Expert declines to make a finding of Reverse Domain Name Hijacking against the Complainant.

Signed Jane Seager

Dated 30 September 2011