

DISPUTE RESOLUTION SERVICE

D00012671

Decision of Independent Expert

Proact IT UK Limited

and

ANS Group Plc

1. The Parties:

Lead Complainant: Proact IT UK Limited
Grayson House,
Venture Way
Chesterfield
Derbyshire
S41 8NE
United Kingdom

Complainant: Proact IT Group AB
Box 1205
Torshamnsgatan 20 B
SE-164 40 Kista
Stockholm
Sweden

Respondent: ANS Group Plc
Synergy House
Manchester
Greater Manchester
M15 6SY
United Kingdom

2. The Domain Name:

proactflexpod.co.uk

3. Procedural History:

The Complaint under the Nominet UK Dispute Resolution Service Policy (the “Policy”) and the Nominet Dispute Resolution Service Procedure (the “Procedure”) was received on April 4, 2013

Notification of the Complaint was sent to the Parties on April 9, 2013, and the Respondent was advised how to provide a Response. A reminder was sent to the Respondent on April 26, 2013. The Response was received on April 30, 2013 and notified to the Parties. The Complainants did not send a Reply.

A Mediator was appointed on May 9, 2013, and mediation was terminated on May 23, 2013.

Clive N. A. Trotman was appointed Independent Expert with effect from June 3, 2013 to decide the dispute in accordance with the Policy and the Procedure. The Expert confirmed his independence and impartiality in the terms of paragraph 9(a) of the Procedure.

4. Factual Background

According to Proact IT UK Limited, the Lead Complainant (hereafter, “Complainant”), it has since January 2012 been a subsidiary of the Swedish parent company Proact IT Group AB, which provides a variety of information technology systems and services. The scale of the Swedish parent company is that it employs more than 660 people. The Complainants claim to be “considered Europe’s leading independent storage integrator and cloud services enabler”.

The Swedish parent company holds a Community trademark for PROACT, registered on May 27, 2011, registration number 9592619, in class 42 for technical consultancy services in the field of data storage, data back-up, data archiving and data recovery; management of data storage, data back-up, data archiving and data recovery; design and implementation of data storage, data back-up, data archiving and data recovery solutions.

According to the Respondent, ANS Group PLC, it specialises in providing computer storage, networking and cloud computing services. In scale the company has currently a turnover of around £47m.

The Complainant and the Respondent each rely in part on goods or services provided by other companies. One such product is called FlexPod, which is a registered trademark of another company called NetApp. A FlexPod is a datacentre that incorporates technology from NetApp and also from other companies.

The disputed domain name was registered by the Respondent on March 21, 2012.

5. Parties’ Contentions

Complainant

Complainant’s Rights

The Complainant, Proact IT UK Limited, contends that it has rights in the trademark PROACT. It has produced a copy of documentation showing the ownership of the registered trademark PROACT to rest with the Swedish parent company, Proact IT Group AB. The Complainant contends that it uses the trademark PROACT under unwritten licence from Proact IT Group AB and has, under the terms of that licence, the right to enforce the trademark.

The Complainant asserts that the Domain Name comprises its name PROACT, the name FLEXPOD, and the suffix <.co.uk>, the last of which may be disregarded in the context. The

only other difference between the Domain Name and the name PROACT is the addition of the suffix FLEXPOD. The Complainant offers a number of solutions and services based around the 'FlexPod'. The Complainant is an authorised reseller on behalf of FlexPod's proprietor, NetApp. It is acknowledged that FLEXPOD is a registered trademark of NetApp, Inc.

Abusive Registration

The Complainant contends that the Domain Name was registered by the Respondent primarily as a blocking registration and for the purpose of unfairly disrupting the business of the Complainant.

The Complainant says that the Respondent has no rights in the trademark FLEXPOD and the Respondent has admitted it is prohibited under the terms of NetApp's authorised reseller terms from using the FLEXPOD trademark in a domain name. The disputed Domain Name would have been a natural choice for the Complainant to use in advertising its FlexPod solutions. The Respondent has acted to block this, and has ultimately refused to agree to a transfer of the Domain Name.

The Complainant contends that by October 18, 2012, the Respondent was using the Domain Name to redirect Internet visitors to a website at gbdatacentre.co.uk, promoting the Respondent's datacentre event to showcase its own FlexPod solutions. The Complainant contends that this was an attempt to disrupt the Complainant's business by diverting its potential customers.

On October 18, 2012, the Complainant's solicitors sent to the Respondent a cease and desist notice, requesting transfer of the Domain Name. In protracted correspondence and telephone calls between the Parties up until December 17, 2012, the Complainant failed to extract a transfer of the Domain Name from the Respondent. The Complainant says that on December 11, 2012, the Respondent had taken the position, *inter alia*, that because the Domain Name contained the FLEXPOD trademark, to which the Respondent said that the Complainant had no right, the Domain Name should not be transferred.

The Complainant makes certain other assertions, in the nature of the Respondent's stance in respect of other of the Complainant's domain names, that are deemed irrelevant to this proceeding.

Documentary evidence has been submitted where required. The Complainant requests that the Domain Name be transferred to itself or be cancelled.

Respondent

The Respondent contends that the Domain Name is not an Abusive Registration under the Policy.

The Respondent says that it has high accreditation with (among other companies) the FlexPod proprietor NetApp. The Respondent says it is a NetApp Star Partner and a NetApp FlexPod Expert, is the current NetApp FlexPod Partner of the Year, and has also received the award NetApp Partner of the Year. The Respondent acknowledges that FLEXPOD is a registered trademark of NetApp, Inc.

The Respondent submits that its datacentre event was advertised on the website of the Domain Name owing to an administration error and the Respondent did not intend to disrupt the Complainant's business. The Respondent further submits that it did stop using the Domain Name after it received the first letter sent by the Complainant dated October 18, 2012.

The Respondent states that it registered the Domain Name, following the Complainant's registration of the domain names flexpod.co.uk and proactflexpod.fi, in order "to stop the Lead Complainant from creating an unfair competition". The Respondent also says that it "admits, it registered the Domain Name as a blocking registration against the Lead Complainant ...".

The Respondent makes a number of submissions that are not relevant to the Complaint. Many of the Respondent's submissions seek to make and substantiate a counter-complaint relating to the Complainant's registration of the domain names flexpod.co.uk and proactflexpod.fi.

The Respondent submits that neither the Complainant nor the Respondent has rights to the disputed Domain Name, proactflexpod.co.uk.

As to remedy, the Respondent requests the Expert to dismiss the Complaint as the Domain Name is no longer in use, or to award its transfer to NetApp, Inc. Other requests by the Respondent are not relevant.

6. Discussions and Findings

Paragraph 2(a) of the Policy requires the Complainant to prove, on the balance of probabilities, that:

- i. The Complainant has Rights in respect of a name or mark which is identical or similar to the Domain Name; and
- ii. The Domain Name, in the hands of the Respondent, is an Abusive Registration".

Complainant's Rights

The Expert is satisfied that for the purposes of paragraph 2(a)(i) of the Policy, the Complainant, Proact IT UK Limited, has rights in the name PROACT, being the distinctive part of the name of the Complainant's company and the registered trademark of its Swedish parent company.

The disputed Domain Name is proactflexpod.co.uk, of which the domain designation ".co.uk" may presently be disregarded. What remains is the Complainant's name and trademark PROACT, suffixed by the trademark FLEXPOD, which is the registered trademark of another.

The question of similarity is decided on the facts. The Complainant's name PROACT is featured prominently in the Domain Name. The suffix FLEXPOD is found not to be distinguishing but to enhance the potential for confusion with the Complainant since its connotation with information technology is likely to be understood in the relevant marketplace. Accordingly the Expert finds the Domain Name to be similar to a name or mark in which the Complainant has rights, within the meaning of paragraph 2(a)(i) of the Policy.

Abusive Registration

Under paragraph 1 of the Policy, Abusive Registration means a Domain Name that either:

- i. was registered or otherwise acquired in a manner which, at the time when the registration or acquisition took place, took unfair advantage of or was unfairly detrimental to the Complainant's Rights; or
- ii. has been used in a manner which has taken unfair advantage of or has been unfairly detrimental to the Complainant's Rights".

Paragraph 3 of the Policy sets out a selection of circumstances that may be evidence that the Domain Name is an Abusive Registration. Paragraph 3 of the Policy reads in part:

"3. Evidence of Abusive Registration

- a. A non-exhaustive list of factors which may be evidence that the Domain Name is an Abusive Registration is as follows:

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

A. for the purposes of selling, renting or otherwise transferring the Domain Name to the Complainant or to a competitor of the Complainant, for valuable consideration in excess of the Respondent's documented out-of-pocket costs directly associated with acquiring or using the Domain Name;

B. as a blocking registration against a name or mark in which the Complainant has Rights; or

C. for the purpose of unfairly disrupting the business of the Complainant;

ii. 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;

(...)"

Whilst it is for the Complainant to prove its case on the balance of probabilities, paragraph 4 of the Policy provides in the interests of the Respondent a non-exhaustive list of factors that may be taken into account as possible evidence that a Domain Name is not an Abusive Registration. In this case it is appropriate to quote paragraphs 4(a) and 4(b) of the Policy:

"4. How the Respondent may demonstrate in its response that the Domain Name is not an Abusive Registration

a. A non-exhaustive list of factors which may be evidence that the Domain Name is not an Abusive Registration is as follows:

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

A. used or made demonstrable preparations to use the Domain Name or a domain name which is similar to the Domain Name in connection with a genuine offering of goods or services;

B. been commonly known by the name or legitimately connected with a mark which is identical or similar to the Domain Name;

C. made legitimate non-commercial or fair use of the Domain Name; or

ii. The Domain Name is generic or descriptive and the Respondent is making fair use of it;

iii. In relation to paragraph 3(a)(v); that the Respondent's holding of the Domain Name is consistent with an express term of a written agreement entered into by the Parties; or

iv. In relation to paragraphs 3(a)(iii) and/or 3(c); that the Domain Name is not part of a wider pattern or series of registrations because the Domain Name is of a significantly different type or character to the other domain names registered by the Respondent.

b. Fair use may include sites operated solely in tribute to or in criticism of a person or business.

(...)"

The genesis of this dispute is that the Complainant and the Respondent operate in competition in businesses that provide certain information technology solutions for clients. In the nature of computer and information technologies, systems may incorporate the goods and services of third parties. The Complainant and the Respondent offer solutions that may incorporate, among other things, the third-party system FlexPod, a product of NetApp, Inc. Evidently the provision of a solution incorporating FlexPod is a sufficiently positive attribute that the Complainant and the Respondent each wish to promote their ability to offer it.

It emerges that the Complainant registered the domain names flexpod.co.uk and proactflexpod.fi, which are not subjects of this dispute. The Respondent, being the recipient of various NetApp and FlexPod accolades such as being the current NetApp FlexPod Partner of the Year, retaliated.

In the Respondent's own words, in part:

"The Respondent admits, it registered the Domain Name as a blocking registration against the Lead Complainant HOWEVER the Respondent strongly denies the Complainants have rights to such registration or the registration of domain names <flexpod.co.uk> and <proactflexpod.fi>. The Respondent further denies that it registered the Domain name for the purpose of unfairly disrupting the business of the Complainants. The Respondent submits the datacentre event was advertised on the website due to an administration error and therefore the Respondent did not intend to disrupt the Lead Complainant's business.

Therefore, the registration of the Domain Name is not an abusive registration under the Nominet DRS Policy".

Thus, the Respondent admits to making a blocking registration but seeks to justify it and to deny that, in the circumstances of this case, it constitutes an Abusive Registration.

Dealing first with the justification and denial, provision is made under paragraph 4 of the Policy, quoted in part above, for the Respondent to seek to demonstrate that the registration is not abusive. The justification advanced by the Respondent has been analysed against each of the criteria of paragraph 4 of the Policy and found not to come close to qualifying. For instance the name of a website operated in criticism of a business (paragraph 4(b) of the Policy), had that been the Respondent's intention, should portray that it very obviously does not belong to the entity criticised. In so far as the provisions of paragraph 4 of the Policy are without limitation, the Expert can find no element of the Respondent's conduct through which it might demonstrate that the Domain Name is not an Abusive Registration.

Decisions under the Policy are made on the balance of probabilities. In this instance, in the light of the Respondent's admission, it is not in contention that the Domain Name was intended to be a blocking registration against a name or mark in which the Complainant has Rights, clearly constituting an Abusive Registration as contemplated by paragraph 3(a)(i)(B) of the Policy.

Furthermore, it is implicit in the Respondent's technique that it intended to attract Internet visitors searching for PROACT, or PROACT in combination with FLEXPOD (or FLEXPOD alone). At least some visitors would reasonably expect to go to a website endorsed by a Proact company but would be likely to find themselves diverted to the website operated by the Respondent at the disputed Domain Name (or as further redirected, e.g., to gbdatacentre.co.uk). It is well established that this form of confusion occurs initially when the visitor takes an interest in the Domain Name itself, irrespective of whether the deception may be immediately apparent, or declared, at the eventual website. The Expert finds abusive use of the Domain Name within the meaning of paragraph 3(a)(ii) of the Policy.

The Respondent's claim to have discontinued its use of the Domain Name is of no consequence because paragraph 1(ii) of the Policy defines Abusive Registration as where the Domain Name "has been used" unfairly. Relevant circumstances of registration, or

circumstances of use, which are alternatives in a finding of Abusive Registration, have both been found. The Complainant has succeeded in proving confusing similarity between its name and the Domain Name, and that the Domain Name, in the hands of the Respondent, is an Abusive Registration.

The Complainant has requested the transfer of the Domain Name, or failing that, its cancellation.

It would be usual for a domain name containing a complainant's name or trademark to be transferred to that complainant. In this instance the Domain Name features the Complainant's name and trademark, but also prominently features the name and trademark FLEXPOD, for which the Complainant is in general terms a reseller. The permissibility of the incorporation of the name or trademark of another into a domain name, for instance by a reseller, depends upon a number of circumstances (see the DRS Appeal Panel decision in *Toshiba Corporation v. Power Battery Inc.*, DRS 07991 (toshiba-laptop-battery.co.uk)). In the absence of any unequivocal authorisation from the proprietors of FLEXPOD, i.e., AppNet, Inc., it would be inappropriate in this case for the Domain Name to be transferred to the Complainant. Accordingly the Domain Name is to be cancelled.

There is no provision under the Policy or the Procedure for a counter-complaint by the Respondent to be entertained.

7. Decision

The Expert finds that the Complainant has Rights in respect of the name PROACT; that the disputed Domain Name proactflexpod.co.uk is similar to the Complainant's name; and that the disputed Domain Name, in the hands of the Respondent, is an Abusive Registration. The Domain Name proactflexpod.co.uk is ordered to be cancelled.

Signed Clive Trotman

Dated June 10, 2013