

DISPUTE RESOLUTION SERVICE

D00015934

Decision of Independent Expert

The Yoga Lounge Ltd

and

Miss Nisha Srivastava

1. The Parties:

Complainant: The Yoga Lounge Ltd
253 Deansgate Mews
Great Northern Centre
Deansgate
Manchester
M3 1EN
United Kingdom

Respondent: Miss Nisha Srivastava
36-38 Claughton Street
St. Helens
Merseyside
WA10 1SN
United Kingdom

2. The Domain Name(s):

theyogalounge.co.uk (hereinafter "the Domain Name").

3. Procedural History:

The Complaint was submitted to Nominet on 15 May 2015. On the same date, Nominet validated the Complaint and notified it to the Respondent. The Respondent was informed in the notification that she had 15 working days, that is until 9 June 2015, to file a response to the Complaint.

On 9 June 2015 the Respondent filed a Response. On 15 June 2015 the Complainant filed a Reply to the Response. On the same date, the case proceeded to the mediation stage. On 14 July 2015, Nominet notified the parties that mediation had been unsuccessful and invited the Complainant to pay the fee for referral of the matter for an expert decision pursuant to paragraph 8 of Nominet's Dispute Resolution Service Procedure Version 3 ("the Procedure") and paragraph 7 of the corresponding Dispute Resolution Service Policy Version 3 ("the Policy"). On the same date, the Complainant paid the fee for an expert decision and Andrew D S Lothian, the undersigned, ("the Expert") confirmed to Nominet that he was not aware of any reason why he could not act as an independent expert in this case. Nominet duly appointed the Expert with effect from 17 July 2015.

On 16 July 2015 the Complainant made a request for a non-standard submission to be considered by the Expert in terms of paragraph 13(b) of the Procedure. Having considered the explanatory paragraph accompanying the submission, the Expert determined that he would exercise his discretion not to receive the full submission on the basis that the explanatory paragraph did not disclose any exceptional need for the submission. Furthermore, the exhibit which the Complainant sought to produce would have been available to it and should have been produced either at the time of filing the Complaint or, at the latest, the time of filing the Reply if it was to be relied upon in the present proceeding.

The Expert wishes to record the fact that in addition to the parties' submissions, he looked at the website associated with the Domain Name, which was referred to in the parties' submissions, in accordance with paragraph 16(a) of the Procedure. The Expert also visited the website of the Intellectual Property Office to view the Complainant's trade mark as this was referred to in both parties' submissions but full details of the mark had not been included by the Complainant. Based on the parties' submissions, the Expert was satisfied that each party was fully aware of such mark and of the various details which appear on the face of the publicly available database. Accordingly, the Expert did not consider it necessary to invite submissions from the parties as to the fact that he intended to rely on such details for the purposes of this Decision. The Expert took the view that this was a proportionate alternative to ignoring points made in the parties' submissions or initiating a further round of submissions by way of requests for further information (see paragraph 5.10 of the Expert Overview Version 2 (November 2013) ("the Expert Overview")).

4. Factual Background

The Complainant is a limited company which operates a yoga studio and provides related services. The business appears to have been started in late 2011 by Ms Jane Dowler and the Respondent. Ms Dowler states that she is the sole shareholder and director of the Complainant. Both parties are agreed that the Respondent worked with Ms Dowler during the start up phase of the business but are in dispute about the basis on which the Respondent agreed to do so and in particular over whether the Domain Name was registered by the Respondent on behalf of the business venture or on the Respondent's personal behalf. The Respondent says that the Domain Name was to be part of her contribution in kind to the capital of the business along with the relative website in return for an equity share, while the Complainant says that the Respondent was acting as the Complainant's agent when purchasing the Domain Name.

Ms Dowler and the Respondent obtained a UK registered trade mark, no. 2594494, for a device mark containing a flame device along with stylized words - on the first line, the word "the"; on the second line in prominent type the words "yoga lounge" and on the third line in small type "yoga and pilates evolved". The date of filing was 7 September 2011 and the date of entry into the register was 23 December 2011. Although the trade mark number is disclosed in the parties' pleadings, the trade mark itself was not produced and the Expert obtained the above details from the Intellectual Property Office website.

At some time prior to 31 December 2014, Ms Dowler and the Respondent fell out about the running of the Complainant. The Respondent resigned as a director with effect from 31 December 2014 and she, Ms Dowler and the Complainant entered into a Settlement Agreement dated 4 March 2015. The Settlement Agreement, according to its face, was intended to regulate the terms by which the Respondent would cease to be a director and employee of the Complainant and would relinquish all claims to any shares or other interests in the ownership of the Complainant. It did not specifically mention the Domain Name.

Clause 4 of the Settlement Agreement provided that the Respondent would transfer ownership of the trade mark described above into the sole name of Ms Dowler and, according to the Intellectual Property Office website, this was duly done by way of an assignment having an effective date of 31 December 2014. Clause 7 provided that the Respondent would return all property and other information belonging to the Complainant on or before 31 December 2014. The Respondent denies that the Domain Name falls under this clause. Clause 8.2 provided that "for the avoidance of doubt" the pilates equipment belonged to the Respondent and had been removed from the Complainant's property prior to 31 December 2014.

The Domain Name was purchased by the Respondent on or about 29 September 2011 from the existing registrant through a domain name broker, Sedo GmbH. In an email, the date of which is not known but which post-dates 29 September 2011, the Respondent emailed Ms Dowler to advise that she had "bought the yogalounge as they were not budging, and did not want to risk it, i will forward the building details to jon nagy..." [sic]. The Respondent submitted an invoice from Nominet dated 6 October 2011 to the Complainant for reimbursement. The invoice related to a transfer of registrant in respect of the Domain Name. While no further details of the transfer are available to the Expert, it is most likely that this invoice reflected a transfer from the previous registrant of the Domain Name into the Respondent's personal name at the conclusion of the Sedo purchase process.

On or about 14 January 2012, the Respondent registered the domain names theyogaloungemanchester.co.uk, manchesterhotyoga.co.uk and manchesterhotyoga.com. She submitted the relative invoice, from the registrar 123-REG, to the Complainant for reimbursement. The Respondent did not submit the invoice from Sedo dated 29 September 2011 in the sum of £159 for the purchase of the Domain Name, nor the renewal invoices in respect of the Domain Name dated 16 March 2012 and 9 March 2015 to the Complainant for reimbursement.

On 15 April 2015, Ms Dowler emailed the Respondent asking for access to the Complainant's website and transfer of the Domain Name. On 29 April 2015, the Complainant's solicitor emailed the Respondent's solicitor stating that the Respondent appeared to have ownership of the Complainant's website in her personal name and requesting transfer. On 30 April 2015, the Respondent's solicitor replied indicating that the Respondent had ownership of the website and similarly named ones that she registered, developed and paid for personally and that the Respondent was willing to effect a transfer to Ms Dowler or the Complainant when a correct valuation was established.

On 6 May 2015, the Respondent's solicitor emailed the Complainant's solicitor indicating that the Complainant had had the benefit of using the Respondent's website and domain name for three years free of charge and detailing various amounts which the Respondent had personally paid in respect of the Domain Name and website. The Respondent's solicitor intimated that he was instructed to begin negotiations regarding a transfer of "the website and its underlying IP" to the Complainant and stated that the Respondent was prepared to accept £12,850 in respect of this, to include "other similar registrations which she owns which are yoga and hot yoga related in this amount".

The parties are agreed that the Domain Name and relative website are currently in use by the Complainant for its business website, albeit that the Complainant says that it does not have administrative access to the Domain Name, the website or relative content. The Respondent denies this.

5. Parties' Contentions

Complainant

The Complainant asserts that it has rights in a name or mark that is identical or similar to the Domain Name and that the Domain Name in the hands of the Respondent is an Abusive Registration.

The Complainant asserts that Ms Dowler and the Respondent were still deciding on the name for the Complainant at the time that the Domain Name was purchased, and that Ms Dowler would have completed the purchase herself but was on holiday at the time.

The Complainant submits that all expenses for the purchase of the Domain Name were posted in the Complainant's accounts and that all website design, logo creation and content on the Complainant's website was completed by Ms Dowler. The Complainant provides evidence of various payments to a web designer. The Complainant notes that the Respondent was responsible for the pilates side of the business and that all references to this were removed from the Complainant's website on 12 December 2014.

The Complainant asserts that Ms Dowler paid for the filing of the trade mark application on 9 September 2011 and provides evidence of a relative entry in a bank statement. The Complainant states that hosting bills for the Complainant's website have been paid for by the Complainant and provides evidence in the form of a bank statement showing that payments were made by the Complainant to the domain name registrar 123-REG of £83.84 and £57.60 on 14 March 2014.

The Complainant states that when the Settlement Agreement was entered into Ms Dowler did not know that the Domain Name had been registered in the Respondent's personal name. The Complainant states that there is an urgent need to add new services to its website and that its current developer and Ms Dowler have had their administration rights removed.

The Complainant submits that the Respondent's retention of the Domain Name constitutes Abusive Registration as it is detrimental to the Complainant's business due to the fact that the Complainant is unable to administer and update its website.

Respondent

The Respondent states that she became director of the Complainant on 29 November 2011 and that the intention of her joining the company was that she would be an equal shareholder with Ms Dowler, would contribute an

equal amount of cash, the use of her pilates machines and the Domain Name registration and website. The Respondent asserts that she purchased the Domain Name personally on 29 September 2011 and that no registration or renewal fees have ever been paid by the Complainant or requested by the Respondent.

The Respondent denies that expenses for the purchase of the Domain Name were posted in the Complainant's accounts and points out that the Complainant's evidence refers to three other domain names: the yogaloungemanchester.co.uk, manchesterhotyoga.co.uk and manchesterhotyoga.com.

The Respondent notes that there are no references to the Domain Name in the Complainant's accounts and that it is not treated as company property therein.

The Respondent denies that the Complainant paid for hosting charges and points out that the payments made by the Complainant relate to the year to 27 March 2015 only and were covered by the Respondent's corporate credit card, a card issued on behalf of the Complainant. The Respondent submits that hosting for the year to 27 March 2016 was paid by the Respondent personally as her corporate credit card had been cancelled by the date that this payment became due and her personal credit card was an alternative card on the registrar's account. The Respondent notes that who pays for hosting services is not determinative of who owns a domain name registration or a website.

The Respondent states that she was "the chief architect of developing the majority of the website content" and that she engaged and paid for the developers to produce the content at a total personal cost to the Respondent of £3,250. The Respondent acknowledges that the Complainant paid for some work on the logo and website content but asserts that this amounted to no more than 10 per cent of the actual site content.

The Respondent asserts that the Complaint is contradictory about who developed the website in that at one point it is asserted that Ms Dowler completed all content and at another point it is asserted that Ms Dowler and the Respondent developed the content. The Respondent states that the Complainant's confusion is unsurprising as the Complainant had no experience in websites and their development, which was why this came within the Respondent's control. The Respondent submits that the Complainant is post-rationalising events to fit a story that best suits its purposes.

The Respondent acknowledges that the Complainant's trade mark was registered in the joint names of the Respondent and Ms Dowler and that this was transferred as part of the terms under which the Respondent left the Complainant. The Respondent states that the design and get-up contained

within the trade mark is not used in any way in the Domain Name and only three generic words are used in the latter, namely "the", "yoga" and "lounge", not the entirety of the words contained in the trade mark. The Respondent submits that the Domain Name does not materially infringe upon the trade mark. The Respondent states that she recognises that "there are certain similarities between the trade mark and Domain Name" and why the Complainant might see a problem for its business going forward. The Respondent adds that she has relinquished her rights in the trade mark, for value, and is prepared to do the same with the Domain Name if a value can be agreed.

The Respondent asserts that whether or not the Domain Name is company property is at the essence of the dispute. The Respondent states that the Domain Name is the Respondent's property.

The Respondent states that the Complainant still has the ability to edit content on the website and that such editing has taken place numerous times since she left the company.

The Respondent denies that the Domain Name constitutes an Abusive Registration in her hands and submits that at the time of registration there was "a clear intention that I register the domain name, to be paid for by me and which I contributed as part of my investment into the Company and permitted the Company to use. Consistent with that I paid the fees for renewal of the registration." The Respondent also asserts that she is not using the Domain Name in an unfair manner because "I am not using the domain or website in any manner, it just happens to still be owned by me". The Respondent adds that the Complainant is benefitting from the website and Domain Name and that the current hosting fees are being covered by the Respondent.

The Respondent notes that at no point prior to now has the ownership of the Domain Name and website been discussed despite the fact that the Complainant had used the Domain Name and website content for over three years at the time that the Complainant and Respondent decided to part ways. The Respondent notes that it was open to the Complainant to raise the matter at the time of the settlement discussions and that the Complainant chose not to. The Respondent states that she believes the Complainant is now trying to "get something for nothing".

Complainant's Reply to Response

In reply to the Response, the Complainant strongly disputes that the Respondent purchased the Domain Name as an in-kind contribution to the capital of the business. The Complainant notes that the Respondent has acknowledged that she was an employee of the business in terms of the Settlement Agreement and asserts that any copyright works created by an employee in the course of their employment belong to the employer. The

Complainant asserts that the fact that the Domain Name belongs to the Complainant is evidenced by “numerous emails between the complainant and the respondent prior to the respondent purchasing the domain, and the acknowledgement of the purchase of the domain name to the claimant [sic] on 29th September 2011”.

The Complainant submits that one of the Respondent's roles was the maintenance of the Complainant's website and asserts that this is a matter of admission. The Complainant states that it is not therefore credible for the Respondent to deny this on the basis of the expense of the purchase price of the Domain Name. The Complainant adds that as a director of the Complainant the Respondent was responsible for submitting various start up expenses to the Complainant such as the Nominet and 123-REG invoices and that the fact that the Respondent forgot to submit the purchase price as an expense is not grounds to claim ownership of the Domain Name. The Complainant asserts that the Respondent purchased the Domain Name acting as agent for the Complainant.

The Complainant submits that at no point during the Respondent's employment or the settlement negotiations did the Respondent allege that she was the owner of the Domain Name and that the Complainant had no knowledge that the Respondent had purchased the Domain Name in her own name and not that of the Complainant. The Complainant asserts that the effect of the Respondent's current position is that the Respondent was in breach of her fiduciary duties to the Complainant by failing to disclose that she was the owner of the Domain Name while the goodwill in the name had been paid for, established and developed by the Complainant. The Complainant adds that there is evidence that during settlement discussions the Respondent intended to hand over all administration of the website to the Complainant's employees and produces an exchange of email dated 22 December 2014 in which Ms Dowler informs the Respondent “Its the handover of the website administration I am most concerned about...” while the Respondent replies “Laura has it all in hand,i paid outside students to do the complicated things in word press, all the Pliates and Gyro stuff is now off so should be straight forward” [sic].

The Complainant asserts that the Respondent's reference to Ms Dowler's previous experience as a website administrator is irrelevant.

The Complainant reiterates its assertion that Ms Dowler and her developer's administration rights to the website were removed by the Respondent in March 2015 and states that the Respondent's contrary assertion is untrue. The Complainant states that the hosting provider is preventing changes to the website content. The Complainant suggests that it would “be useful” if the Respondent provided authority to the hosting provider to take instructions from the Complainant regarding alteration of website content.

The Complainant notes that Ms Dowler is not confused as to who wrote the content for the website and adds that Ms Dowler, the Respondent and other employees wrote the content and that the pilates content has been removed.

The Complainant asserts that the Domain Name in the hands of the Respondent infringes the Complainant's trade mark. The Complainant adds that to the extent that the Respondent denies this, the Complainant owns the goodwill and trading rights in the trade name "the Yoga Lounge", that the Respondent has no such rights and that any such use by the Respondent is an infringement of the Complainant's common law rights in that trade name.

With regard to the Domain Name not appearing in the Complainant's accounts, the Complainant notes that a payment for a domain name is not normally capitalised as it is essentially rented via a renewable fee and that in any event the amount is so immaterial that it would be written off to profit and loss as computer costs.

The Complainant submits that the Respondent is acting in bad faith and that she has no legitimate purpose in seeking to maintain ownership of the Domain Name. The Complainant states that the Respondent could not operate a business under the Domain Name as to do so would constitute passing off. The Complainant submits that the Respondent's solicitor's email of 6 May 2015 is evidence that the Respondent is acting in bad faith in that the Respondent has no legitimate purpose in retaining the Domain Name and is seeking a payment in return for its transfer. The Complainant notes that it has rejected this offer and will not be held to ransom by the Respondent. The Complainant submits that this is not a dispute of competing legitimate interests over the Domain Name.

The Complainant contends that it might be argued that the continued refusal to transfer the Domain Name constitutes the tort of conversion.

The Complainant submits that the entirety of the beneficial ownership of the Domain Name is vested in the Complainant because it has paid for all renewal fees therefor. The Complainant notes that the March 2015 renewal fee should have been passed to the Complainant by the Respondent and asserts that the Respondent has acted in bad faith in failing to disclose this to the Complainant.

The Complainant concludes that there is sufficient evidence for the Expert to order transfer of the Domain Name and that the Respondent has a remedy in Court thereafter. The Complainant notes that it will itself resort to the Court in the event that it does not succeed in the present administrative proceeding.

6. Discussions and Findings

In terms of paragraph 2(b) of the Policy the onus is on the Complainant to prove to the Expert on the balance of probabilities each of the two elements set out in paragraph 2(a) of the Policy, namely 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

Paragraph 1 of the Policy provides that Rights means "rights enforceable by the Complainant, whether under English law or otherwise, and may include rights in descriptive terms which have acquired a secondary meaning".

The requirement to demonstrate Rights under the Policy is not a particularly high threshold test. Rights may be established in a name or mark by way of a trade mark registered in an appropriate territory, or by a demonstration of unregistered so-called 'common law rights'.

The Complainant's case is that it has rights in the trade mark described in the Factual Background section above. In response to a challenge from the Respondent to the extent of the similarity between the trade mark and the Domain Name, the Complainant also submitted in the Reply that it has common law rights in the trading name "the Yoga Lounge".

Taking the alleged common law rights first, the Expert notes that the evidence should ordinarily demonstrate that (a) the Complainant has used the name or mark in question for a not insignificant period and to a not insignificant degree (e.g. by way of sales figures, company accounts etc) and (b) the name or mark in question is recognised by the purchasing trade/public as indicating the goods or services of the Complainant (e.g. by way of advertisements and advertising and promotional expenditure, correspondence/orders/invoices from third parties and third party editorial matter such as press cuttings and search engine results). See paragraph 2.2 of the Expert Overview.

In the present case, the Expert is satisfied that the Complainant has used its trading name for a not insignificant period, namely just under four years as calculated from start up activities described in the Factual Background section above. The company accounts of the Complainant, produced by the Respondent, for the year ended October 2013 show sales of £85,564, which the Expert considers shows use of the name to a not insignificant degree. In terms of recognition of the name, the administrative expenses section of the

same accounts show that in the year ended October 2013, the Complainant spent £3,476 on advertising. While this expenditure is modest, it is reasonable to infer that it will have produced some element of name recognition and the Expert also notes that this represents only one year's spend such that there may have been some expenditure in other years. What is more compelling is the third party editorial matter featured on the Complainant's website, namely national press articles from *The Jewish Telegraph*, *Daily Star* and *The Daily Telegraph*, each of which refer to the Complainant's business and specifically to its trading name. The articles also indicate that the Complainant has benefitted from some prominent sports teams among its customers which may have been the result of, and may also have led to, greater notoriety for its business.

Taking all of this evidence together, the Expert finds on the balance of probabilities that the Complainant has Rights in the common law mark "the Yoga Lounge". This name is identical to the Domain Name bearing in mind that the top and second levels of the Domain Name, namely .uk and .co respectively, may be disregarded on the grounds that these are required for technical reasons only and are wholly generic, and that spaces are not permitted in a domain name.

Having found appropriate Rights in a common law mark, the Expert does not require to look in any detail at the Complainant's trade mark for the purposes of assessing Rights under the Policy. However, the Expert notes in passing that had he not made such a finding, he would not have been persuaded by the Respondent's argument that the trade mark is materially different from the Domain Name purely by virtue of the fact that it is a device mark and contains additional words. As the Expert Overview notes in paragraph 1.4, the assessment depends upon the nature of the words in question and their prominence. As noted in the Factual Background section above, the most prominent words in the mark are "the yoga lounge", the words "yoga and pilates evolved" being in a much smaller typeface and, in the Panel's mind, having more of a descriptive flavour.

Abusive Registration

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

This general definition is supplemented by paragraph 3 of the Policy which provides a non-exhaustive list of factors which may be evidence that the Domain Name is an Abusive Registration. Paragraph 4 of the Policy provides a similar non-exhaustive list of factors which may be evidence that the Domain Name is not an Abusive Registration.

In the present case, not many of the factors in paragraph 3 of the Policy appear to be relevant, although paragraph 3(a)(v) comes closest in that it states that where the Domain Name was registered as a result of a relationship between the parties and the Complainant has been using the Domain Name registration exclusively and paid for the registration and/or renewal, this may be evidence of an Abusive Registration. However, it appears to be a matter of agreement between the parties that the Respondent paid for the purchase price of the Domain Name (it having been sold to her on the secondary market by a domain name broker) and likewise for the renewals of the Domain Name. Equally, as will be discussed below, the Respondent does not offer to prove the corresponding terms of paragraph 4(a)(iii) of the Policy that her holding of the Domain Name is consistent with an express term of a written agreement entered into by the parties. That said, the Expert reminds himself that the list of factors in both paragraphs 3 and 4 of the Policy are non-exhaustive. Given the complex factual matrix in the present case, the Expert considers that it is preferable to analyse the circumstances in accordance with the general definition of Abusive Registration rather than the non-exhaustive factors.

As indicated above, Abusive Registration can arise from the manner of registration or acquisition of a domain name, or from the manner of its use. Dealing with the manner of acquisition first, the Complainant's case is that the Respondent was acting as agent for the Complainant when she acquired the Domain Name and that the taking of it into her own name, without alerting the Complainant or Ms Dowler, took unfair advantage of and/or was unfairly detrimental to the Complainant's Rights. The Respondent's position is that there was an agreement between herself and Ms Dowler that the Respondent's contribution in kind to the Complainant's start up phase (in return for a directorship and shareholding) was to be the use of pilates machines, the website and the Domain Name and that accordingly she took the Domain Name in her own name in late September, prior to becoming a director of the Complainant in late November. In light of this alleged agreement, the Respondent does not consider that she has acted to the detriment of the Complainant's Rights or taken unfair advantage of them. By way of support for her position that the Domain Name was to be treated differently from other domains registered around the same time, the Respondent focuses on the fact that, while she did recharge the registration fees of the other domain names to the company, she specifically did not recharge the acquisition or renewal fees for the Domain Name.

It appears to be a matter of agreement between the parties that the Respondent did not recharge the purchase price of the Domain Name (the

invoice from Sedo) or the relative renewal fees (invoices from 123-REG dated 16 March 2012 and 9 March 2015) to the Complainant. The Complainant states that the Respondent's failure to recharge these costs was merely due to the Respondent's oversight and the Respondent denies this.

There is however a problem with the Respondent's position on the recharging. It is clear from the Complainant's exhibits that the Respondent recharged the domain names theyogaloungemanchester.co.uk, manchesterhotyoga.co.uk and manchesterhotyoga.com, registered on or about 14 January 2012, to the Complainant. The first of these contains the words "the yoga lounge" with a geographic descriptor. The Respondent fails to explain why she considered that the registration of this domain name should be treated as a business expense of the Complainant when the Domain Name is not. The difference is not readily apparent to the Expert.

Of much greater importance and significance in the Expert's mind is the Nominet invoice which the Respondent recharged to the Complainant. This was dated 6 October 2011, in other words, one week after the Respondent's acquisition of the Domain Name. This invoice reflects Nominet's transfer of registrant fee in respect of the Domain Name. Given its proximity to the date of acquisition, the Expert infers that it is the fee for transfer of the legal registrant from Sedo's seller into the Respondent's personal name.

How can the actions of the Respondent in recharging that invoice to the Complainant be reconciled with her case that she settled all relative expenses because the rights in the Domain Name vested in her personally? Why would the Respondent consider that she was entitled to recharge this expense in particular, given that the legal registrant transfer represented the taking of the Domain Name into her own name rather than that of the Complainant? There is no obvious answer to these questions. In the Expert's opinion, the fact that the Nominet invoice and the invoice for the other domain names were recharged is more consistent with the Complainant's case on recharged expenses than that of the Respondent.

This is not the only feature of the Respondent's case on the acquisition of the Domain Name that the Expert finds unpersuasive. It is notable that on the day of acquisition, the Respondent emailed Ms Dowler to advise that she had proceeded with the purchase of the Domain Name. That email makes much more sense to the Expert if read in the context that both the Respondent and Ms Dowler were working on the start up of the Complainant's business and were each doing their part, not on their own behalf but on behalf of the Complainant, to make preparations for launch. There is no suggestion in that email that the Respondent was doing anything exclusively on her own behalf. Nor has any peripheral supporting evidence been produced to that effect, such as for example email communications discussing the terms on which the Respondent and Ms Dowler intended to go into business.

Support for the Respondent's case could have been derived from some form of evidence that the parties had expressly agreed that the Respondent was to take the Domain Name in her own name (as part of a personal contribution to the venture) and then license its use to the Complainant. In the absence of such evidence support could still have been found for the Respondent's position if she had acquired and held the Domain Name in her personal name at some time before the parties began work on the Complainant's business, in other words, in a manner entirely unconnected with the parties' venture. However, the evidence before the Expert shows the contrary. Ms Dowler and the Respondent had clearly begun work together on the Complainant's trading and brand name well before the Respondent acquired the Domain Name. This is illustrated by the fact that the trade mark, which contains the phrase used in the Domain Name in its entirety, was filed in the joint names of Ms Dowler and the Respondent on 7 September 2011, that is, 23 days before the Respondent acquired the Domain Name.

It is also worth considering whether the Respondent's more recent actions reflect upon what may have been in her mind, or in the minds of the parties generally, at the time of acquisition of the Domain Name. At the heart of this matter is that despite the parties having chosen to go their separate ways and having apparently decided to regulate the Respondent's departure by way of the Settlement Agreement, the evidence appears to indicate that the Respondent chose to remain silent until after the conclusion of that agreement regarding the claims she now makes to have rights in the Domain Name and the relative website. This seems a rather unusual position for the Respondent to have adopted, given that she insists that the acquisition of the Domain Name and the creation of the relative website were a significant personal contribution to the venture.

It should be noted that the terms of the Settlement Agreement itself are silent as to any such contribution, or the value of it, which together with the surrounding circumstances indicates most probably that it was not raised at the time of the Respondent's departure by either party. This is at best neutral to the Respondent's position. However, it seems to the Expert to be more in line with the Complainant's case, namely that Ms Dowler was entirely unaware of the Respondent's alleged claim to the Domain Name until more recently. Furthermore, there is at least one specific term of the Settlement Agreement that might be seen as particularly supportive of the Complainant's position.

The recital of the Settlement Agreement indicates that it is intended to set out the terms by which the Respondent "relinquishes all claims to any shares or other interests in the ownership of [the Complainant]". As stated above, no mention is made of the Domain Name or indeed of rights in the relative website. However, as noted in the Factual Background, clause 8.2 (rather curiously coming under the heading of "Legal Costs") states that "For the avoidance of doubt the pilates equipment belongs to [the Respondent]...". Given the express nature of that clause, it seems surprising to the Expert that

the Respondent did not also want it recorded that all rights in the Domain Name and the Complainant's website vested in the Respondent, being the other two items which she contends were in kind contributions to the Complainant's venture along with the pilates equipment.

In the Expert's view, the evidence points to two different scenarios at the time of acquisition of the Domain Name. Either (1) the Respondent was unaware of the fact that the Domain Name had been taken in her own name until after conclusion of the Settlement Agreement or (2) she intentionally acquired it in that manner. Whichever is the correct scenario, the Expert considers that the Domain Name constitutes an Abusive Registration in the hands of the Respondent.

In the case of scenario (2), the Expert is of the view that the deliberate taking of the Domain Name into the Respondent's name after the parties had decided on the trading/brand name of the venture, some three weeks after the trade mark had been applied for in joint names, is an action which would be detrimental to the Complainant's Rights and/or would take advantage of them. The Expert considers that such an action would inevitably be unfair to the Complainant's Rights, given that the Respondent has failed to satisfy the Expert that this was the consequence of a prior agreement with the Complainant.

That said, scenario (1) is perhaps more likely on the balance of probabilities. The inconsistency between the Respondent charging the Complainant for the transfer of the Domain Name into her own name on the one hand and not charging the Complainant for corresponding acquisition or renewal fees on the other seems to indicate the absence of any concluded plan on the Respondent's part regarding the ownership of the Domain Name at the time of acquisition. Indeed, it is entirely possible that the Domain Name ended up in the Respondent's name, and that the Respondent then settled the renewal fees personally, entirely by virtue of the fact that the Domain Name was transferred into an account with the Respondent's registrar which was also in her personal name. However, even in scenario (1), the Expert considers that the Domain Name constitutes an Abusive Registration because it cannot be fair to the Complainant's Rights that, having identified that the Domain Name was in her name in the aftermath of the Settlement Agreement, the Respondent used this apparent "windfall" in an attempt to hold the Complainant to commercial ransom by exerting further control and to extract additional monies from it.

The parties are agreed that the Domain Name has been and is presently being used to operate the Complainant's website. It is also being used for the Complainant's corporate email, according to an email address listed on a software subscription transfer form completed by both the Complainant and Respondent. There is nothing before the Expert to suggest that the Domain Name has ever been used for anything other than the Complainant's business since it was acquired by the Respondent.

The essence of the Respondent's case on use is that, as she is permitting the Complainant to use the Domain Name, the question is irrelevant to the assessment of Abusive Registration. In the Expert's view, the Respondent's position is somewhat disingenuous. Correspondence from the Respondent's solicitor makes it clear that the Respondent seeks both to maintain control over the Domain Name and indeed to extract a substantial sum of money from the Complainant before she will be prepared to transfer it. Meanwhile the Complainant is left in limbo, not knowing whether it will be able to obtain full control of the Domain Name and the relative website (or indeed to replace the latter if need be, which would require control of the Domain Name). The Complainant submits that this in effect constitutes a use of the Domain Name to hold the Complainant to ransom and the Expert is inclined to agree. Again, the situation might have been different had evidence been produced by the Respondent of the prior agreement for which she contends, namely that all rights in the Domain Name were to vest in the Respondent as an in kind contribution to the venture. As outlined above, in the absence of any such evidence, the timing of the filing of the trade mark relative to the acquisition of the Domain Name runs contrary to the notion that the Domain Name was acquired independently of the Complainant or of the parties' planned business venture.

Even if the Respondent has not actively withdrawn the Complainant's administrative access rights (although the terms of the Complainant's email to the Respondent of 15 April 2015 are consistent with that assertion) the retention of the Domain Name by the Respondent in the present circumstances constitutes an implied threat to do so; in the Expert's opinion, the Respondent can have no interest in maintaining the *status quo* regarding the Domain Name other than to take unfair advantage of or cause unfair detriment to the Complainant's Rights. Notwithstanding the Respondent's assertions, this is, in the Expert's view, "use" of the Domain Name within the meaning of the Policy.

In all of these circumstances, the Expert finds that the Domain Name, in the hands of the Respondent, is an Abusive Registration.

The Expert adds for completeness that there were many assertions and counter-assertions in the pleadings regarding the legal position between the parties, including allegations of trade mark infringement, copyright infringement, breach of contract, common law passing off, breach of fiduciary duty and the tort of conversion. The Expert draws the parties' attention to the following remarks in the foreword to the Expert Overview:-

"Disputes are decided by reference to the terms of the Policy, not the law, so the fact that a domain name registration and/or the registrant's use of it may constitute trade mark infringement, for example, will not necessarily lead to a finding of Abusive Registration under the DRS Policy. Nonetheless, if the DRS Policy

and the law are too far apart, the DRS Policy will inevitably lose some of its value. Rights owners or domain name registrants (depending upon the nature of dispute) may prefer the expense of litigation to the likely result under the DRS Policy.”

In the Expert’s opinion, the diverse and multifarious points of law put forward by the parties in the present case, particularly in the Complainant’s Reply, raise complex issues beyond the scope of the Policy. In the Expert’s view, if the underlying reality of a complainant’s case is that it seeks a formal determination on a range of legal propositions, rather than an expert determination on the basis of the Policy and Procedure, it would be in its interests to turn to the courts where legal arguments can be put forward, explored and tested, ideally in the context of such evidence as has been led by the parties. The evidence itself, in complex factual cases such as the present, may also benefit from the mechanisms of discovery, in-person examination and cross-examination employed in the forum concerned. The Expert in the present matter, however, is constrained by the terms of the Policy, including the limitations of written submissions procedure in general.

7. Decision

The Expert finds that the Complainant has proved that it has Rights in a name or mark which is identical to the Domain Name and that the Domain Name, in the hands of the Respondent, is an Abusive Registration. The Expert therefore directs that the Domain Name be transferred to the Complainant.

Signed

Andrew D S Lothian

Dated 30 July, 2015