

DISPUTE RESOLUTION SERVICE**D00017771****Decision of Independent Expert**

HALS Golf Ltd trading as Halpenny Golf

and

Mr Gareth McGinn

1. The Parties:

Complainant: HALS Golf Ltd trading as Halpenny Golf.
Columba House, Lakeshore Dr, Airside Retail Park
Swords
Dublin
Ireland

Respondent: Mr Gareth McGinn
101 Castlemoyne,
Balgriffin
D13V889
Dublin
Dublin
NA
Ireland

2. The Domain Name:

halpennygolf.co.uk

3. Procedural History:

I confirm that I am independent of each of the parties. To the best of my knowledge and belief, there are no facts or circumstances, past or present, or that could arise in the foreseeable future, that need be disclosed as they might be of such a nature as to call into question my independence in the eyes of one or both of the parties.

22 July 2016 15:22 Dispute received
26 July 2016 14:28 Complaint validated
26 July 2016 14:32 Notification of complaint sent to parties
12 August 2016 02:30 Response reminder sent
15 August 2016 09:47 Response received
15 August 2016 09:47 Notification of response sent to parties
18 August 2016 02:30 Reply reminder sent
22 August 2016 13:12 Reply received
22 August 2016 13:12 Notification of reply sent to parties
25 August 2016 14:21 Mediator appointed
25 August 2016 15:52 Mediation started
21 September 2016 14:28 Mediation failed
21 September 2016 14:29 Close of mediation documents sent
29 September 2016 10:41 Expert decision payment received

4. Factual Background

The Complainant is an Irish registered limited company which retails golf equipment in Ireland and through an internet business. It uses the trading name Halpenny Golf. Its primary website address is halpennygolf.com. It operates five stores located in the Irish Republic. The proprietor of the Complainant is a Mr John Halpenny.

The Respondent is the website manager for a rival firm McGuiirks Golf, also based in Ireland. He registered the Domain Name on 15 January 2014, and until this dispute started, the Domain Name

had pointed to a "Muppet Central" website, featuring the well-known TV puppet characters. It now points to the home page of the website of "Site 5 Web Hosting (Web Hosting for Web Designers)".

5. Parties' Contentions

The Complainant

Rights

The Complainant says it is "Halpenny Golf, trading as HALS Golf Limited"*. HALS Golf Limited was registered as a company in the Republic of Ireland in August 2007, and the business name Halpenny Golf was registered in the same month. A company called Joshmaja Limited is the registered owner of an EU trade mark for HALPENNY GOLF, in Class 35, which was registered on 27 April 2016. The registration covers a wide range of services, including services relating to golf. Mr Halpenny says that he is the owner of the trade mark registrant, Joshmaja Limited, which he describes as "a holding company registered in Ireland".

Accounts for HALS Golf Limited show that it had a turnover of €6.35 million in 2015. The business has five shops in Ireland, including three in Dublin, one in Drogheda, and one in Cork, and the Complainant says that it has a thriving Internet business through the site www.halpennygolf.com. Its sales appear to be of golf-related equipment (such as clubs, bags, balls, tees, etc), rather than services, and the Complainant exhibits advertisements it has placed in Irish newspapers promoting such sales. Mr Halpenny is the owner of the domain names halpennygolf.com and halpennygolf.ie. The Complainant says that it has used the name or mark in question for a "not insignificant period and to a not insignificant degree". It also provides links to some evidence of public recognition, including a screenshot of

a Google search on the term "Irish golf online shops", where its website features prominently.

Abusive Registration

The Complainant believes that the Domain Name is an abusive registration because the Respondent works for McGuirks Golf, an Irish based golf equipment retailer and a competitor of the Complainant, and the primary intention behind registering the Domain Name was to stop the Complainant registering it, despite the Complainant's rights in the name. The Domain Name was linked to a Muppets Central website, which the Respondent has no interest in, and as the name "muppet" has acquired a secondary meaning as a stupid, incompetent or idiotic person (particularly in usage related to sport), it is also abusive as suggesting that the Complainant could be considered to be muppets.

The Complainant seeks transfer to itself.

* Note: this seems to be a mistake. Presumably, the corporate entity is HALS Golf Limited, which uses the trading name Halpenny Golf. The Expert has corrected this in the title of the Complaint.

The Respondent

Rights

Save as to reputation in the UK itself, which is dealt with under Abusive Registration below, the Respondent does not dispute the Complainant's contentions as to Rights.

Abusive Registration

The Respondent says that he registered the Domain Name when an opportunity in the UK market suddenly opened up due to the cessation of trading of one of golf's leading online retailers, Golf Store Europe, in 2014. He says that this gave an opportunity for Irish retailers to trade into the UK and Europe, and that he registered the Domain Name personally to "protect

my livelihood and employment against other retailers entering this market". He says he registered various domain names, as he wanted to grow the internet business exponentially for his employer of over 20 years, and to reap the rewards for doing so. His employer had nothing to do with the registration itself (although it stood to gain from the increased business).

The Domain Name is not advertised or promoted, and does not feature in any Google search. It is simply a landing page. If he had intended to "deface the related company" the Respondent would have used paid advertising or social media, but did not do so. The Domain Name has pointed to the same landing page since 2014, but as it has now become of concern to the Complainant the Respondent has changed the url to a more related landing page.

The Complainant does not have any reputation or position in the UK market, but is now obviously looking to enter into that market (hence its interest in the Domain Name). It is therefore unjust that the Complainant is seeking transfer to itself, and as the online golf industry is a lucrative one, there is no doubt that there is value in the potential of the Domain Name to the right purchaser, in this case the Complainant. Therefore, the Respondent is prepared to transfer ownership of the Domain Name "at the going market rate based on potential sales into the UK market over a five year period".

Reply

In its Reply, the Complainant reiterates its primary contention that the Domain Name was registered to stop it from doing so, but also points to the offer to sell in the Response as an example of the Respondent offering to sell the Domain Name for more than he paid for it.

6. Discussions and Findings

In order to succeed in its Complaint, in accordance with the Policy, the Complainant needs to establish:

*"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."*

The Complainant needs to establish both elements on the balance of probabilities.

The definition of Abusive Registration under the Policy is as follows:

"Abusive Registration means 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".

The definition of Rights under the Policy is as follows:

"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."

Rights

The Respondent's main objection to the Complaint appears to be that the Complainant has not demonstrated that it has any reputation or record of trading within the UK. However, that of itself would not bar a successful Complaint. As the Experts' Overview makes clear, in paragraph 1.5, an overseas right can constitute a relevant right within the definition of Rights:

"Can an overseas right constitute a relevant right within the definition of Rights? Yes. The rights must be enforceable rights, but there is no geographical/jurisdictional restriction. If the Upper Volta Gas Board can demonstrate rights in respect of its name enforceable in Upper Volta, the Policy is broad enough to deal with a cybersquatter, for example, registering <uppervoltagasboard.co.uk>. If it were otherwise, the '.uk' domain would be likely to become a haven for cybersquatters.

Relevant decision: DRS4192: 4inkjet.co.uk (transfer). "

The evidence put forward by the Complainant does not seem to suggest any previous connection with the UK, and all the evidence of reputation appears to be connected solely with the Irish Republic. It is possible that internet sales have also been made into the UK, but no evidence of that has been forthcoming. The Complainant has referenced the registration of HALPENNY GOLF as a European Union Trade Mark, which of course includes the UK. However, this highlights a deficiency in the Complaint, which is that it fails to provide clear evidence of entitlement to the Rights in question. The registered mark is owned by Joshmaja Limited, which the Complainant says is owned by Mr Halpenny, as a "holding company". However, no evidence is provided as to the assertion of Mr Halpenny's ownership, nor as to how Joshmaja Limited and HALS Golf Limited are connected and what rights the Complainant has to use the mark. On the face of the Complaint, Mr Halpenny seems to be saying he is the owner of both companies, rather than Joshmaja Limited being the holding company of HALS Golf Limited.

As noted above, the Complainant's assertion that it is "Halpenny Golf trading as HALS Golf Limited" seems to be the wrong way around - the corporate entity is HALS Golf Limited, which

trades as Halpenny Golf. However, this seems just to be a mistake, and not critical to the Complainant's prospects of success.

Does this lack of evidence matter on the question of Rights? Other than the issue of reputation in the UK, the Respondent does not contest what the Complainant has said. In another case, the Complainant might have been well advised to put forward a clearer case as to entitlement, but here the Expert is conscious that the trading name contains Mr Halpenny's own surname, he appears to be the sole owner of the entities in question, and it may not be unreasonable to imply a licence of the mark. In any event, even if the Complainant cannot show that it is the properly authorised licensee of the registered trade mark, it has provided evidence (albeit not extensive) of its own reputation trading under the Halpenny Golf brand in the Republic of Ireland, and with an annual turnover of in excess of €6.5 million, the Complainant's business is substantial. Again, the Complaint is less than perfect when it refers to using the mark "for a not insignificant period and to a not insignificant degree" (without being more precise as to either). However, on balance, the Expert is prepared to accept that the Complainant has established that it has Rights which would be enforceable in the Republic of Ireland, within the meaning of the Policy, and for the reasons explained in paragraph 1.5 of the Experts' Overview (quoted above), those Rights are sufficient.

The name or mark Halpenny Golf in which the Complainant has Rights is identical to the Domain Name - the space between the words does not make any relevant difference.

Abusive Registration

Paragraph 3a of the Policy provides as follows, in relation to 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;"

The Complainant relies upon paragraph 3a.i.B (blocking) and, following the Response, 3a.i.A (selling for valuable consideration in excess of documented out-of-pocket costs). The Complainant also says that the link to the Muppet Central website is also abusive, in implying that the Complainant is a "muppet" (in the derogatory sense of that word).

The Respondent's explanation of why he registered the Domain Name is imprecise, and unconvincing. He says that an opportunity suddenly arose to him in his role as employee of a company which he does not deny is a competitor of the Complainant to "protect his livelihood and employment against other retailers", by registering this and other domain names (which he fails to identify). He personally wanted to grow the online business exponentially for McGuirk's Golf, and to reap the rewards for doing so. He does not seek to justify the Domain Name having been pointed to the Muppets Central website (except by trying to take credit for not having actively promoted the site in any way).

The Respondent does not say how registration of a domain name containing the Complainant's name could help to grow the McGuirk's Golf online business. Given that he accepts that he did not make active use of the Domain Name except to point it to a clearly inappropriate destination, it seems to the Expert that he can only have intended to register it to stop the Complainant using its own brand as a .co.uk address in the UK if it decided to enter that market, and to block the Complainant in that way. The pointing to the Muppet Central website was clearly inappropriate, possibly intended to be humorous, but nevertheless potentially disruptive to Complainant. It is not "unjust", as the Respondent says, for the Complainant to object to the registration when it had no previous record of trading in the UK. The Respondent must clearly have been aware of the Complainant's rights, and decided to take advantage of its failure to register the .co.uk domain name, to make life more difficult for the Complainant if it decided it wanted to enter the UK market. Accordingly, the registration is clearly abusive, and the Complaint succeeds.

As to the question of selling the Domain Name for a consideration in excess of out-of-pocket costs, the Complainant did not originally object to the registration on those grounds, instead relying upon blocking as its main objection. Given the vagueness of the Respondent's explanation of his actions, it is possible that he might have had in mind selling the Domain Name to the Complainant (as he clearly must have been aware of the Complainant at the time that he registered it). However, on balance, the Expert believes that the more likely rationale for registration would have been blocking or making life more difficult for a competitor. The fact that the Respondent offered to sell the Domain Name in his Response does not mean that his original intentions in acquiring the Domain Name were abusive on that ground (see paragraph 3.2 of the Experts' Overview), and it

is the original intent which is the relevant one for the purposes of paragraph 3a.i.A of the Policy.

7. Decision

The Expert finds that the Complainant has Rights in the name or mark Halpenny Golf, 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 Bob Elliott.....
October 2016**

Dated ..22