

DISPUTE RESOLUTION SERVICE

D00018138

Decision of Independent Expert

Novel & Co (UK) Ltd T/As Event Booth Hire

and

Ms Angie Castillo

The Parties

Complainant: Novel & Co (UK) Ltd t/a Event Booth Hire
Forsyth House
39 Mark Road
Hemel Hempstead
UK
HP2 7DN
United Kingdom

Respondent: Ms Angie Castillo
108 Coburg Crescent
London
SW2 3HU
United Kingdom

The Domain Name

eventboothhire.co.uk

Procedural History

1. I can 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 might be such as to call in to question my independence in the eyes of one or both of the parties. The following is a summary of the procedural steps in this dispute.

31 October 2016	Complaint received by Nomnet.
1 November 2016	Complaint validated and notification of Complaint sent to the parties.
11 November 2016	Response received by Nominet and notification of Response sent to the parties.
16 November 2016	Reply reminder sent.
21 November 2016	Reply received by Nominet and notification of Reply sent to the parties.
24 November 2016	Mediator appointed and mediation started.
14 December 2016	Mediation failed.
15 December 2016	Expert decision payment received.

Factual Background

2. The Complainant is Novel & Co (UK) Ltd. ('NUK'), a company that was incorporated on 8 May 2015 and has traded from that date as Event Booth Hire in the hire of photo booths for private occasions and corporate events. A WHOIS search shows that the Domain Name was first registered on 6 May 2015. The Respondent registered the Domain Name and she became a director and shareholder of NUK. On 6 October 2016 she agreed to sell her shares in NUK to Mr John Patino ('Mr Patino'), also a director and shareholder of NUK, as part of written arrangements by which she resigned as a director, agreed to transfer her shares in the company and brought to an end her commercial relationship with NUK.

3. From about 8 May 2015 until late October 2016 the Domain Name was used to host the website of NUK. However, since that time, the URL of the Domain Name has resolved to <http://www.pbstudioevent.co.uk>, a website of PB Studio Event Ltd. ('PBSE'). PBSE was incorporated on 19 October 2016 and the Respondent is a director of that company. It carries on business in the same field as NUK.

Parties' Contentions

4. The Complaint alleges as follows, -
 - 4.1 Mr Patino and the Respondent '*had a partnership registered under a limited company, Novel & Co (UK) Ltd*' ('NUK'). However, NUK has always traded as Event Booth Hire as shown by the documents accompanying the Complaint.
 - 4.2 The business hires photo booths for weddings, birthdays and for corporate and other events.
 - 4.3 On 6 October 2016 Mr Patino and the Respondent decided to go their separate ways.
 - 4.4 The effect of the documents signed by them was that Mr Patino was to '*keep the company.*'
 - 4.5 At the time when the written arrangements were made, the Respondent told Mr Patino that she could not transfer the website as she did not own it and she '*made us cross it out on the original letter.*'
 - 4.6 The Respondent lied, because subsequent research showed that she does own the website. She was asked to '*return use of the website as we had kept the company and all that this implies*', but she refused to do so.

- 4.7 The Respondent has registered a new business, PBSE. She has since diverted the company website to the website of www.pbstudioevent.co.uk.
- 4.8 NUK paid for the design and maintenance of its website. However, the Respondent has stolen it and placed another website in its place.
- 4.9 The Domain Name is an Abusive Registration, because the Respondent is keeping a website that belongs to a trading business, for which she used to work.
5. The Response alleges as follows, -
- 5.1 The Respondent is a shareholder of Event Booth Hire Ltd. ('EBHL') She has attempted on various occasions to inform NUK that it cannot trade under the name Event Booth Hire as EHL is a registered company. By letter dated 31 October 2016 NUK was requested to cease using that name.
- 5.2 NUK has continued wrongfully to use the name Event Booth Hire and has '*defamed*' the Respondent's other business, i.e. PBSE, on social media.
- 5.3 The Respondent made it clear that the Domain Name never belonged to NUK and therefore '*they had no right to claim it.*' There are no documents showing that the Respondent gave up her right to the Domain Name.
- 5.4 As regards NUK's website, the Respondent did not purchase the platform and had no involvement in those matters.
- 5.5 A new domain (www.eventboothhire.com) has been purchased by NUK and it is still using the name of EBHL. The Respondent will be making

her own complaint about that, because it is contrary to the Company Names Act 1985.

5.6 The Complaint is based on information that is untrue and NUK is pursuing false claims against the Respondent.

6. The Reply alleges, -

6.1 As the evidence shows, there is no dispute that NUK has traded as Event Booth Hire since its incorporation on 8 May 2015. From that date, the Respondent represented and worked for, NUK and signed documents as director and shareholder of NUK t/a Event Booth Hire.

6.2 The Respondent registered EBHL at Companies House on 29 September 2016, which was 16 months later.

6.3 The Respondent, a previous director and shareholder of NUK trading as Event Booth Hire, has acted in bad faith and is guilty of passing off.

6.4 The Respondent is trafficking www.eventboothhire.co.uk to her new business website www.pbstudioevent.co.uk. PBSE was only registered on 19 October 2016.

6.5 The Respondent is misleading customers of NUK by having two registered companies and diverting those customers to her own website.

6.6 As a result, NUK's unregistered trademark Event Booth Hire '*is being misrepresented for being the services of another company ..?*'

6.7 Passing off is a common law tort that protects the goodwill of a trader from a misrepresentation. The Respondent is damaging the goodwill of NUK, -

‘by misrepresenting our main advertising element where [NUK t/a] Event Booth Hire have accrued goodwill, the general public are being forced to believe that the goods offered by PB Event Studio are in fact the goods or services of [NUK t/a] Event Booth Hire.’

- 6.8 The Respondent has also changed NUK’s logo on social media *‘with our new website address’* but is still using the Domain Name *‘on the link provided to clients.’* NUK has not authorised the Respondent to change its logo and this is misleading clients with various logos and contact information, damaging NUK’s name and profits.
- 6.9 The Respondent is leading the public to believe that PB Event Studios is Event Booth Hire, being www.eventboothhire.co.uk as it was trading from 8 May 2015. This has damaged the goodwill of NUK.

Discussion and Findings

7. A Complainant is required under subparagraphs 2.1 and 2.2 of the DRS Policy, 1 October 2016 (“the Policy”) to prove on the balance of probabilities that the following two elements are present, namely: -
- 7.1 he has Rights in respect of a name or mark which is identical or similar to the Domain Name; and
- 7.2 the Domain Name, in the hands of the Respondent, is an Abusive Registration.
8. I have taken into account all the facts and matters relied on by each party, but have limited the findings in this decision to those necessary to dispose of the dispute in accordance with the Policy. Therefore, it is not necessary to resolve all the issues raised by the parties.
9. I refer to, and repeat as findings, paragraphs 2 and 3 above.

Rights

10. By paragraph 1 of the Policy, -

'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.'

11. Rights under the DRS are generally intellectual property rights, whether registered or unregistered. They may also be contractual, though where the claim raises difficult issues of contract law in particular, the DRS may be an inappropriate forum for such claims: see the decision of the Appeal Panel in *ireland.co.uk* DRS 04632. In this case, NUK asserted (in the Reply) rights in passing off but provided virtually no evidence and certainly no sufficient evidence (e.g. through evidence of turnover, advertising etc.) so as to show the necessary goodwill and distinctiveness in the words 'Event Booth Hire' (a phrase which is descriptive to a significant degree), so as to show that these words denote to the public the products or services of NUK: see Experts' Overview, paragraph 2.2. Therefore, I reject the case of Rights based on passing off.
12. Rights established under a contract are often contractual rights *to* a domain name. Where a company has paid for registration of the domain name or the registration has been carried out by a third party at the request of the company, the company often acquires a contractual right to the domain name itself. In this dispute, no allegation has been made that registration of the Domain Name (as opposed to the website content) was paid for by the Complainant. However, it is important to bear in mind that the words of the Policy refer to '*Rights in respect of a name or mark*' (see paragraph 7 above). Intellectual property rights subsist in respect of a name or mark, but the definition of Rights also includes contractual rights *in respect of a name or mark*.

13. The case advanced in the Complaint alleged that the Respondent lied to Mr Patino prior to conclusion of the contractual arrangements, telling him that she, *'could not sign over the website as she did not own it and made us cross it out on the original letter'*. Those arrangements were contained in various documents, which included four manuscript documents each signed by the Respondent and Mr Patino on or about 6 October 2016. It is clear from their terms that the documents were not drafted by lawyers. These four documents are sufficient to create (or form part of) a contract in law and the most significant of these for present purposes stated, -

- '- John [i.e. Mr Patino] to keep selfie tower and camera equipment.*
 - John will keep company name ~~& domain~~ Novel & Co (UK) Ltd T/as Event Booth Hire, website, all media logos, facebook, twitter, Instagram, Groupon & wowcher agreements, emails*
 - Hard Drive and Speaker LG*
- Angie to Keep*
- Photobooth Paid in cash in full.*
 - £750 transferred to Angie Castillo Ortiz.*
-'*

The listed items for retention by the Respondent did not refer to the Domain Name. Another document provided, -

'I, Angie Castillo,
will hand over hard drive & speaker
all social media log in details, wowcher & Groupon, as well as
telephone which will be picked up from Johanna Molina
Invoices & receipts [sic]
.....'

A third document stated, -

'I, John Patino,

Will pay Johanna Molina £350 for September 2016 and 1 week of October 2016 for Comissions (sic.) for sales.

Will pay £750 to Angie Castillo owed for selfie.

And the telephone will be paid and picked up from Johanna Molina, telephone line and number will be kept for business purposes.

.....'

The fourth document, so far as legible, provided for the Respondent's resignation as a director with effect from a date in October 2016 and for the Respondent's shares to be transferred to Mr Patino. There was also an email from Ms Castillo to Mr Patino dated 28 September 2016. It is not necessary to decide whether that email contained additional contractual terms.

14. In the context of the issue of Rights, it is not necessary to decide whether the Respondent lied to Mr Patino as he claims and she denies. The Domain Name was not transferred to Mr Patino or to NUK. Even if the Respondent did lie about that matter, this would not operate under the DRS to establish Rights.
15. The meaning and effect in law of the contractual arrangements (in particular the first document referred to above) was to confer on Mr Patino, to the exclusion of the Respondent, all rights which she had in connection with the name Novel & Co (UK) Ltd t/a Event Booth Hire. Such rights would, as I find, include any use of that trading name in connection with that company. The party entitled to rights in a company's name would ordinarily be the company itself. However, there is no reason why one person (a shareholder or former shareholder) should not contract with another (shareholder or director) not to (purport to) exercise any such rights. For example, an outgoing shareholder might well covenant not to compete with the company for a period of time.
16. The words 'Event Booth Hire' are a prominent part of the name 'Novel & Co. (UK) Ltd t/a Event Booth Hire'. The words 'Event Booth Hire' are ordinary dictionary words. As indicated, they are descriptive to a significant degree. However, the Complainant is not required to demonstrate that those words when used together in this combination have acquired a secondary meaning denoting

the goods or services of the Complainant and none other. Although ordinary dictionary words on their own, the words 'Event Booth Hire' are not words combined together in any dictionary phrase and have been combined in a manner to describe the service provided by NUK. Furthermore, as the right relied on is contractual, the problems arising from descriptiveness in the context of intellectual property rights do not arise.

17. The Complainant is NUK, not Mr Patino. There are cases under the DRS where the rights are owned by a company or other entity that is not the complainant, typically where there is a group of companies. In such situations, a licence is readily inferred in favour of the group member that makes the Complaint. It may also be that the Rights relied upon are owned or shared by one entity but used by a group or associate company whose business is said to have been disrupted or confusingly connected with the Respondent: see Experts' Overview, paragraph 1.1. In the present case, the rights conferred by the Respondent on Mr Patino are also rights that plainly benefit the company i.e. NUK, as well as Mr Patino. It is NUK whose business is alleged to have been confusingly connected with the Respondent and in view of the contents of the Complaint which was authored by Mr Patino, the company has been authorised by him to enforce those rights on his behalf to seek transfer of the Domain Name to NUK.
18. An alternative analysis that fits the facts is that the contractual obligation (see paragraph 15 above) is enforceable by NUK by reason of section 1, Contracts (Rights of Third Parties) Act 1999 as a term which confers a benefit on the company, there being no indication (so as to disapply the effect of the statute) that the parties did not intend the term to be enforceable by the company.
19. Therefore, in all the circumstances, I find that the Complainant has Rights in respect of a name or mark, namely 'Novel & Co. (UK) Ltd t/a Event Booth Hire', which is similar to the Domain Name. Accordingly, the Complainant has established Rights.

Abusive Registration

20. By paragraph 1 of the Policy, -

*‘an **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 is being or has been used in a manner which has taken unfair advantage of or has been unfairly detrimental to the Complainant's Rights.’*

By paragraph 5 of the Policy, -

‘5. Evidence of Abusive Registration

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

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

5.1.1.1 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;

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

5.1.1.3 for the purpose of unfairly disrupting the business of the Complainant;

5.1.2 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;

5.1.3;

5.1.4

5.1.5 The Domain Name was registered as a result of a relationship between the Complainant and the Respondent, and the Complainant:

5.1.5.1 has been using the Domain Name registration exclusively; and

5.1.5.2 paid for the registration and/or renewal of the Domain Name registration;

5.1.6 The Domain Name is an exact match (within the limitations of the character set permissible in domain names) for the name or mark in which the Complainant has Rights, the Complainant's mark has a reputation and the Respondent has no reasonable justification for having registered the Domain Name;

.....'

Paragraph 8 of the Policy provides as follows, -

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

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

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

8.1.1.1 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;

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

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

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

8.1.3 In relation to paragraph 5.1.5; 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

8.1.4

.....'

21. This is not a case where the facts set out in paragraph 5.1.5 of the Policy have been alleged. The Complainant has not paid for registration and/or renewal of the Domain Name registration.

22. In those circumstances, is the Domain Name an Abusive Registration? The Complainant has traded as Event Booth Hire since on or shortly after 8 May 2015. Two days before its incorporation, the Respondent, who became a director and shareholder of the company, registered the Domain Name which until October 2016 (a period of 16 months) was used by NUK to promote its

online business and activities through a website which it paid for and maintained at its own expense. It is clear from these circumstances that there was no other reason for registration of the Domain Name than its use to promote the commercial activities of NUK, t/a Event Booth Hire.

23. On or about 6 October 2016, the Respondent entered into contractual arrangements for the termination of her commercial relationship with Mr Patino and the company, agreeing to transfer her shares to him and divesting herself of any right to the name NUK t/a Event Booth Hire.
24. The Respondent established a trade rival to NUK on 19 October 2016, PB Studio Events. (PB stands for 'Photo Booth'.) She took steps to secure that the URL address of the Domain Name no longer resolved to the website of NUK but to a new website, namely that of PB Studio Events, a trade rival.
25. The effect of this action is that actual and potential customers attempting to visit the Complainant's website by typing in an address corresponding almost exactly to its trading name (and in the case of existing customers, the exact same address they had been using) are likely to have been confused into believing that the Respondent's company was a trading name, division or branch of NUK. In those circumstances, the Respondent's use of the Domain Name has confused and is likely to continue to confuse people or businesses into believing that the Domain Name is registered to, operated or authorised by, or otherwise connected with the Complainant for the purposes of paragraph 5.1.2 of the Policy.
26. The Respondent asserts that her new use of the Domain Name is not abusive. She bought the Domain Name and claims statutory rights arising from her registration of a company with the corresponding name. However, these and the other matters raised by the Respondent do not show that her use of the Domain Name has not been abusive.
27. First, the circumstances set out in paragraph 8.1 of the Policy do not apply, because the Respondent's actions took place after, indeed well after, she knew of the Complainant's use of the Domain Name, which had been registered at her instigation to promote the trading activities of NUK.

28. By using the Domain Name in the manner and circumstances referred to in paragraphs 24 and 25 above, the Respondent must have been aware and intended that her new business would attract customers searching for the website of the Complainant. In the circumstances of this case, there is nothing fair about her conduct for the purposes of paragraph 8.1.2 of the Policy. Having fore sworn any right to the name Novel & Co (UK) Ltd t/a Event Booth Hire in the contract she made with Mr Patino, the Respondent has acted in breach of that obligation by using the Domain Name, which for practical purposes is identical to NUK's trading name, to promote her rival business by siphoning off actual or potential customers of NUK, misleading them into believing they were dealing with NUK, when that was not so. Further, on the evidence, the incorporation of two companies has been unexplained by the Respondent and the incorporation of EHBL appears to have had no commercial purpose other than to cause difficulties for the Complainant. It does nothing to assist her case under the DRS.
29. In view of the matters set out above, I also find that, in addition to my findings in respect of paragraph 5.1.2 of the Policy (see paragraph 25 above), the Domain Name was registered primarily for the purpose of unfairly disrupting the business of the Complainant for the purposes of paragraph 5.1.1.3 of the Policy.
30. In view of the facts as I have found them to be, registration of the Domain Name took unfair advantage of and was unfairly detrimental to, the Complainants' Rights. Further and in the circumstances, the Domain Name is being used and has been used in a manner which has taken unfair advantage of and has been unfairly detrimental to those Rights. Therefore, the Domain Name is an Abusive Registration.

Decision

31. The Complainant has Rights in a name or mark, which is similar to the Domain Name, and the Domain Name in the hands of the Respondent is an Abusive Registration. The Expert therefore determines that the Domain Name eventboothhire.co.uk be transferred to the Complainant.

Signed

Dated 09. 01.17

STEPHEN BATE