

DISPUTE RESOLUTION SERVICE**D00021196****Decision of Independent Expert**

UNILAD Group Limited

and

Sam Bentley

1. The Parties

Complainant: UNILAD Group Limited
20 Dale Street
Manchester M1 1EZ
United Kingdom

Respondent: Sam Bentley
51 The Grove
Sutton Coldfield B74 3UD
United Kingdom

2. The Domain Names

<uniladmag.co.uk> and <unilad.co.uk> (the "Domain Names")

3. Procedural History

The Complaint was filed with Nominet on 7 March 2019. Nominet validated the Complaint on 8 March 2019 and notified the Respondent of the Complaint by post and by email the same day, stating that the due date for submission of a Response was 29 March 2019.

The Response was filed on 27 March 2019 and Nominet notified the Response to the Parties on 28 March 2019. Nominet notified the Complainant that a Reply had to be received on or before 4 April 2019. The Respondent's Reply was received on 4 April 2019 and the mediator was appointed on the same day.

The Informal Mediation procedure started on 10 April 2019 and failed to produce an acceptable solution for the Parties and so on 17 April 2019 Nominet informed the Complainant that it had until 3 June 2019 to pay the fee for the decision of an Expert pursuant to paragraph 7 of the Nominet Dispute Resolution Service Policy ("the Policy"). On 22 May 2019, the Complainant paid Nominet the required fee.

On 3 June 2019 the undersigned, Jane Seager ("the Expert"), confirmed to Nominet that she was independent of each of the parties and that, to the best of her knowledge and belief, there were no facts or circumstances, past or present (or that could arise in the foreseeable future) that needed to be disclosed which might be of such a nature as to call in to question her independence in the eyes of one or both of the Parties.

4. Factual Background

The Complainant is a limited company incorporated on 12 September 2018. The Complainant is a subsidiary of the company the LADBIBLE Group Limited. The LADBIBLE Group Limited was founded in 2012, and operates a website at "www.ladbible.com" as well as social media pages publishing shareable video and image content, aimed at a youth audience.

This dispute has its foundation in a chain of events that date back to 2010. While some of the details of the events occurring between 2010 and the present are disputed by the Parties, based on the available record the Expert has been able to discern the following chronology of events:

- In 2010, the "UNILAD" name was coined by a Mr. Alex Partridge.
- From 2011 to early 2013, Mr. Partridge operated a Facebook page under the "UNILAD" name whose "comedic" content primarily targeted male university students aged 18-24. The Facebook page was used to drive Internet users to Mr. Partridge's website at "www.unilad.com".
- By early 2013, the UNILAD Facebook page had already gained a substantial amount of notoriety, including some 500,000 likes. At that time the UNILAD Facebook page had become monetised on the basis of paid advertising attached to the Facebook page, as well as to related websites.
- On 14 May 2013, the Respondent together with Mr. Liam Harrington incorporated the company Bentley Harrington Limited.
- On 27 May 2013, Mr. Partridge entered into a partnership agreement with the Respondent together with Mr. Harrington in relation to the "*development and execution of the UniLAD Facebook page, Unilad.com and anything associated with the Unilad brand.*" The partnership agreement stated that "*[e]ach partner shall have equal rights to manage and control the partnership and its business. Should there be differences between the partners concerning ordinary business matters, a decision shall be made by unanimous vote. It is understood that the*

partners may elect one of the partners to conduct the day-to-day business of the partnership."

- On 6 September 2013, the Respondent and Mr. Harrington excluded Mr. Partridge from administrative access to the UNILAD Facebook page and sent two messages to Mr. Partridge informing him that he was excluded from further participation in running the business, but that he would retain his one-third share in the income and assets provided there was no "further action" on his behalf.
- On 28 October 2013, Mr. Partridge changed the log in details to the website at "www.unilad.com", preventing the Respondent from accessing it (although it had been dormant since June 2013). The Respondent, together with Mr. Harrington subsequently created a new website at "www.uniladmag.com", to which they drove traffic via the UNILAD Facebook page.
- Around the same time, the Respondent, together with Mr. Harrington, launched a new brand called "Fullist", and used the UNILAD Facebook page to drive traffic to their new website.
- In December 2013 and later in February 2015, Bentley Harrington Limited applied for "UNILAD" to be registered as a trade mark in the United Kingdom.
- On 1 November 2013, the Respondent registered the Domain Name <uniladmag.co.uk>.
- On 8 July 2014, Mr. Partridge was informed by Mr. Harrington that the partnership had been "null and void" since September 2013.
- On 22 January 2015, the Domain Name <unilad.co.uk> was registered by the Respondent.
- Mr. Partridge subsequently brought legal action against the Respondent, Mr. Harrington and Bentley Harrington Limited seeking an order for the dissolution of the partnership, winding up and a partnership account on the basis that the business of the partnership had in fact continued, including an account of unauthorized transactions, relating specifically to Fullist.
- The defendants (the Respondent, Mr. Harrington and Bentley Harrington Limited) argued that Mr. Partridge had abandoned or repudiated the partnership by working for a competitor ("HelloU"), then later argued that they had been entitled to exclude Mr. Partridge from the partnership in 2013 on the basis that Mr. Partridge had been in breach of duty from April 2013 onwards. It was further alternatively argued that for various reasons, the partnership had been terminated or dissolved at various points between October 2013 and July 2014.
- On 26 May 2017, the above dispute was decided in a 60-page judgment by the Central London County Court in *Partridge v Harrington and others*. The partnership was ordered to be dissolved at the date of judgment and, as part of the settlement, it was agreed that Mr. Partridge would receive £5 million. Bentley Harrington Limited did not pay the first instalment of £500,000, and subsequently went into administration on 4 October 2018.

- On 16 October 2018, the Complainant acquired the business of Bentley Harrington Limited from the Joint Administrators, and the parties entered into an Assignment of IPR and Goodwill (the "Assignment Agreement").
- The Respondent subsequently refused to transfer the Domain Names to the Complainant.
- At the time of this decision both Domain Names resolve to the Complainant's website at "www.unilad.co.uk".

5. Parties' Contentions

Complaint

The Complainant's Rights

The Complainant asserts rights in the UNILAD trade mark by virtue of its ownership of the following trade mark registrations:

- United Kingdom Trade Mark Registration No. UK00003028862, UNILAD, registered on 28 February 2014 by Bentley Harrington Limited, assigned to the Complainant with an effective date of assignment of 16 October 2018.
- United Kingdom Trade Mark Registration No. UK00003093402, UNILAD, registered on 8 May 2015 by Bentley Harrington Limited, assigned to the Complainant with an effective date of assignment of 16 October 2018.

The Complainant submits that both Domain Names prominently feature the UNILAD trade mark for which the Complainant owns trade mark rights.

In the case of the Domain Name <unilad.co.uk>, the Complainant submits that the Domain Name is identical to the UNILAD trade mark. With regard to the Domain Name <uniladmag.co.uk>, the Complainant asserts that the addition of the descriptive term "mag", referring to a magazine or periodical, does not distinguish the Domain Name from the Complainant's trade mark and is therefore similar to the Complainant's mark.

Abusive Registration

The Complainant asserts that the Domain Names, in the hands of the Respondent, are Abusive Registrations. The Complainant argues that the Domain Names were registered for the exclusive use of the UNILAD business and that they have been used exclusively in connection with the UNILAD business at all material times. The Complainant observes that at the time of registration of the Domain Names, the Respondent was a director of Bentley Harrington, acting in his role as a director, with all the obligations to act in good faith in the best interests of the company.

The Complainant notes that the Domain Names are identical and/or similar to the UNILAD trade marks, and claims that any Internet user seeing the Domain Names would assume that they are registered to and operated by the Complainant, or otherwise

connected to the UNILAD business. The Complainant further asserts that any use of the Domain Names by an entity other than the Complainant would take unfair advantage of the Complainant's rights, and would deprive the Complainant of control over a central asset of the UNILAD business. The Complainant also claims that any use of the Domain Names by the Respondent and/or a third party would represent an infringement of the Complainant's rights and would constitute passing off.

The Complainant cites paragraph 5.1.5 of the Policy, asserting that the Respondent, as a former director and employee of Bentley Harrington Limited, registered the Domain Names as a result of his relationship with Bentley Harrington Limited. The Complainant states that by way of assignment and the acquisition of the UNILAD business, the Complainant has stepped into the position of Bentley Harrington Limited in terms of its relationships with the Respondent and the Domain Names. The Complainant submits that the Domain Names have been used exclusively in connection with the UNILAD business, and that the registration fees for the Domain Names were claimed by the Respondent and reimbursed by Bentley Harrington Limited.

The Complainant also cites paragraph 5.1.6 of the Policy, asserting that the Domain Names are exact matches with the UNILAD trade mark, in which the Complainant has rights, and in which it has established substantial goodwill. The Complainant submits that the Respondent has no reasonable justification for registering the Domain Names in his own name, beyond the fact that he was acting on behalf of Bentley Harrington Limited, pursuant to his duties as a director of the company.

The Complainant argues that the Respondent is unable to rely on any of the circumstances set out in paragraph 8.1 of the Policy in support of a finding that the Domain Names are not Abusive Registrations. Specifically, the Complainant asserts that the Respondent has not used or made demonstrable preparations to use the Domain Names in connection with a genuine offering of goods or services; the Respondent has not made legitimate non-commercial or fair use of the Domain Names; and the Domain Names are not generic in that no other business trades under the name "UNILAD" and the UNILAD brand name is exclusively associated with the UNILAD business. The Complainant states that any prior fair use of the Domain Names was made by Bentley Harrington Limited, in whose position the Complainant now stands.

Response

The Respondent states that the Complainant, having acquired the business of Bentley Harrington Limited on 16 October 2018 from the Joint Administrators of the company has incomplete knowledge of the ownership of the Domain Names other than details that have been extracted from third-party sources, limited details of which are provided in the Complaint.

The Respondent asserts that the Domain Name <uniladmag.co.uk> was registered on 1 November 2013, after the Complainant asserts that partnership assets were sold to Bentley Harrington Limited, therefore that Domain Name cannot be considered a partnership asset that was transferred to Bentley Harrington Limited.

The Respondent takes the position that the Domain Names are owned personally by the Respondent, and that the Domain Names were licensed to Bentley Harrington Limited

under a non-exclusive revocable licence. The Respondent states that the Complainant has not provided any evidence from any employee, shareholder or director of Bentley Harrington Limited to the contrary.

The Respondent states that he registered and owned the Domain Names as agreed with Mr. Harrington. The Respondent asserts that, on occasions, he did not claim the costs of renewal of the Domain Names from Bentley Harrington Limited, noting that as the owner of half of the company, the Respondent would in effect be charging himself.

The Respondent submits that the Joint Administrators did not sell the Domain Names to the Complainant with full title guarantee, as set out in the Assignment Agreement. The Respondent asserts that he did not engage in discussions with the Complainant regarding the ownership of the Domain Names, contrary to the Complainant's assertions.

The Respondent argues that how the Domain Names would be used and how they would be licensed to different entities for different projects and purposes is not known by the Complainant. The Respondent states that the present Complaint is the result of the Complainant's failure to undertake proper due diligence as to the ownership of the assets of Bentley Harrington Limited.

The Respondent asserts that the Complainant's statement that it has stepped into the position of Bentley Harrington Limited as regards its capacity to use the Domain Names is misleading and incorrect, as subsequent to the acquisition of the business, the Complainant suspended the Respondent and has since maintained that the Respondent is not an employee.

The Respondent asserts that Mr. Harrington was, prior to the administration of Bentley Harrington Limited, aware that the Respondent was the registrant of the Domain Names, and denies being in breach of any fiduciary duties owed to the company.

In relation to the factors relied on under paragraph 8.1 of the Policy, the Respondent asserts that up until 16 October 2018, there was a licence in place for Bentley Harrington Limited to use the Domain Names, however, since that date the Respondent has been in an employment dispute with the Complainant. As such, the Respondent has had only a limited period of time to make use of the Domain Names in such a manner as provided for under paragraph 8.1 of the Policy.

Finally, the Respondent asserts that the UNILAD trade marks and brand name are registered in relation to a limited class of goods and services, and that it is incorrect that the registration of those trade marks prevents the use of the UNILAD brand name in connection with all services that could be offered under such a brand name.

Reply

In its reply, the Complainant rebuts the matters raised in the Response, asserting that the Response *"amounts to little more than a number of vague and unsubstantiated assertions, which on a proper analysis are without merit. It is notable that no evidence or contemporaneous correspondence is produced in support of those assertions."*

The Complainant attacks the credibility of the Respondent, citing his Honour Judge Gerald's comments in *Partridge v Harrington and others*, who had been highly critical in this regard.

The Complainant denies the existence of a licence for the use of the Domain Names to Bentley Harrington Limited, noting that any such licence was never reduced to writing, and that if it were to exist, it would have the effect of the Respondent taking control over one of the main revenue-generating assets of the UNILAD business. The Complainant states that such circumstances lack commercial credibility insofar as Mr. Harrington would not have agreed to such an arrangement. The Complainant also notes that it was never articulated as to when the so-called licence was amended to include the domain name <unilad.co.uk>.

The Complainant asserts that the Respondent's references to the terms of the assignment not accounting for full title as to the Domain Names are not relevant, and simply reflect the standard terms given in any acquisition where the assets are being sold by an administrator. The Complainant notes that a hearing was held on 28 September 2018 in which representations were made by the management of Bentley Harrington Limited, in respect of discussions with third-party investors to introduce a substantial investment. At no point did the representatives for Bentley Harrington Limited indicate to the court that the Domain Names were licensed from the Respondent.

The Complainant further notes that the Respondent provides no details of the so-called licence, other than that it was non-exclusive and revocable.

With regard to the payment of the renewal fees for the Domain Names, the Complainant provides evidence of there being a direct debit established for the payment of such fees from an account controlled by Bentley Harrington Limited.

The Complainant submits that the Respondent's suggestion that the Domain Names would be licensed to unconnected third parties lacks credibility. In reality, the Complainant asserts that the Domain Name <unilad.co.uk> has been used exclusively by the UNILAD business and corresponds to the website to which users of the UNILAD Facebook page are directed when they click on content.

The Complainant asserts that for all material times between 2013 and 2015, *i.e.*, when the Domain Names were registered, the Respondent was a director of Bentley Harrington Limited, and that the Domain Names were registered for the benefit of Bentley Harrington Limited. The Complainant submits that it has acquired the goodwill accrued by the UNILAD brand name. Notwithstanding the employment dispute between the Parties (which the Complainant says is not relevant to these proceedings), the Complainant asserts that it is unjustifiable for the Respondent to continue to deny the Complainant control of the Domain Names, which were registered by the Respondent in his capacity as a director of Bentley Harrington Limited. The Complainant reiterates its position that it has stepped into the position of Bentley Harrington Limited, and that it meets the criteria of paragraph 5.1.5 of the Policy.

The Complainant argues that the UNILAD trade mark is highly distinctive and has been registered for use in connection with a wide range of goods or services. The Complainant notes that the Respondent has provided no details of any potential future

use of the Domain Names, and submits that it would be difficult to foresee any potential use of the Domain Names by the Respondent that would not have the effect of creating confusion amongst consumers. The Complainant submits that in any event, such vague assertions on the part of the Respondent regarding any such future use of the Domain Names are insufficient to bring the Respondent within the terms of paragraph 8.1.1.1 of the Policy. Further, the Complainant submits that the Respondent's intentions with regard to such proposed future use if the Respondent retains the Domain Names constitute a threat to use them in a way which is likely to confuse people into believing that the Domain Names are registered to, operated or authorised by, or otherwise connected with the Complainant. Accordingly, the Complainant also relies on paragraph 5.1.2 of the Policy.

6. Discussions and Findings

Under paragraph 2.1 of the Policy, for the Expert to order transfer of the Domain Names, the Complainant is required to demonstrate, on the balance of probabilities, both of the following elements:

"2.1.1 The Complainant has Rights in respect of a name or mark which is identical or similar to the Domain Name; and

2.1.2 The Domain Name, in the hands of the Respondent, is an Abusive Registration."

The Complainant's Rights

The Policy defines Rights as *"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 Expert is satisfied, based on the evidence presented, that the Complainant has established Rights in the trade mark UNILAD, notably by virtue of its ownership of United Kingdom Trade Mark Registration Nos. UK00003028862 and UK00003093402, the details of which are set out under the Complainant's Rights section above. The Expert notes that these trade mark registrations were duly assigned to the Complainant pursuant to the terms of the Assignment Agreement.

The Policy stipulates that the name or mark in which the Complainant has Rights must be identical or similar to the Domain Name. It is accepted practice under the Policy that the .CO.UK suffix may be disregarded. The Expert finds the Domain Name <unilad.co.uk> to be identical to the Complainant's UNILAD trade mark. The Expert further finds that the addition of the descriptive term "mag" as a suffix to the Complainant's UNILAD trade mark in the Domain Name <uniladmag.co.uk> does not prevent similarity between the two.

Accordingly, the Expert finds that the Complainant has satisfied the requirements of paragraph 2.1.1 of the Policy.

Abusive Registration

The Expert wishes to note here that the Policy aims to provide a time- and cost-effective means of solving domain name disputes in the .UK domain name space. A number of issues are raised in this case that arguably fall outside of the scope of the Policy, including but not limited to what appears to be an ongoing employment dispute between the Parties. Notwithstanding the fact that this case also involves substantive matters of English law, particularly in relation to the law of partnerships, on which his Honour Judge Gerald has already pronounced in *Partridge v Harrington and others*, the Expert considers that it is appropriate to determine the question of whether the Domain Names in the hands of the Respondent are Abusive Registrations, such finding being without prejudice to the outcome of any ancillary legal proceedings that may be ongoing between the Parties.

"Abusive Registration" is defined in paragraph 1 of the Policy to mean a domain name which:

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

The Complainant and the Respondent have put forward two opposing views on the circumstances in which the Domain Names were registered.

In the simplest terms, much of the Complainant's case is advanced on the notion that the Respondent registered the Domain Names as a director of Bentley Harrington Limited in his capacity as a director of that company. In this regard, the Complainant asserts that "*in around September 2013, the assets and business of the partnership were transferred to Bentley Harrington Limited including the goodwill in the UNILAD name and the UNILAD Facebook page*". The Complainant goes on to claim that it has in effect stepped into the shoes of Bentley Harrington Limited as a result of its continuation of the UNILAD business and pursuant to the Assignment Agreement. On the other hand, the Respondent claims that he has always held the Domain Names *in personam*, and that the Domain Names were used in connection with the UNILAD business under a non-exclusive, revocable licence.

In the Expert's view, the positions of both Parties are misguided. The Expert considers it appropriate to follow the findings of his Honour Judge Gerald, who states at paragraph 226 of his judgment:

"[...] the engine and key asset of the partnership [i.e., the Facebook page] remained in the control of the Defendants [i.e., Mr. Harrington, Mr. Bentley and Bentley Harrington Limited] qua partners as originally appointed, and have not been transferred to or vested in the Third Defendant [Bentley Harrington Limited]. Nothing turns on this as it is plain that the Defendants simply carried on the business through the medium of the Third Defendant, and the new websites and trademark were partnership assets, but it serves to

underscore that there was a seamless continuum, and that the Defendants qua partners remain in the same position as they were on exclusion on 6 September 2013."

His Honour goes on to state at paragraph 235:

"It is therefore clear that by early September 2013 the transfer of the partnership business – in whole or in part – to the Third Defendant was underway and was then continued as a vehicle by which the Defendants would carry on the partnership business. Whether the Third Defendant is to be treated as an asset of the partnership or the medium by which the partnership business was to be carried out matters not. [...] they did not care in whose name the business was carried on. But it was the same business."

A similar statement is also made at paragraph 310 of the judgment:

"[...] the account should be in respect of the partnership which shall be on the footing that the Third Defendant is an asset of the partnership alternatively that the business has been carried on wholly or partly through the medium of the Third Defendant [...]"

In light of the above, the Expert finds that the Domain Names were in fact registered by the Respondent as partnership assets. The Expert does not find the Respondent's assertions that the Domain Names were registered *in personam*, and subsequently used subject to a licence in connection with the UNILAD business particularly credible. First, as the Complainant points out, no documentary evidence has been provided of there being such a licence. The terms of the alleged licence are entirely unstated, other than that the licence was non-exclusive and revocable. Secondly, there is no credible evidence in the record that suggests that the Domain Names were registered for any other purpose other than in connection with the UNILAD business. Thirdly, the findings of fact in the above-cited judgment make no reference to there being any such licence. Against the detail into which his Honour Judge Gerald goes regarding the factual nexus of the case before him, if there were such a licence in place, this would simply be too big a detail to be overlooked for it not to be referenced in the judgment.

Prior experts have determined that domain names registered in the name of an individual on behalf of a partnership remain assets of the partnership. See for example DRS 0018941 (<indigospring.co.uk>). In this case, the Expert has not been presented with clear evidence of what happened to the partnership assets upon dissolution of the partnership by the court. Critically, the settlement agreement between Mr. Partridge and the defendants to the court action has not been included in evidence. However, the Expert is able to infer from the Joint Administrator's report together with the Assignment Agreement that the partnership assets were subsequently vested in Bentley Harrington Limited. It follows that the Domain Names formed part of the intellectual property rights that were assigned to the Complainant pursuant to the Assignment Agreement. As noted therein:

"'Assigned Rights' means all the Intellectual Property Rights owned by the Assignor including but not limited to the Trade Marks, Social Media Accounts, Domain Names and the Goodwill;"

The Assignment Agreement also explicitly references the Domain Name <unilad.co.uk> in Schedule 2. While the Respondent asserts that the Assignment Agreement did not

guarantee full title to the intellectual property listed therein, the Expert notes that no other issues have been raised insofar as the assignment of the intellectual property is concerned, including access to social media accounts and assignment of the UNILAD trade marks. The Expert does not accept the Respondent's assertion that the Complainant failed to undertake sufficient due diligence in relation to the ownership of the Domain Names. The Expert finds that the Complainant entered into the Assignment Agreement on the basis that all of the intellectual property rights essential to the running of the UNILAD business would be transferred to the Complainant, including the Domain Names.

The Expert does not find there to be any credible evidence that the circumstances contemplated by paragraph 8 of the Policy apply, and finds the Respondent's claim that the Domain Names could somehow be used in connection with goods or services under the UNILAD name, unrelated to the Complainant's business, to be rather duplicitous, the question of the Respondent's credibility having been raised by his Honour Judge Gerald, at paragraph 109 of the judgment:

"[...] the Defendants would manufacture allegations, trawling through ancient emails, then generalising from the particular, and grossly exaggerating and distorting the allegations, overlooking certain basic facts [...]"

Then at paragraph 224:

"[...] the Defendants ignored their own contemporaneous documentation, and tried in this court to argue the unarguable, that black was white."

Also the judgment describes the Respondent as *"disingenuous and unconvincing"* at paragraph 228, and *"wily and sophisticated"* at paragraph 261.

The Panel sees no reason to depart from the learned judge's view as stated in paragraph 225 of his judgment:

"What is clear is that the reality was and is, and of this in my judgment there could be no dispute and is what the whole case was about, is that it was the partnership which controlled access to the Facebook page which bore its name, and no-one else could properly have opened a Facebook page by that same name."

It therefore follows that no one else could have legitimately registered an identical or similar domain name. The Domain Names are so inextricably tied to the UNILAD business that, under the surrounding circumstances, the Expert can see no interest in the Respondent retaining their registrations, other than as pretextual means to exert influence over the Complainant.

In the Expert's view, the Respondent has retained ownership of the Domain Names in a way that constitutes a threat hanging over the Complainant. The use for which the Domain Names were registered and their current redirection to the Complainant's website has had the effect of creating a strong impression of association with the UNILAD business. As such, Internet users are more than likely to assume that the Domain Names are registered to the Complainant. In the circumstances, the Expert finds that the Domain Names, in the hands of the Respondent, are Abusive Registrations

within the meaning of paragraph 5.1.2 of the Policy. Noting this finding, the Expert does not consider it necessary to go on to determine the arguments put forward by the Complainant under paragraphs 5.1.5 and 5.1.6 of the Policy.

7. Decision

The Complainant has Rights in a name or mark which is identical or similar to the Domain Names, and the Domain Names, in the hands of the Respondent, are Abusive Registrations. The Domain Names should therefore be transferred to the Complainant.

Jane Seager
27 June 2019