

DISPUTE RESOLUTION SERVICE

D00021899

Decision of Independent Expert

Local Knowledge Limited

and

Ian Ashworth

1. The Parties:

Lead Complainant: Local Knowledge Limited
31 Regent Street
Queenstown
New Zealand

Respondent: Ian Ashworth
52 CHERRINGTON DRIVE
ROCHDALE
OL11 2XS
United Kingdom

2. The Domain Name(s):

localknowledge.co.uk
localknowledge.uk

3. Procedural History:

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 they might be of such a nature as to call into question my independence in the eyes of one or both of the parties.

03 October 2019 06:22 Dispute received
03 October 2019 12:54 Complaint validated
03 October 2019 14:28 Notification of complaint sent to parties
22 October 2019 02:30 Response reminder sent
22 October 2019 15:55 Response received
22 October 2019 15:55 Notification of response sent to parties
25 October 2019 02:30 Reply reminder sent
29 October 2019 11:51 Reply received
29 October 2019 11:54 Notification of reply sent to parties
30 October 2019 11:31 Mediator appointed
30 October 2019 15:30 Mediation started
08 November 2019 11:49 Mediation failed
08 November 2019 11:49 Close of mediation documents sent
11 November 2019 09:48 Expert decision payment received

4. Factual Background

Complainant claims to be an outdoor clothing and adventure company based in Queenstown, New Zealand. Complainant incorporated on 21 July 2017, and is the

proprietor of multiple registered trademarks and domain names that include the term “Local Knowledge”.

The registered trade marks include:

- International trade mark 1448568 designating the European Union, United Kingdom, Australia, Vietnam and the United States registered on 2 August 2018, covering classes 9, 12, 18, 20, 21, 22, 24, 25, 28, 35, 39, 41 and 43.
- New Zealand trade mark 1087120 registered on 19 February 2018, covering classes 9, 12, 18, 20, 21, 22, 24, 25, 28, 35, 39, 41 and 43.

Respondent acquired the domain name localknowledge.co.uk from a drop catch service on 25 November 2013. The domain name localknowledge.uk was registered on 28 October 2017 after exercising the reserved rights to ‘.uk’ domain names that were accorded to registrants of corresponding .co.uk names.

Complainant contacted the Respondent on 16 November 2017, through a domain broker. One of the Annexes to the Complaint shows correspondence between the Complainant and its appointed broker, in which they sought to negotiate the purchase of the domain name with the Respondent.

The domain name localknowledge.uk redirects to the website www.jorvik.co.uk, a site owned and operated by the Respondent to provide local information about the city of York.

The domain name localknowledge.co.uk resolves to a webpage displaying the Domain Names for sale.

5. Parties’ Contentions

The Complainant

The Complainant asserts that he has used the 'Local Knowledge' brand on an unregistered basis since January 2012. He explains that during this time, living in the United Kingdom and working as a TV producer, he pitched 'Local Knowledge' as an independently produced travel programme to the BBC.

Complainant provides as evidence a logo dated 18 January 2012, displaying the words "LOCAL KNOWLEDGE".

Upon leaving the television industry, the Complainant asserts that he continued to develop the 'Local Knowledge' brand, later incorporating the company Local Knowledge Limited on 21 July 2017, and registering domain names and trademarks across multiple jurisdictions that incorporate the term 'Local Knowledge.' Examples of domain registrations include: loalknowledge.fr, loalknowledge.de, loalknowledge.it and loalknowledge.es. These domain names, and others, redirect to Complainant's website at ww.loalknowledge.com which resolves to a single placeholder displaying Complainant's logo.

Complainant contends that following an independent valuation of the Disputed Domain Names, they contacted the Respondent through a broker and made a goodwill gesture of £300 to acquire both Domain Names.

Complainant asserts that the Respondent turned down this offer and demanded £2,500 for both Domain Names. This interaction, the Complainant asserts, demonstrates the Respondent's intention to sell both Domain Names to the Complainant, or its competitor, for a grossly inflated price.

Complainant holds that the Respondent's registration and attempt to sell the Domain Names for profit amount to abusive registration.

Complainant also makes the following assertions which are summarised as follows:

1. Respondent's decision to openly sell the Domain Names demonstrates a lack of legitimate interest.
2. Respondent's decision to renew the Domain Names with the intention of selling them for profit is clearly malicious.
3. Respondent's renewal of the Domain Names undermines the Complainant's intellectual property, creating confusion and disruption of its brand.

The Respondent

Respondent concedes that he does not know the exact dates of the events that led up to the dispute but provides the following version of events:

Respondent acquired the domain name loalknowledge.co.uk from a drop catch service on 25 November 2013.

Several years after acquiring the domain name, he was contacted by a domain broker which later turned out to be working on behalf of the Complainant.

He explains that after receiving offers of \$50 and \$75 from the broker, he decided to contact the owner of loalknowledge.com, (who was, it seems, one and the same as the Complainant) to see if they would be interested in the Domain Names.

He states that no price was agreed and that around this time, he redirected the website to his website www.jorvik.co.uk, a local information site about the city of York.

The Respondent later explains that during this time, the Complainant accused him of 'domain squatting.'

Respondent also makes the following assertions which are summarised as follows:

1. The domain name is not an abusive registration as the Complainant was formed three and a half years after the registration of loalknowledge.co.uk.
2. The domain name hasn't been used in an abusive way.
3. The phrase "local knowledge" is generic.
4. Respondent exercised his right to register the domain name loalknowledge.uk on 28 October 2017.

Reply

In its reply, the Complainant fails to address the issues raised in the Response. The Complainant's reply consists of insults and threats directed toward the Respondent.

6. Discussions and Findings

To succeed under the Policy, the complaining party must satisfy two elements on the balance of probabilities:

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

Complainant's Rights

The definition of Rights is found in paragraph 1 of the Policy and means rights enforceable by the Complainant, whether under English law or otherwise. The definition is further extended to include rights in descriptive terms that have acquired a secondary meaning.

The Complainant relies on its registered trade marks, which generally satisfies the requirement of rights enforceable under English law. That said, the Expert believes it worth noting that the Complainant’s trade marks are figurative — that is, the trade mark protects the visual elements of the design as a whole and not of the term “Local Knowledge” alone.

Complainant’s mark consists of the stylised wording “LOCALKNOWLEDGE” and a design of a silhouette of a head containing a circle and arrow, as illustrated below.



This raises the question of whether rights in a figurative mark fall under the definition of Rights in paragraph 1 of the Policy. The issue is addressed at section 1.4 of the DRS Experts’ Overview version 3, which states that *“rights in a logo or device mark may not equate to trade mark rights in respect of any words featured in the logo/device; much will depend upon the nature of the words in question and their prominence.”*

Considering the *nature* of the words, the Respondent argues that the term “local knowledge” is a generic phrase that is regularly used. The Expert understands the phrase “local knowledge” to be a conjunction of two dictionary terms, which could be understood to refer to having an understanding or information about a particular locality through experience or study, either known by one person or by people generally.

In the opinion of the Expert, the phrase “local knowledge” lacks distinctiveness. This finding however does not preclude the Complainant from relying on its

registered trade marks for the purpose of having rights under paragraph 2 of the Policy.

The Expert is inclined to follow the approach adopted by previous decisions under the Policy (*DRS 7388* and *DRS 11555*). These cases appear to encapsulate the principles established in *Phones4u Ltd v. phones4u.co.uk* [2006], EWCA Civ.244 which “*involves an overall (“global”) comparison of the registered mark with the alleged infringement*” when assessing whether to extract the textual elements in a figurative mark.

The term “local knowledge” forms a prominent part of the Complainant’s figurative mark and can clearly be distinguished from the remaining design elements. When comparing the extracted word elements with the alpha-numeric string of the Domain Names, the Expert notes that the Domain Names are identical to the mark. Bearing in mind that the first hurdle (i.e. proving the existence of rights in a relevant name or mark) is designed to be a low threshold test, the Expert does not believe it necessary to consider the Complainant’s claim to unregistered rights at this stage.

Complainant has done enough to show he has standing to bring this complaint.

Abusive Registration

The second element of the Policy requires a complaining party to prove that the domain name, in the hands of the Registrant, is an 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 took unfair advantage of or was unfairly detrimental to the Complainant's Rights.*”

The Policy provides a non-exhaustive list of factors in paragraph 5.1 which may indicate evidence of abusive registration 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; or

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;

The key element required in all the above factors is knowledge. For that reason, it is important to consider what was in the mind of the Respondent when the registration or acquisition of the Domain Names took place.

For ease, I will assess the Domain Names individually.

Localknowledge.co.uk

The Respondent acquired localknowledge.co.uk on 25 November 2013; this clearly pre-dates the Complainant's earliest trade mark by four years. In a case where the domain names predate the existence of a registered trademark, the Complainant has the difficult task of showing that the Respondent registered the domain name with the primary intention of (a) selling, renting or otherwise transferring the Domain Name to the Complainant or a competitor of the

Complainant; or (b) as a blocking registration; or (c) to unfairly disrupt the business of the Complainant. Such a claim would understandably require knowledge of the Complainant and its mark at the time he acquired the domain name.

The Complainant attempts to answer this question by alluding to its unregistered rights acquired through use. He claims that he has used the 'Local Knowledge brand' on an unregistered basis since January 2012.

To support its claim, the Complainant provides an image of its logo entitled: "*Local Knowledge Logo – BBC Proposal*". The Complainant then states that he "*pitched 'Local Knowledge' as an independently produced travel programme to the BBC*".

Unfortunately for the Complainant, this evidence is insufficient to show that he had unregistered trade mark rights predating the Respondent's domain acquisition in 2013.

The Experts' Overview provides that:

"If the right is an unregistered trade mark right, evidence needs to be put before the Expert to demonstrate the existence of the right. This will ordinarily include evidence to show 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)."

The evidence presented by the Complainant falls well short of what is needed to establish unregistered or common law rights. Even considering the Complainant's evidence of multiple domain registrations it owns incorporating the term 'Local Knowledge', the Expert notes these domain names are either

inactive or resolve to a single placeholder web page which contain no active content. The record is devoid of any evidence signifying extensive use of the term 'Local Knowledge'.

Given the weakness of Complainant's mark, its burden is two-fold. It must also show 'secondary meaning' — that is, it must show that consumers have come to associate the term 'Local Knowledge' with its goods and services. The Expert can only infer from the record that Complainant's "pitch" to the BBC did not result in any broadcast programmes and remained a private matter. Therefore, despite any development the Complainant may have made in relation to its use of the 'Local Knowledge' term back in 2012, it fails to meet the level of public (e.g, consumer, industry or media) recognition needed to prove the use of the term as a trade mark.

One would need very compelling evidence to show that the combination of these two descriptive words ('local' and 'knowledge') had become a common law mark at the time Respondent registered the domain name. Instead, the Complainant relies heavily on its registered trade marks.

While not ignoring the fact that the Complainant has invested significantly in registering its trade mark globally, these trade marks are of little value in claiming a priority right in the domain name loalknowledge.co.uk.

The Respondent claims he bought the domain name loalknowledge.co.uk from a drop catch service in November 2013. He states he had previously developed a local information site about the city of York on the domain name jorvik.co.uk and registered loalknowledge.co.uk "*with the intention of doing something similar*".

On the totality of the evidence, and on balance, the Expert finds no reason to doubt the Respondent's explanation. The Respondent's website at www.jorvik.co.uk does resolve to a website showcasing the sites of York. Without any evidence that the Respondent was aware of the Complainant at the

time of registration, it seems more likely than not that the domain name was registered for its descriptive qualities.

While the Respondent is currently listing the domain name for sale, again, there is no evidence to suggest his primary intention was for the purposes of selling, renting or otherwise transferring it to the Complainant or to a competitor of the Complainant. The Complainant simply fails to show how the Respondent could have anticipated the Complainant's mark, four years in advance, of its earliest trade mark registration, and three years before the company's incorporation in New Zealand.

Does the renewal of the Domain Names amount to abusive registration?

The Complainant argues that the Respondent's decision to breach its trade marks by renewing the Domain Names with the intention of selling them for profit is clearly malicious.

On the subject of renewal, the DRS Expert Overview paragraph 2.1 makes clear the view of renewal amounting to a new registration, stating:

"While arguably it constitutes a re-registration, an innocent registrant could be deprived of his domain name, simply because, by the time that the registration comes up for renewal, he has been given notice of a rights owner's rights, rights which may post-date the original registration. This is not what the Policy was intended to cover."

The Expert is inclined to follow this reasoning. Nowhere in the Policy is there a legal obligation on registrants not to renew domain names due to later claims.

This however is not the end of the issue. The DRS Policy differs from other dispute resolution policies in that the definition of Abusive Registration offers experts a broad discretion when it comes to determining abusiveness. The second prong of the Policy's definition of Abusive Registration concerns the

manner in which the domain name is being used; namely, “has [the domain name] been used in a manner, which took unfair advantage of or was unfairly detrimental to the Complainant’s Rights.”

It is enough for a complainant to show that the ‘abuse’ occurred at any time during the ‘life’ of the domain name. It covers situations in which the registration of the domain was fair but then later used unfairly.

This raises a further question of whether Respondent’s subsequent actions in registering the equivalent ‘.uk’ extension, and offering the Domain Names for sale can amount to Abusive Registration.

The parties dispute the sequence of events. What is clear is that several discussions took place between the parties regarding the acquisition of the Domain Names. It also appears from the record that most, if not all, of these discussions took place through a broker hired by the Complainant.

The Complainant states that after receiving an independent valuation, they made a goodwill offer to the Respondent of 300 GBP to acquire the Domain Names. The Respondent evidently rejected the offer.

The Complainant then states that the Respondent *“demanded 2,500 GBP”*.

The Complainant’s argument that this interaction *“clearly demonstrated that [the Respondent] intended to sell both of the Domain Names for a profit – either to us (for a grossly inflated price) or to one of our competitors”* is not persuasive.

Firstly, the Complainant has provided as evidence correspondence between himself and his broker; not between the broker and the Respondent.

The correspondence is set out as follows:

[Broker to Complainant - 16/11/2017] "Hi Geoff, I've successfully contacted the seller and made offer of 300GBP for both localknowledge.co.uk / .uk. Will let you know if I heard back from him."

[Broker to Complainant - 17/11/2017] "Hi Geoff, The seller replied with counter offer as 2500 GBP and buyer pays for escrow and transfer fee. I haven't made 500 GBP bid, want to come to you first. Let me know how you would like to move forward."

[Broker to Complainant - 21/11/2017] Hi Geoff, I'm still negotiating with the seller and see if he will lower his asking price. At present he still insists on 2500 GBP asking price."

In the Expert's view, the interaction above suggests no more than the broker's intention to negotiate the purchase of the sale in line with the Complainant's budget.

Secondly, contrary to the Complainant's claims that the Respondent "demanded" 2500 GBP, the correspondence suggests the broker understood this to be a "counter offer". Therefore, no adverse inferences can be drawn from the Respondent's refusal to accept Complainant's offers.

Paragraph 3.2 of the DRS Experts' Overview reads:

"Deciding to sell a domain name at a profit is unlikely of itself to constitute an abusive intent, unless this was the registrant's intent at time of registration of the domain name and the circumstances set out in paragraph 5.1.1 of the Policy apply. Trading in Domain Names is of itself unobjectionable (see paragraph 8.4 of the Policy)."

It is not enough for the Complainant to show that Respondent is trying to make a profit from a domain name. To justify a finding of Abusive Registration the

Complainant must, at the very least, show Respondent had the Complainant in mind.

As explained above, the Expert does not accept that the Respondent's intention in 2013 was to sell to the Complainant – this is chronologically impossible.

Neither does the Expert see anything which could be interpreted as abusive after he became aware of the Complainant's rights.

While the Complainant understandably wants ownership of the Domain Names for its own business purposes, this does not translate to an obligation on the Respondent's part to sell it upon the Complainant's request.

Accordingly, the Expert does not believe that the subsequent offer to sell the Domain Names to the Complainant amounts to Abusive Registration.

Localknowledge.uk

Following NOMINET's announcement to expand the UK namespace in November 2013, registrants of '.co.uk' domain names were given a priority right to register the corresponding '.uk'. The Respondent states that he exercised this right by registering localknowledge.uk on 28 October 2017; four months before the Complainant's registered rights and one month before the Complainant made any contact with the Respondent.

Even assuming for the sake of argument that the Expert was to accept Complainant's incorporation in July 2017 as establishing a prior right in the LOCAL KNOWLEDGE mark, he has still provided no evidence that a) the Respondent was, at the very least, aware of the Complainant's existence at the time he registered the Domain Names, and b) that the Respondent did not register the domain name merely for its descriptive qualities.

Whether Respondent's continued ownership of the Domain Names constitutes "*trademark breaches*" as the Complainant alleges, is not for the Expert to address or decide; the Expert is limited to applying the terms of the Policy, not the law.

The Complainant has therefore failed in proving, on balance of probabilities, that the Domain Name is an Abusive Registration in accordance with paragraph 2(a)(ii) of the Policy.

7. Decision

The Expert finds that the Complainant has Rights in a name similar to the Domain Names, but is not satisfied that the Domain Names, in the hands of the Respondent, is an Abusive Registration. No action should be taken in relation to the Domain Names.

Signed – Micah Ogilvie

Dated 2/12/2019