

DISPUTE RESOLUTION SERVICE

DRS 10119

Decision of Independent Expert

Amazing Brands NV

and

GIna Brooke-Wavell

1. The Parties:

Complainant: Amazing Brands NV
Boomgaarddreef 9
Schoten
2900
Belgium

Respondent: GIna Brooke-Wavell
14 Kemprow
High Cross
Aldenham
Hertfordshire
WD25 8BP
United Kingdom

2. The Domain Name(s):

professionails.co.uk
pronails.co.uk

3. Procedural History:

22 July 2011 12:24 Dispute received
22 July 2011 12:27 Complaint validated
26 July 2011 12:50 Notification of complaint sent to parties
12 August 2011 02:30 Response reminder sent
16 August 2011 14:15 Response received
16 August 2011 14:15 Notification of response sent to parties
17 August 2011 13:45 Reply received

17 August 2011 13:45 Notification of reply sent to parties
17 August 2011 13:47 Mediator appointed
14 September 2011 11:50 Mediation started
05 October 2011 15:54 Mediation failed
05 October 2011 15:55 Close of mediation documents sent
17 October 2011 02:30 Complainant full fee reminder sent
19 October 2011 12:03 Expert decision payment received

The undersigned, Peter Davies, was asked to provide a full Expert Decision on 20 October 2011 and agreed to do so, certifying that he was independent of the Parties and knew of no facts which might call his impartiality into question. The Expert's appointment was confirmed on 25 October 2011.

4. Factual Background

The Complainant is a company registered in Belgium which manufactures, sells and distributes nail care and beauty products. The Respondent is the proprietor of a nail care salon, a former distributor of the Complainant's products. The Respondent registered <pronails.co.uk> on 26 April 2001 and <professionails.co.uk> on 15 November 2003. Distribution agreements between the Parties were in place between 2001 and 2008.

5. Parties' Contentions

5.1 Complainant

1. The Complainant owns International trademark registrations for the marks PRONAILS (Registration No. 772781, application filed on and registered effective from 13th November 2001) and PROFESSIONAILS (Registration No. 598235, application filed on and registered effective from 1st February 2003). Both registrations include protection for the marks in the United Kingdom. The Complainant's trademark registration for PRONAILS is based on an original Benelux trademark registration no. 516309, which dates from July 1992. The Complainant has registered the same marks in a significant number of territories under the Madrid Protocol. The Complainant is also the registrant of the domain name <professionails.com>.

2. The Complainant's business is in the field of nail care and nail art for the hands and feet. The Complainant manufactures, sells and distributes nail and beauty products and provides education and training for beauty care, manicure and pedicure services. The Complainant has over 20 years experience in this field and has distributors across Europe, North America, Asia and Africa. The Complainant provides products and training to distributors to extend its market reach beyond Belgium and to enhance its reputation under the trademarks.

3. The Complainant's trade marks are very well-known within its market sector and symbolise the high level of goodwill and reputation attributable to the

Complainant, such that a third party's unauthorised use of the PROFESSIONAILS and PRONAILS names would contravene unfair competition laws.

4. The Respondent is using the professionails.co.uk domain name to invite offers to buy the Domain Name and is using the pronails.co.uk domain name to promote a rival business. The Complainant has tried to resolve this dispute amicably. On 30th September 2009 the Complainant wrote to the Respondent and offered £400 in return for the two Domain Names. The Respondent refused this offer and made a counteroffer to sell the Domain Names for £10,000. The Complainant declined this counteroffer.

5. When entering the Domain Name <pronails.co.uk> into the browser, the message "PRONAILS.CO.UK IS FOR SALE , CLICK HERE FOR ALL ENQUIRIES" is displayed for two seconds. The web address then resolves automatically to www.nailcolondon.com which advertises a nail care business. The Respondent is the registrant of this domain name.

6. The Complainant's registrations of the trademarks PRONAILS and PROFESSIONAILS precede the Respondent's registration of the pronails.co.uk Domain Name in April 2001 and the professionails.co.uk domain in November 2003. The Complainant's extensive use of the PRONAILS and PROFESSIONAILS names in its business activities has generated common law rights sufficient to base an action for unfair competition. The Complainant has thus acquired rights in the PRONAILS and PROFESSIONAILS names.

7. The Domain Names incorporate the Complainant's marks in their entirety. The addition of .co.uk is the only difference between the Domain Names and the Complainant's marks and names. The Domain Names and the Complainant's marks and names are thus identical, pursuant to the Policy.

8. The names PRONAILS and PROFESSIONAILS are properly and uniquely associated with the Complainant in the UK. It seems extremely likely that the nature of the Respondent's business sees her registering domain names to which she has no connection simply for the purposes of generating income. The Respondent has registered the Domain Names in order to prevent the Complainant from reflecting the marks in the corresponding Domain Names.

9. The Respondent is using the Domain Names to advertise them for sale to the highest bidder. The Respondent has refused a purchase offer by the Complainant and it is assumed that an eventual third party purchaser will exploit the Domain Names to the detriment of the Complainant's business. The current (and prospective) use of the Domain Names will disrupt the Complainant's business by diverting business away from the Complainant.

10. The Respondent's use of the Domain Names which are confusingly similar to the Complainant's marks and name, will confuse customers as to the affiliation, sponsorship, or endorsement of the goods advertised on the Respondent's website. The Respondent is aiming to profit from this confusion by receiving a financial benefit for the sale of the Domain Names to the highest bidder. The Complainant has been quoted a figure of £10,000 by the Respondent in return for the transfer of the Domain Names. The Respondent profiting from its use of the

Complainant's marks and names, when one of the Domain Names resolves to a commercial website belonging to the Respondent, is prima facie evidence that the Domain Name registration is abusive.

11. A previous commercial relationship existed between the Respondent and the Complainant. This relationship can be summarised as follows.

a) In 2001, the Respondent signed a distribution agreement to sell products in the UK bearing the PRONAILS and PROFESSIONAILS marks and names. This agreement was between the Complainant's predecessor in business, Hollywood B.V.B.A. and the Respondent's company, Pronails Limited, which was incorporated on 19th April 2001. Pronails Limited was dissolved on 1st December 2009.

b) The Agreement ran until 2005, whereupon a new agreement was signed by the Respondent's company and the Complainant's licensee, Amazing Products NV.

c) In 2007-2008 the commercial relationship between the Respondent and the Complainant's licensee broke down following the breach of the Distributorship Agreement by the Respondent's company.

d) Following the termination of the Distributorship Agreement the Complainant made several attempts to recover the Domain Names. The Complainant wrote to the Respondent on 30th September 2009. The Respondent failed to reply. Following attempts by the Complainant's UK representative to telephone the Respondent, a counteroffer of £5,000 for each Domain Name was given verbally to the Complainant's representative by the Respondent's husband on 25th January 2010. This offer was declined.

12. The Respondent has no commercial relationship with the Complainant; she is neither a licensee nor a distributor of the Complainant's products. The Complainant has not authorised the Respondent to use its trademarks within the Domain Names or otherwise. There is no innocent explanation as to the Respondent's continued use of the Complainant's trademarks and names other than to the detriment of the Complainant. The Complainant cannot think of any reason why the Respondent could claim rights or interest in the Domain Names.

13. The Complainant would be in a position to bring a claim for trade mark infringement under Section 10(3) of the UK Trade Marks Act 1994 and the Court's decision in the case Marks & Spencer Plc (and others) vs. One in a Million. The Respondent is using the Complainant's trademark in the course of its business of registering domain names without authorisation, the use being without cause and taking unfair advantage of, and being detrimental to, the distinctive character and repute of the Complainant's trademark. Moreover, it is highly probable that the Complainant would succeed with a claim for trademark infringement in accordance with Section 10(1) UK Trade Marks Act 1994 in respect of the pronails.co.uk Domain Name given that the Respondent is using the identical name to attract business to its business at nailcolondon.com which offers identical services. The Complainant submits that the fact that it would succeed with an action for trademark infringement is a strong indication that the Domain Names are abusive registrations in the hands of the Respondent.

14. The Domain Name professionails.co.uk is not being used in connection with a genuine offering of goods or services, other than seeking the transfer of the Domain Name for commercial gain by the Respondent

15. The Respondent has made no legitimate non-commercial or fair use of the Domain Names.

5.2 Respondent

The Respondent's Response is set out in full below.

I have owned a salon for the last 6 and a half years. It was previously called Pronails and our customers/people in the local area still refer to it as Pronails (we are considering changing the name back) - this is why pronails.co.uk points to our salon website.

Pronails the brand which is owned by the Complainant is not a salon, it sells products. Complainant doesn't even own pronails.com. As a salon, the pronails.co.uk website is not selling competing products - it doesn't even sell any products.

With regard to professionails.com - you only have to read all of the documents to see that we tried everything possible to resolve our relationship with them amicably.

As I was having a baby, my husband was dealing with things on my behalf.

The Complainant has already offered to purchase the domain name in writing, so I don't really see what the issue is here? People sell domain names all the time.

As I am no longer on maternity leave, the Complainant may contact me direct if they wish to resolve this in an honest and amicable fashion.

5.3 Reply

The Complainant exercised its right to reply to the Response as follows:

The Complainant's business is in relation to beauty products and to the provision of such products, both direct to the public, to beauty salons and to distributors. In addition, the Complainant provides education and training services in the field of beauty. The Complainant's trademark registrations for PRONAILS and PROFESSIONAILS protect the Complainant's commercial field of interest under the respective marks. The scope of the trademark registrations enable the Complainant to legally enforce the registrations against any third party using the identical or similar marks for the same or similar goods and/or services under the provision of the appropriate trade mark laws.

The Respondent has claimed that the website pronails.co.uk website is "not selling competing products" and "doesn't even sell products". Whilst this is true, it is irrelevant. The Complaint, as filed, sets out precisely why the Domain Names are abusive registrations.

As the Respondent has admitted, an amicable solution to this dispute has been previously sought by the Complainant. The demands made by the Respondent were, regrettably, totally disproportionate to the matter in hand and the Complainant now has no alternative but to pursue their case for rightful ownership of the domains by virtue of these proceedings.

6. Discussions and Findings

6.1 General

In order to succeed in these proceedings, paragraph 2.b of the DRS Policy requires the Complainant to prove on the balance of probabilities that both elements of the test set out in paragraph 2.a are present, namely that:

i. the Complainant has Rights in respect of names or marks which are identical or similar to the Domain Name; and

ii. the Domain Name, in the hands of the Respondent, is an Abusive Registration.

6.2 Complainant's Rights

1. The Complainant has submitted evidence of international trademark registrations for the names "Pronails" and "Professionails" and evidence of its business activities in support of its claim of unregistered Rights based upon goodwill attached to its name and reputation. On the basis of this evidence, the Expert concludes that the Complainant has Rights in names which are identical to the substantive portion of the Domain Names, excluding the .co.uk suffixes in accordance with the DRS Policy.

6.3 Abusive Registration

1. Paragraph 1 of the DRS 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;

2. Paragraph 3 of the Policy sets out a non-exhaustive list of factors which may be evidence that a domain name is an Abusive Registration.

The list includes (with the singular "Domain Name" being taken to include the plural for the purpose of this Complaint):

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;

ii. Circumstances indicating that the Respondent is using the Domain Name in a way which has confused people or businesses into believing that the Domain Name is registered to, operated or authorised by, or otherwise connected with the Complainant;

3.i.A, B and C above address the motives of the Respondent at the time the Domain Names were registered. The Respondent registered the company name "Pronails Ltd" on 19 April 2001 and registered the Domain Name pronails.co.uk on 26 April. On 31 May 2001 the Parties entered into a distribution agreement with retrospective effect from the 7th of that month, which identified the Respondent as Pronails Ltd. The Complainant does not say what its view was about entering into a contract with a company bearing the same name as one of its registered marks. Nevertheless, protection for the Complainant's trademarks was included in the agreement. Clause 15.2 stated that the Respondent will not acquire any rights in the trademarks Pronails and Professionails and Clause 15.3 provided that the Respondent must market the Complainant's products using its trademarks strictly in accordance with the Complainant's instructions and not obtain any trademark registrations for the Complainant's marks anywhere in the World. Although the Parties offer nothing which can throw light upon the events leading up to the coming into force of the distribution agreement, The Expert thinks it probable that the Respondent acquired both the company registration for the name "Pronails" and the Domain Name pronails.co.uk as a tactical step in anticipation of the distribution agreement. So far as the Domain Name professionails.co.uk is concerned, the Complainant's trademark registration of the name "professionails" dates from February 2003 and <professionails.co.uk> was registered in November of the same year. As with the other Domain Name, no explanation is forthcoming as to why the Respondent registered it, why the Complainant did not attempt to do so, or why it did not know about the registration in the Respondent's hands.

3. The Expert concludes in respect of both registrations that the Respondent made them for purposes related to its contractual obligations to the Complainant, in full knowledge of the Complainant's Rights and of the limitations that these Rights would place upon any ownership or use of the Domain Names. The timing of the registrations, linked as it appears to be to a contractual relationship between the Parties and their ongoing business dealings, must invite an inference

that the Respondent's actions fall within the contemplation of paragraph 3.i of the Policy.

4. The Complainant states that the Respondent has made no use or preparations for use of the Domain Names in any permissible setting, as foreseen in Paragraph 4 a.i.A of the Policy. This paragraph provides that:

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

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

A. 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;

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

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

The Respondent offers no information or argument which might allow her to take advantage of the above factors. Paragraph 3 b of the Policy makes it clear that, on its own, this is not sufficient to make the Complainant's case.

"Failure on the Respondent's part to use the Domain Name for the purposes of e-mail or a web-site is not in itself evidence that the Domain Name is an Abusive Registration".

However, advertising the Domain Names for sale suggests strongly that the Respondent has no genuine use for them, save to profit from their sale. If they were used during the currency of the distribution agreement for the legitimate purpose of promoting the Complainant's products, no evidence has been submitted to show that this was so. Accordingly, for the reasons given above, the Expert is persuaded on the balance of probabilities, that the Respondent registered the Domain Names in order either to sell them to the Complainant, or to prevent the Complainant from acquiring them. Although no evidence has been presented of actual customer confusion, or of any attempt by the Respondent deceitfully to suggest a connection to the Complainant, offering the Domain Names for sale is clearly detrimental to the Complainant's rights and likely to be disruptive of its business.

7. Decision

The Expert finds that the Complainant has Rights in names similar or identical to the Domain Names and that in the hands of the Respondent the Domain Names are Abusive Registrations as defined by the DRS Policy. The Expert accordingly directs that the Domain Names be transferred to the Complainant.

Signed: Peter Davies

Dated: 15/11/ 2011