

DISPUTE RESOLUTION SERVICE

D00008713

Decision of Independent Expert

WorldSpreads Group Plc

and

Mr Daniel Stubbs

1. The Parties:

Lead Complainant: WorldSpreads Group Plc
Hambleden House
19-26 Lower Pembroke Street
Dublin 2
Ireland

Respondent: Mr Daniel Stubbs
4 Bridge Street
Marston
Grantham
Lincolnshire
NG32 2HL
United Kingdom

2. The Domain Name(s):

worldspreads.co.uk

3. Procedural History:

A copy of the Complaint was lodged with Nominet on 14 June 2010. Nominet validated the Complaint and notified the Respondent. A Response was submitted in time on 5 July 2010. The Complainant then submitted a Reply in time on 13 July 2010. The dispute was not resolved in mediation. The Complainant paid Nominet the appropriate fee for a decision of an expert pursuant to paragraph 7 of the Nominet Dispute Resolution Policy (the Policy).

Sallie Spilsbury, the undersigned expert (the Expert) has confirmed to Nominet that she knew of no reason why she could not properly accept the invitation to act as Expert in this dispute and further confirmed that she knew of no matters which ought to be drawn to the attention of the Parties which might appear to call into question her independence and impartiality.

There are no outstanding procedural issues in this matter.

4. Factual Background

The Complainant

The Complainant is the WorldSpreads Group plc and its group companies. WorldSpreads Group plc was founded in Dublin, Ireland in March 2000. The UK member of the group (WorldSpreads Limited) is an FSA regulated financial services company which operates an Internet based financial services markets trading platform, with a focus on spread trading. For the uninitiated, the Complainant's website explains that spread trading offers an opportunity for an investor to profit from an increase or decrease in share prices as quoted on the World's stock markets.

Since it was founded in 2000 the Complainant has expanded its group of companies internationally into 16 countries and it has offices in Dublin (its Head Office), London, Cape Town and Kuala Lumpur. The Group of companies currently has over 15,000 clients worldwide and employs over 75 people.

A UK subsidiary company was registered on 15 September 2003 with the name Share Spread UK Limited. This name was changed to WorldSpreads Limited on 3 December 2003 and since then the company has been trading under that name in the UK.

The Complainant has owned and operated the domain name worldspreads.com since 15 August 2002 through its Chief Commercial Officer. The Complainant operates its principal website at this domain name and most of its business is done through that website.

The Complainant owns a Community Trade Mark (CTM) in the WORLDSPREADS mark (CTM Number E6239966) registered on 13 June 2008 in classes 36 and 41 (these classes include commodity trading (class 36) and betting services (class 41)). The mark consists of the text WORLDSPREADS (one word) in combination with a small logo preceding the letter "W" (the logo is itself a stylised version of a letter "W"). The trade mark is used by the Complainant within the EU, including in the UK.

The Respondent

The Respondent registered the Domain Name on 3 October 2003. In the Response he explains that it was part of a business strategy to develop a network of affiliate websites for the purposes of affiliate marketing. In 2003 the Respondent decided to capitalise on the commercial potential of online gambling, including spread

betting and registered a batch of 9 domain names, including the Domain Name; all on the same date (3 October 2003). The batch of registrations was made up of the following domain names:

Betthespread.co.uk
Spreadbetportal.co.uk
Spreadbetsuk.co.uk
Spreadmybets.co.uk
Takemybet.co.uk
Whatsthespread.co.uk
Gamblingnet.co.uk
Worldspreads.co.uk

(The Respondent purchased two other betting related domain names shortly afterwards on 30 October 2003).

The Respondent explains that the Domain Name has always had a website hosted on it. This is not disputed by the Complainant. For the **first** 3 years it was set up as a general shopping affiliate link site. Annex 6 to the Complaint includes a snapshot of the website operated at the Domain Name as at 22 August 2007. The website features details of sports and outdoor equipment suppliers.

For the **past** 3 years the website hosted on the Domain Name has taken the form of a more specific spread betting affiliate marketing website. The Respondent states that this change of use occurred shortly after 17 August 2007 (presumably it occurred after 22 August 2007 given the date of the snapshot at Annex 6 to the Complaint). The Respondent describes the current use as a basic website which links to companies via affiliate marketing links that offer financial spread betting services. A snapshot of the website is included at Annex 7 to the Complaint. The website features the following text:

“Welcome to Worldspreads.co.uk. If you are looking for a financial spread betting website, you’ve come to the right place. We have done all our homework looking through many financial spread betting websites to establish the very best companies online. Simply click on one of the company logos to be taken to their homepage.”

The logos of 6 companies are set out below this text. The Complainant is not included.

“©2007 Stubbs Affiliates Ltd” appears at the bottom of the webpage suggesting that the overall format of the pages has not changed since it was initially used. This accords with the Respondent’s submissions.

The Respondent says that he has plans to develop the website into a fully functioning spread betting website, and that this has been his intention from the date that he initially purchased the Domain Name in 2003.

The Respondent owns a UK trade mark registration in the WORLD SPREADS mark registered on 17 August 2007 (filed on 23 January 2007) in respect of goods and services in classes 9, 16, 35, 36 and 41 of the register (including in respect of advertising and promotion services (class 35), financial services (class 36) and

betting services (class 41)). The registration takes the form of a stylised version of the WORLD SPREADS mark. The text consists of 2 separate words “World” and “SPREADS”. The application to register the mark was not formally opposed by the Complainant (although it now refers to its right to dispute the validity of the trade mark registration). The Respondent says that he registered the trade mark to protect his interest in the Domain Name. The trade mark appears on the webpage hosted at the Domain Name in the form of a logo across the top of the webpage. The change of use by the Respondent of the website hosted at the Domain Name to a more spread trading focus occurred after the trade mark registration had been granted (i.e. on a date after 17 August 2007).

The Respondent states that as well as the Domain Name he currently owns a portfolio of approximately 1000 .co.uk domain names, 800 .com names and 20.net domain names. It appears that most of these were registered for affiliate marketing purposes.

Correspondence between the Parties

There is a history of correspondence between the Parties concerning the Domain Name. Copies of the correspondence are annexed to the Complaint and to the Response.

The first batch of correspondence took place in 2005. It was initiated by the Complainant and concluded with an offer by the Respondent to sell the Domain Name to the Complainant for 600 Euros. The Complainant declined to take up this offer because, it explains, at that stage the Domain Name was not being used by the Respondent to host an active website.

On 19 January 2007 the Complainant again contacted the Respondent offering to purchase the Domain Name for £1,000. The Respondent refused this offer suggesting that the Complainant make him a “realistic” offer that he “simply cannot refuse to accept”. The Complainant’s email of 19 January 2007 refers to the Complainant as an international group of companies with a presence in the UK. This second batch of communication coincided with an application on behalf of the Respondent to register the UK trade mark which was made on 23 January 2007 (i.e. the application was made during the course of the correspondence).

After becoming aware of the trade mark registration the Complainant wrote to the Respondent on 13 September 2007 through its trade mark agents. The letter refers to the Complainant’s right to dispute the validity of the trade mark registration on the basis of prior use and bad faith. The letter makes reference to the Complainant’s goodwill at that time generated through trade under the WORLDSREADS mark, including trade in the UK. The Complainant states that it did not have the resources to pursue an application to invalidate the Respondent’s trade mark at that time and decided to monitor the situation to see whether the Respondent was going to use the trade mark and Domain Name in the course of business. On 8 October 2007 the Respondent replied to the 13 September letter through his trade mark agents indicating that he would resist any application to invalidate the trade mark.

The latest round of correspondence took place in 2010. The Complainant made various offers to purchase the Domain Name and trade mark registration from the Respondent ranging from £2000-25,000, all of which were rejected by the Respondent. The Respondent indicated that he would accept a higher sum in the region of £60-65,000. The impasse prompted the Complainant to make this complaint.

5. Parties' Contentions

The Complainant

The Complainant states that it has **Rights** in the WORLDSPREADS mark.

It relies on its CTM in this regard. It also asserts unregistered rights in the goodwill that has been generated in the WORLDSPREADS mark over the last 10 years of trade under the mark in Ireland, the UK and elsewhere. It claims that this is evidenced by the high volume of customers, substantial sales and extensive advertising and promotion of the Complainant's business under the WORLDSPREADS mark.

The Complainant asserts that the Domain Name is an **Abusive Registration** for the following reasons:

It was registered or acquired in a manner which at the time that the registration took place took unfair advantage of or was unfairly detrimental to the Complainant's Rights (paragraph 1(i) of the Policy).

Submissions in Support

The Complainant submits that it is inconceivable that the Respondent would have innocently selected the Domain Name in October 2003 without knowing of the Complainant's Irish business and/or its intention to set up in the UK. The Respondent registered the Domain Name primarily for the purpose of selling, renting or otherwise transferring it to the Complainant or a competitor for a profit (paragraph 3 (a)(i) (A) of the Policy. When approached by the Complainant the Respondent has demanded exorbitant sums of money (for the Domain Name and the trade mark registration) which are disproportionate to what his out-of-profit costs could reasonably be.

The Respondent's intention to obtain an excessive sum is demonstrated by (a) the volume of registrations made by the Respondent and the timing of the registration of the Domain Name, (b) the steps taken by the Respondent to register a UK trade mark to seek to bolster his negotiating stance after he was contacted by the Complainant in January 2007 and (c) the Respondent's references to the value of the Complainant's business (see below in relation to the Respondent's submissions).

Given the timing of the registration it can be inferred that the Respondent registered the Domain Name as a blocking registration (paragraph 3(a)(i)(B) of the Policy). The Respondent has prevented the Complainant from registering and using the Domain Name even though the Complainant is the legitimate owner of the WORLDSPREADS mark.

The Domain Name has been used in a manner which has taken unfair advantage of or been unfairly detrimental to the Complainant's Rights (paragraph 1(ii) of the Policy).

Submissions in Support

The Domain Name currently resolves to a website which provides links to various financial spread betting websites, including the Complainant's main competitors. This is an attempt to divert traffic and disrupt the Complainant's business as well as to pressurise the Complainant into paying an excessive sum to acquire the Domain Name and protect its reputation and business. The commercial impression conveyed to Internet users by the Domain Name is that any services offered by the Respondent under the Domain Name would be affiliated with and or sponsored or endorsed by the Complainant.

The Complainant is regulated by the FSA and has to comply with its regulations (including the regulation of website content and financial promotions). As the Complainant has no control over the Respondent it is concerned that individuals could think that they are accessing a website run by the Complainant and which is therefore compliant with FSA regulations, when in fact this may not be the case. This could have a detrimental impact on the Complainant.

In the Reply the Complainant describes this as the "primary reason for the Complaint" under the Policy.

The Respondent's trade mark registration was acquired only after he had been contacted by the Complainant in order to increase his bargaining position for transfer of the Domain Name to the Complainant. The registration is therefore disingenuous and designed to circumvent the DRS. The Respondent should not be entitled to rely on the registration to submit that he is commonly known by the name or legitimately connected with a mark that is identical or similar to the Domain Name in accordance with paragraph 4(a)(i)(B) of the Policy.

As the Complainant's identical registered trade mark and business name has been used in the Domain Name the registration was made (and is actively being used) in an attempt to unfairly disrupt the business of the Complainant (paragraph 9(a)(i)(C)).

The Respondent has used the Domain Name in a way which will confuse or is likely to confuse people or businesses into believing that the Domain Name is registered to, operated or authorised by or otherwise connected to the Complainant (paragraph 3(a)(ii) of the Policy). The Complainant's

mark is a distinctive brand not a generic term, it is inconceivable that the Respondent would have selected the Domain Name without knowing of the Complainant's reputation.

The Respondent is engaged in a pattern of registrations where the Respondent is the registrant of domain names which correspond to well known names or trade marks in which the Respondent has no apparent Rights and the Domain Name is part of that pattern (Paragraph 3(a)(iii) of the Policy).

Submissions in Support

According to a search undertaken on behalf of the Complainant on 23 April 2010 the Respondent has approximately 956 domain names which include variations of the following brand names; Churchill, Direct Line, Expedia, EDF, Going Places, John Lewis, Littlewoods, My Travel and Thomas Cook. A printout of the search results is included in Annex 6 of the Complaint. The Complainant infers that the Respondent is clearly dealing in domain names and has sought to make a specialism out of registering well known names and marks without the consent of the owner of the goodwill with a view to taking unfair advantage of the distinctive character and reputation of those names or trade marks.

The Respondent

The Respondent denies that the registration of the Domain Name was an Abusive Registration. He explains that the registration arose from recognition of the potential commercial value of online spread trading and that the Domain Name was one of 9 registrations acquired at the same time to this end "They were all undoubtedly purchased in good faith for future expansion/affiliate marketing use". In the Response the Respondent states that he was "gutted" when he found out in 2007 that the Complainant was already using the Domain Name as a company name and running as a business because he [the Respondent] was unlikely "ever to be able to run a proper business under this domain". He points out that the Complainant's UK company only changed its name to WorldSpreads UK Limited 2 months after he has registered the Domain Name and describes this as "irrefutable evidence" that the Domain Name was purchased in good faith

The registration of the UK trade mark was done to "strengthen my ownership rights and future interest in this domain name". It took place against a background of contact between the parties in which the Complainant has asserted its rights to the WORLDSPREAD mark. The Respondent refers to threats of legal action by the Complainant "I felt that by owning the trade mark, they couldn't really threaten or bully me out of this domain name anymore and at this time I knew I'd owned the domain name for a long time and I felt I had the right to protect it". In its Reply the Complainant denies behaving improperly in relation to the assertion of its rights.

The figure of £65,000 put forward by the Respondent for transfer of the Domain Name and trade mark registration is a fair offer and represents real value for money for the Complainant “I also found out that they were an AIM company worth multi-millions, and as I now own the UK trademark and to this day they have been continually abusing my UK trade mark registration by offering their financial services in the UK and profiting considerably from it, I thought this amount was a reasonable expectation without being at all greedy. After all there is only one worldspread.co.uk and only one UK trade mark and I own them both”. He also points out that he has never initiated negotiations with the Complainant for the transfer of the Domain Name.

The Respondent has been running websites under the Domain Name from its registration.

In relation to the alleged pattern of Abusive Registrations consisting of variations of well known marks, the Respondent states that the vast majority of his domains were purchased in good faith for affiliate marketing, future expansion or possible resale. A sector of his domain names was acquired on the assumption that people may easily mistype a popular domain name and that this might generate income. Most of these domains turned out to be a waste of money. The Respondent states as follows:

“Most of the misspellings I hold on to today I run through my own generic affiliate marketing websites. I believe today from my understanding that this is a bit naughty and could be considered as cyber squatting but it is also an apparent grey area and therefore I am not 100 % sure it is cyber squatting.....While I was running the links through to the actual companies in my opinion I was merely providing a redirection service and charging for this service by making affiliate commissions on any sales made from these links. I personally think due to the expense of renewing the domains every year this is a fair service and in some cases they only just break even”.

Submissions in the Reply

In the Reply the Complainant submits that the Respondent’s assertions clearly establish that he is engaged in a pattern of registrations designed to make money from bona fide operators with whom he has no connection. It reiterates that given the highly regulated world in which the Complainant trades, maintaining the integrity of the WorldSpreads trade name is key and infers that the dubious nature of this part of the Respondent’s business might impact badly on that integrity.

It also points out that the Domain Name was registered after the Complainant had registered its .com domain name. The Respondent’s motives in registering the Domain Name are accordingly very clear and should not be condoned.

The Complainant also denies the Respondent’s allegation of infringement of his UK trade mark.

6. Discussions and Findings

Under clause 2 of the Policy a Complainant must establish on the balance of probabilities that:

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

Considering each of these requirements in turn:

Rights

Rights are defined in clause 1 of the Policy as including, but not limited to, “rights enforceable by the Complainant whether under English law or otherwise”.

Registered Rights

The Complainant’s CTM gives the Complainant Rights in the stylised version of the WORLDSPREADS mark as depicted in the registration (i.e. the WORLDSPREADS text preceded by a stylised letter “W”).

The secondary question is whether this mark is identical or similar to the Domain Name. It is customary to ignore the addition of the “co.uk” suffix for these purposes.

There are 2 principal differences between the Domain Name and the Complainant’s CTM. Firstly, the Domain Name omits the stylised letter “W” which precedes the WORLDSPREADS text. Secondly, it does not feature an upper case “S” in the SPREADS component of the mark. But the omission of these features does not radically alter the Complainant’s mark such as to disassociate it from the Complainant. It retains brand significance. This finding is supported by the success of the Complainant’s own well established website at worldspreads.com which identifies the Complainant’s services even though it does not include the stylised component of its registered trade mark.

Accordingly the CTM confers Rights on the Complainant as of 13 June 2008 the date from which the rights derived from the CTM became enforceable.

Unregistered Rights

In addition to its registered Rights, the Complainant has also established in its Complaint that over its 10 years of trade it has built up a significant amount of goodwill in the WORLDSPREADS mark. This confers unregistered Rights in the mark. These also amount to Rights under the Policy.

There is however some uncertainty about when the unregistered Rights came into existence. This point is significant when considering the question of Abusive Registration. The Complainant began trading in the UK in December 2003. There

is nothing in the Complainant's submissions to indicate the extent of its business presence in the UK before that date. The mere fact that the corporate name of the Irish company consists of the word "WorldSpreads" is not sufficient on its own to establish Rights. Nor is the simple fact of registration of the worldspreads.com domain name. As such the Complainant has not discharged its burden of proof to show that it had Rights in a name that was the same or similar to the Domain Name at the time that the Domain Name was registered in October 2003

At a point during the intervening period 2003-10 the growth in the Complainant's business and marketing activity will have generated goodwill and therefore unregistered Rights for the purposes of the Policy. This point will be discussed further below.

It follows that the Complainant has established that it has Rights in marks that are identical or similar to the Domain Name. These Rights date from a point in time after the registration of the Domain Name in October 2003.

For the sake of completeness it should be noted that the Respondent's UK trade mark registration in a device mark featuring the text WORLD SPREADS does not negate the Complainant's Rights for the purposes of the Policy. The significance of the Respondent's registration will be considered further in the next section of this Decision.

Abusive Registration

Abusive Registration is defined in clause 1 of the Policy as follows:

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 or was unfairly detrimental to the Complainant's Rights.

The Complainant seeks to establish that the Domain Name is an Abusive Registration on both of these grounds.

Clause 3 of the Policy sets out a non-exhaustive list of factors which may be evidence that the Domain Name is an Abusive Registration. Of relevance to this matter are the following factors:

- 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 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 by or authorised by, or otherwise connected with the Complainant;
 - iii. The Complainant can demonstrate that the Respondent is engaged in a pattern of registrations where the Respondent is the registrant of domain names (under .uk or otherwise) which correspond to well known names or trade marks in which the Respondent has no apparent rights, and the Domain Name is part of that pattern.

Registration of the Domain Name

Did the Respondent register the Domain Name for an abusive purpose?

The Domain Name was registered by the Respondent in October 2003. At that time the Complainant was trading in Ireland as WorldSpreads Group plc. It also traded under the domain name worldspreads.com, although there is no evidence before the Expert about the extent of the Complainant's Internet trade in 2003. It had recently set up a UK subsidiary on 15 September 2003 under the name Share Spread UK Limited, which changed its name to WorldSpreads Limited after the Domain Name had been registered. The Complaint refers to preparations for UK trading taking place in October 2003. There is nothing to suggest an actual trading presence in the UK before December 2003.

The Respondent claims not to have been aware of the Complainant when he registered the Domain Name. He gives an explanation for the registration based on his awareness of the possibilities for generating affiliate marketing through the practice of spread trading. The Domain Name in this matter was one of 9 registrations acquired at the same time by the Respondent. The other registrations consisting of more generic names in the field of spread trading.

The Expert finds that given the Respondent's active presence in the field of domain name registrations and his strategy of developing affiliate marketing income, it is improbable that the Respondent did not know of the Complainant as a business in Ireland when he registered the Domain Name. The worldspreads.com name had been in use by the Complainant for over a year at that time. It is also quite a coincidence for the Respondent to have selected the worldspreads.co.uk name without any familiarity with the Complainant. As stated above the Respondent's other October 2003 registrations are generic. "WorldSpreads" is not an everyday term in common parlance. It has brand significance.

However one must then decide whether the registration of the Domain Name, in the knowledge of the existence of the Complainant as an Irish business, amounts to an Abusive Registration. There is nothing to indicate that the Respondent was

aware that the Complainant was planning to launch a UK business when he registered the Domain Name. It is not appropriate on the evidence available to the Expert to draw any inferences that the Respondent must have known of the Complainant's plans to expand its operation. As such there is nothing to indicate specifically that the Respondent was primarily motivated by a desire to unfairly disrupt the Complainant's business when he registered the Domain Name. It is true that the Respondent refers to a long term aim to launch a spread trading service in the same sector as the Complainant under the Domain Name. But this appears to have been a speculative objective- one that has not yet become operational more than six years later.

Nor are there grounds for finding that his primary motivation in October 2003 was to sell the Domain Name registration to the Complainant or to a third party at an excessive cost or to block the Complainant from the .uk domain name. It is telling that the Respondent has not initiated any of the correspondence between the Parties concerning transfer of the Domain Name. While the Respondent's demands have increased over time this has occurred against a background of negotiation initiated by the Complainant. Since late 2007 the negotiations encompassed not just the Domain Name but also the Respondent's trade mark registration, adding to the Respondent's estimation of the value of the Rights that might be transferred. Deciding to sell the Domain Name some time after registration does not constitute an abusive intent. Trading in domain names is not in itself objectionable as clause 4(d) of the Policy makes clear.

It follows that the Expert finds that the registration of the Domain Name in October 2003 was not an Abusive Registration.

A secondary reason for this finding arises from the fact that the Expert has found that the Complainant has not established that it owned Rights in a mark that is identical or similar to the Domain Name as the date of its registration (see above). Activity that pre-dates the Complainant's Rights is unlikely to constitute an Abusive Registration, as established in previous DRS Policy decisions (itunes.co.uk (DRS 02223), myspace.co.uk (DRS 04962) and t-home.co.uk (DRS 05856) and oasis.co.uk (DRS 06365)).

Use of the Domain Name

Use Pre- August/September 2007

All Parties agree that initially the Respondent linked the Domain Name to general affiliate websites. This use continued until August/September 2007. For the reasons set out in relation to the initial registration there is nothing to indicate that the Respondent was aware that the Complainant had expanded its business presence in the UK market when he began to use the Domain Name in this way. The DRS appeal decision in the Verbatim.co.uk appeal (DRS 04331) suggests that for a finding of Abusive registration, the Respondent must have had knowledge of the Complainant and/or its Rights at the relevant time. The first indication that the Respondent had been "put on notice" appears to be the first round of correspondence between the Parties in 2005. As such the use before the 2005 correspondence is not abusive use under the Policy.

There is also no indication that this knowledge of the Complainant's business presence prompted the Respondent to change the way that the Domain Name was being used in 2005. As stated above the DRS decisions in itunes.co.uk (DRS 02223), myspace.co.uk (DRS 04962) and t-home.co.uk (DRS 05856) and oasis.co.uk (DRS 06365) establish that provided that the Respondent does nothing new following the coming into existence of the Complainant's Rights the Respondent's use of the Domain Name is unlikely to lead to a finding of Abusive Registration. This also supports the Expert's view that the initial use to which the Domain Name was put was not abusive.

To reinforce this finding it appears that the pre August/September 2007 use was not regarded as problematic by the Complainant in 2005 because by its own admission it decided not to take up the Respondent's offer to transfer the Domain Name for 600 Euro because he was not then operating an active website.

For all of these reasons the Expert finds that the pre August/ Sept 2007 use of the Domain Name linking it to general affiliate websites did not constitute an Abusive Registration under the Policy.

Use after August/September 2007

In August/September 2007 the Respondent's use of the Domain Name changed. Instead of linking it to a general affiliate marketing website he chose to operate a spread betting affiliate marketing website featuring organisations in competition with the Complainant (among other businesses). At this point the Respondent would have been aware of the Complainant following the previous correspondence about the Domain Name in 2005. The Verbatim line of DRS Policy authority does not therefore apply to the post August/September use.

Did the Complainant have Rights in August/September 2007?

The Complainant had not yet acquired its registered trade mark rights in the WorldSpreads mark in August/September 2007. Nevertheless, having traded with a UK presence since December 2003 and operating a successful website at the worldspreads.com domain since 2002 the Expert finds that the Complainant had acquired unregistered Rights in the WORLDSREADS mark at the time that the Respondent's use of the Domain Name changed. The itune.co.uk line of DRS Policy authority is not relevant to the post August/September 2007 use.

The finding that Rights existed in the autumn of 2007 is supported by references to the basis for the Complainant's goodwill and the extent of its business presence in correspondence in January and September 2007 between the Complainant and the Respondent (and their respective trade mark agents) (copies of these documents are included in Annex 6 to the Complaint). Such references are not themselves conclusive of the existence of the Complainant's goodwill but they reinforce the Expert's finding on this point.

Is the use "Abusive"?

The question therefore arises as to whether the post August/Sept 2007 use by the Respondent amounts to an Abusive Registration. The Complainant has provided no evidence that the Respondent's website is causing confusion among customers. However this does not in itself defeat the Complaint. The Expert can infer that confusion is or is likely to occur where such a finding is appropriate.

It is the view of the Expert that the Respondent's post August/September 2007 use of the Domain Name is abusive under the Policy. This is for the following reasons:

The Respondent has used the Domain Name in connection with a website containing links that enable visitors to access websites operated by direct competitors of the Complainant.

The Expert finds that where a member of the public with some familiarity with the world of spread trading sees the Domain Name they will on the balance of probabilities initially associate it with the Complainant because of the distinctive nature of the Complainant's well known mark in this field. This in itself can amount to confusing use of the Domain Name under the Policy. Once at the Respondent's website it remains likely that a visitor would be under the impression that the website is authorised or approved by the Complainant. The tone of the text on the website is quite authoritative and suggests an expertise that suggests that the website is making informed recommendations about providers of spread betting services. The user might well be confused into thinking that the Complainant has diversified into providing a recommendation service. This in itself is enough to impact on the Complainant's goodwill and standing in the marketplace.

However, the potential consumer is also offered access to a range of websites featuring products that compete with the Complainant. The Respondent's website could therefore divert customers from the Complainant's products causing the Complainant a potential loss of custom and therefore of income. This would be detrimental to the Complainant. It is an unfair detriment because it derives from the strength of the Complainant's mark. Any advantage to the Respondent, for example any pay per click income, would be taking an unfair advantage of the Complainant's mark. It would be unfair because it is parasitical.

In this dispute the detriment to the Complainant's rights is exacerbated because this area of trade is a sector which is subject to robust regulation by the FSA. The Expert accepts the Complainant's submission that any irregularity or irresponsible conduct by the Respondent or by any of the businesses featured on the Respondent's website is likely to be associated with the Complainant and this will detrimentally affect its reputation and business.

As such the Complainant has a compelling case for establishing abusive use.

The Respondent's trade mark

One must consider whether the Respondent's UK trade mark registration in the WORLD SPREADS device negates the Expert's initial finding of Abusive Registration. It must be said at the outset that the Expert makes no findings about

the validity of the Respondent's trade mark registration. This is a matter of law to be determined under the Trade Marks Act 1994. The Complainant's submissions that the application was made in bad faith to increase the value of the Domain Name to the Complainant is irrelevant to this matter. The registration is to be regarded as valid for all purposes in this Decision.

The Expert is charged with making a decision under the Policy. The Policy concerns domain name registrations. It is a dispute resolution system which operates independently from the trade mark system. There is nothing in the Policy to indicate that the mere ownership of a registered trade mark by a Respondent means that a domain name registration cannot be suspended or transferred. The only outstanding issue for determination in this Decision is whether the Domain Name is being used in a manner that takes unfair advantage or is unfairly detrimental to the Complainant's Rights. The Respondent's trade mark must be taken into account in deciding this question. But the trade mark does not automatically mean that a related Domain Name is being put to a non-abusive use.

Clause 4 of the Policy gives a non exhaustive list of factors which may be evidence that the Domain Name is not an Abusive Registration. Of relevance to this matter are the following factors:

4.a.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;

The Expert finds that neither of the above grounds applies to the Respondent.

Clause 4.a.i.A does not apply because the Respondent's current use of the Domain Name began *after* he was aware of the Complainant's objections to the Domain Name (and therefore its "cause for complaint"). He was made aware of the Complainant's concerns in January 2007. He began using the Domain Name in the current manner in August/September 2007. In any event the Respondent's use of the Domain Name has never amounted to a genuine offering of goods or services. The service of spread trading is not offered by the Respondent. He merely supplies links to apparently unconnected businesses offering that service.

Clause 4.a.i.B also does not apply. The Expert accepts that the trade mark registration might amount to a legitimate connection to a mark that is identical or similar to the Domain Name (on the basis that the trade mark is assumed to be valid in this Decision and it has some similarity with the Domain Name). But, even if this is so, the trade mark was acquired after the Respondent was aware of the Complainant's cause for complaint. It therefore falls outside of clause 4.a.i.B. A trade mark that is acquired after the proprietor has been made aware of an objection to the registration of a domain name does not automatically negate a

finding of Abusive Registration. In any event, the Expert doubts that the mere existence of a registered trade mark that is similar to a disputed domain name amounts to a “legitimate connection” for the purposes of clause 4.a.i.B. The better interpretation of “legitimate connection” would mean a connection in the course of legitimate trade. The Respondent has never actively traded in his own right under its trade mark in connection with a genuine offering of spread trading services (or any of the other classes of goods or service for which the mark is registered). The connection between the Domain Name and the trade mark is not therefore a connection that has come into being in the course of legitimate trade.

It follows that the Respondent has not been able to displace the Complainant’s case on abusive use for the purposes of the Policy. The post August/September 2007 use of the Domain Name is therefore abusive under the Policy.

Pattern of Abusive Registrations

The Complainant also asserts that the Respondent is engaged in a pattern of registrations in which the Respondent owns domain names which correspond to well known names or trade marks in which the Respondent has no apparent rights and the Domain Name is part of that pattern.

The Complainant has established that the Respondent has registered a significant number of domain names that correspond to well known names in which the Respondent has no apparent rights. These are set out in a printout of a search carried out by the Complainant in April 2010 and included in Exhibit 6 to the Complaint. The Respondent does not dispute the existence of a substantial number of domain names registrations consisting of variations of well known names. Nonetheless the Complainant’s submission fails. There is no evidence to suggest a *pattern* on the part of the Respondent of which *this Domain Name* forms part. The Respondent gives a plausible explanation of his objective in registering the Domain Name (a desire to move into the field of spread trading) which differs from the explanation he gives for his other affiliate marketing domains (the generation of affiliate income per se). There is therefore nothing to link the Domain Name at issue in this matter to the other domain names such as would justify depriving the Respondent of the Domain Name.

7. Decision

The Expert finds that the Complaint has proved on the balance of probabilities that it owns Rights in respect of a name or mark which is identical or similar to the Domain Name and that the Domain Name in the hands of the Respondent is an Abusive Registration.

Accordingly the Expert finds in favour of the Complainant and directs that the Domain Name be transferred to the Complainant

Signed Sallie Spilsbury

Dated 7 September 2010