

DISPUTE RESOLUTION SERVICE

DRS00011348

Decision of Independent Expert

Arrow Business Communications Limited

and

Dave Giles

1. The Parties:

Complainant: Arrow Business Communications Limited
St. George's House
24 Queens Rd
Weybridge
Surrey
KT13 9UX
United Kingdom

Respondent: Mr Dave Giles
Bordesley Hall, The Holloway, Alvechurch
Birmingham
B48 7QA
United Kingdom

2. The Domain Name:

tmgtelecom.co.uk

3. Procedural History:

21 May 2012 10:20	Dispute received
24 May 2012 15:08	Complaint validated
24 May 2012 15:11	Notification of complaint sent to parties
11 June 2012 08:42	Response received
11 June 2012 08:43	Notification of response sent to parties
13 June 2012 11:39	Reply received
13 June 2012 11:45	Notification of reply sent to parties
13 June 2012 11:46	Mediator appointed
19 June 2012 13:55	Mediation started
11 July 2012 16:43	Mediation failed
12 July 2012 09:48	Close of mediation documents sent
16 July 2012 11:15	Expert decision payment received

4. Factual Background

The Complainant agreed under a business purchase agreement dated 10 December 2010 to purchase the business and assets of Telecom Maintenance Solutions Limited ("TMS") successor in title to the assets of Telephone Maintenance Group ("TMG"). Under clause 17.9 of the business purchase agreement TMS was required to transfer the Domain Name within 5 business days to the Complainant.

The Respondent is a former employee of TMS/TMG. The Domain Name was transferred to him shortly after March 2008 when TMG went into administration. However, in a compromise agreement dated 25 June 2008, in clause 4.2(b) of that agreement, he warranted to return all property belonging to TMS (clearly stated in the agreement to be in the position of his employer since 1997 under its terms).

The Domain Name has been pointed to commercial web sites not connected with the Complainant.

5. Parties' Contentions

The submissions of the Complainant can be summarised as follows:

The Complainant agreed a business purchase agreement with Jeff Williams dated 10 December 2010 for the business and assets of Telecom

Maintenance Solutions Limited ("TMS") The trade and assets of TMS were transferred to the Complainant, together with the employees of the business. Included in the assets being purchased was the Domain Name. Under clause 17.9 of the business purchase agreement the seller was required to transfer it within 5 business days to the Complainant. Initially the Domain Name was pointed to the Complainant's web site, but transfer of the registration has not been completed.

It has recently come to the Complainant's attention that the Domain Name has been pointed to competing sites owned by the Respondent offering similar goods and services to the Complainant.

The Respondent is a former employee of TMS. He left their employment on 25 June 2008. Under the compromise agreement he signed on his departure he was required to return all company assets and property to TMS.

When he refused to transfer the Domain Name to the Complainant the Respondent said he wished to use the domain name in the future.

The Respondent's submissions can be summarised as follows:

The Respondent originally joined TMGTelecom approximately 16 years ago. He was one of the founder members of the engineering department. Telephone Maintenance Group (TMG) entered into administration in 2007, whereupon the administrators were approached and proof of transfer to the Respondent given to Nominet. The Domain Name remained in the Respondent's ownership with an agreement with his former employer that they would continue to use the Domain Name while the Respondent continued to receive work from TMS.

There is no abusive use of the Domain Name as the purchaser of TMS is a mobile company and not a maintenance or telecoms company. Initially the Domain Name was directed to the Complainant's site. However when the Respondent did not receive any telecoms or cabling work to re-generate work opportunities the Domain Name was pointed to an existing telecoms and cabling company. The Respondent has not and will not provide mobile phone services and so does not compete with the Complainant.

The Domain Name was not an asset of TMS and the Respondent was only contacted in January 2012, 13 months after the purchase to see if he was willing to sell the Domain Name.

With reference to the compromise agreement all TMS company assets were returned.

The Complainant's additional submissions in the Reply can be summarised as follows:

We have no record that the Domain Name would remain with an employee that left TMS and under the terms of the compromise agreement all assets should have been returned to TMS. The owner of TMS clearly thought it had been returned when he included it in the purchase agreement.

The Complainant is not just a mobile phone company. Its telephone maintenance and systems sales services are in direct competition with the Respondent's business.

Initially the Domain Name was correctly pointing to the Complainant's website so it was getting the benefit of the purchase it made. On the creation of the web site using the new name the link from the Domain Name was inadvertently dropped. However, this oversight was not an excuse for the Respondent to misappropriate the name to redirect traffic to his own businesses.

The Complainant is not aware of any agreement for TMS to supply work to the Respondent and certainly since TMS was taken over by Arrow, no such agreement has existed.

6. Discussions and Findings

General

To succeed in this Complaint the Complainant has to prove to the Expert pursuant to paragraph 2 of the Policy on the balance of probabilities, first, that it has Rights (as defined in paragraph 1 of the Policy) in respect of a name or mark identical or similar to the Domain Name and, secondly,

that the Domain Name, in the hands of the Respondent, is an Abusive Registration (as defined in paragraph 1 of the Policy).

Rights

Rights as defined in Paragraph 1 of the Policy include not only trade mark rights, but are defined as "rights enforceable by the Complainant, whether under English law or otherwise" and, as such, can include contractual rights.

The Complainant has produced a business purchase agreement from 2010 between itself and the Respondent's former employer. Under clause 17.9 of the business purchase agreement the seller was required to transfer the Domain Name to the Complainant within 5 business days.

The Respondent contends that it obtained the ownership of the Domain Name from administrators after TMG his former employer entered into administration in 2007 and produced a document appearing to prove the administrators voluntarily transferred it to him. He does not explain on what basis he should have received the ownership of the domain names and the Expert feels that it is more likely than not that this was on trust for his employer or the successor in title to its assets. In any event it appears that the Domain Name was transferred to him shortly after March 2008. However, in a compromise agreement dated 25 June 2008 clause 4.2(b) he signed an agreement warranting to return all property belonging to TMS (clearly stated to be in the position of his employer since 1997 at the date of the agreement under its terms).

The Respondent has produced no evidence of the agreement he alleges existed that it was agreed that he owned the name and only allowed TMS to use the name in exchange for work referrals.

It is clear all facts are not before the Expert who personally believes that complicated property disputes like this are best resolved in Court when all evidence is likely to be available as far as possible. However, the Expert is aware of the recent Court decision *Michael Toth v Emirates Nominet Intervening* [2012] EWHC 517 (Ch) that Experts should attempt to decide disputes as far as possible, as the Court cannot apply the Policy, despite the risk that when all the evidence is put before a Court general principles

of law may lead to a different practical result when it comes to domain name ownership. As such the Expert will proceed to a decision as far as possible with the evidence before it. The Expert believes that if the Respondent was intended to keep the Domain Name used by his employer this would have been specifically provided for in the compromise agreement and so it is more likely than not that this matter was not sufficiently understood by his employer. As such the Expert believes on the evidence before it that it is more likely than not that the Complainant could enforce its rights to the Domain Name under principles of trust and contract. As such the Expert believes that it is more likely than not on the papers submitted in this proceeding that the Complainant does own Rights in a name identical to the Domain Name.

Abusive Registration

This leaves the second limb. Is the Domain Name, in the hands of the Respondent, 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 has taken unfair advantage of or was unfairly detrimental to the Complainant’s Rights.”

A non-exhaustive list of factors, which may be evidence that the Domain Name is an Abusive Registration is set out in paragraph 3a of the Policy. There being no suggestion that the Respondent has engaged in a pattern of making Abusive Registrations, has given false contact details, has a relationship with the Complainant or was aware of the Complainant at the time it acquired the Domain Name or has tried to sell the Domain Name, the only potentially relevant ‘factors’ in paragraph 3 are to be found in subparagraph a (i) A and ii:

“(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”

“Circumstances indicating that the Respondent is using or threatening to use the Domain Name in a way which has confused or is likely to confuse people or businesses into believing that the Domain Name is registered to, operated or authorised by, or otherwise connected with the Complainant”

It appears that the Respondent has tried to rent the Domain Name in exchange for work referrals with commercial value from the Complainant and its predecessor in title in excess of his costs for acquiring the Domain Name as there are no records of any consideration paid by the Respondent for the Domain Name in the evidence before the Panel. As such Paragraph 3 a (i) A of the Policy is satisfied in the view of the Expert.

Since the Respondent has pointed the Domain Name to third party businesses not connected with the Complainant, the Expert finds that the name has been used in a way likely to confuse customers into believing that the Domain Name is connected with the Complainant as the acquirer of the business and assets of the Respondent's former employer. As such Paragraph 3 a (ii) of the Policy is satisfied in the view of the Expert.

In the view of the Expert in its registration and use of the Domain Name the Respondent took unfair advantage of and caused detriment to the Complainant's Rights. Accordingly, the Expert finds that the Domain Name is an Abusive Registration within the definition of that term in paragraph 1 of the Policy.

7. Decision

In light of the foregoing findings, namely that the Complainant has Rights in respect of a name which is identical to the Domain Name and that the Domain Name, in the hands of the Respondent, is an Abusive Registration, the Expert directs that the Domain Name, tmgtelecom.co.uk be transferred to the Complainant.

Signed Dawn Osborne

Dated 07 August 2012