

KPME.co.uk

DISPUTE RESOLUTION SERVICE

D00012291

Decision of Independent Expert

Knightsbridge PME Ltd

and

Mr William Franklyn

1. The Parties:

Complainant: Knightsbridge PME Ltd
Unit 23 Riverwalk Road
Riverwalk Way
Brimmsdown
Enfield
Middlesex
EN3 7QN
United Kingdom

Respondent: Mr William Franklyn
22 Lady Coventry Road
Monkton Park
CHIPPENHAM
Wiltshire
SN15 3NG
United Kingdom

2. The Domain Name:

kpme.co.uk

3. Procedural History:

20 December 2012 Dispute received
21 December 2012 Complaint validated
03 January 2013 Notification of complaint sent to parties
22 January 2013 Response reminder sent
25 January 2013 Response received
25 January 2013 Notification of Response sent to parties
30 January 2013 Reply reminder sent
01 February 2013 Reply received
01 February 2013 Notification of Reply sent to parties
01 February 2013 Mediator appointed
06 February 2013 Mediation started
18 February 2013 Mediation failed
18 February 2013 Close of mediation documents sent
28 February 2013 Complainant full fee reminder sent
07 March 2013 Expert decision payment received

4. Factual Background

Knightsbridge PME Ltd manufactures the PME range of sugarcraft tools. 'PME' is a reference to Precision Machining Engineers Limited which was established in 1956. In the early 1970's, PME became involved in the cake decorating sector which led to the formation of PME Sugarcraft Limited. The company designed and manufactured high quality sugarcraft tools in plastic and stainless steel. In 1999, Knightsbridge Bakeware Centre Limited merged with PME Sugarcraft Limited to form Knightsbridge PME Limited, the Complainant, which today manufactures sugarcraft tools both in the UK and overseas. The Complainant is considered one of the world's leading manufacturers of quality cake decorating equipment, supplying its products to both retail and trade in the UK and overseas.

The Complainant supplies product in various ways, including through internet sales using its website at www.cakedecoration.co.uk (and also, for American online retail sales, www.pmeartsandcrafts.com and www.knightsbridge-global.com). The Complainant's corporate website is at www.knightsbridgepme.co.uk.

The domain name, Kpme.co.uk (hereafter the Domain Name) is used within the Complainant for all emails. The Complainant has over 100 UK based employees that have an email address ending in kpme.co.uk. Moreover, the e-mail address, sales@kpme.co.uk is used on marketing material.

The Respondent was employed by the Complainant between 1st October 2008 and November 2011. The Respondent held the position of Head IT Manager at the Complainant and also performed the role of a Director of Operations. He was one of two employees that held a company credit card.

An Employment Tribunal claim was made by the Respondent against the Complainant in 2012 which appears to have been settled.

5. Parties' Contentions

The Complainant

- One of the Respondent's first tasks on joining the Complainant was to administer its websites and emails. The Domain Name should have been registered in the Complainant's name but the Respondent registered it under his own name instead.
- Invoices from Fasthosts (the registrars) show that the Complainant paid for the Domain Name using company credit cards. In particular, Fasthosts' invoice Number: 10810686, dated 29 May 2011 (submitted in these proceedings) shows the Complainant's name and address and evidences the renewal of the Domain Name by payment taken from the Complainant's credit card used by the Respondent. The invoice refers to the Complainant's account (no: uk1176618), the same account in which a number of other transactions were made on behalf of the Complainant.
- The Domain Name has played a part in marketing to promote the Complainant and its brands.
- The Domain Name is an abusive registration in that on 13 December 2012, the Respondent e-mailed the Complainant offering to sell the Domain Name to it for £5,000. (The Respondent has no use for the Domain Name as he is an IT professional unlikely to ever need to use the acronym, KPME). The Respondent stated in his e-mail that if the Complainant did not pay this amount within 18 days he would *'...arrange for this domain to point to my servers and I will then control all web site traffic and emails sent to my domain and you will loose functionality of your e-mails and web traffic'*.
- The Respondent's e-mail was perceived as threatening and a ransom demand payment. If the Respondent does what he threatened to do, it would be harmful to the Complainant and its clients in that the Respondent would have access to all the Complainant's emails and clients' personal data.

The Respondent

- The Domain Name is and always has been registered in the Respondent's name and renewed by him using his credit card (in October 2012).
- The Respondent therefore has a right to the Domain Name.
- The Complainant has never bothered to have the Domain Name put into its own name.

- The Respondent does not believe that the Complainant has been truthful in its submissions to Nominet.
- The Respondent worked for the Complainant on a self employed and employed basis. A claim was submitted by the Respondent to the Employment Tribunals Service in early 2012. An agreement was entered into at the Watford Employment Tribunal (which seems to have been breached by the Complainant submitting documents to Nominet) which *'allowed me to continue with the RIGHTS that I had when I ceased to be employed by the Complainant. I have a right to this domain name because this domain name is and always has been registered in my name, AND the Complainant has never seen fit to have it transferred to their name, AND the renewal fee has been paid by me, AND, I believe, the Complainant can be demonstrated to be lying to you.'*
- The Respondent maintains that *'The Complaint is incorrect and untrue and misleadinghas submitted many documents to you most of which are not relevant.'*
- The Respondent objects to the accusation that he destroyed his employment records, an accusation made in an e-mail sent by the Complainant to Nominet (but not made in the Complaint itself).
- The Respondent also objects to the 29 May, 2011 invoice referred to by the Complainant (invoice no: 10810686, account no: UK1176618), for the renewal of the Domain Name. The Respondent says that *'It is clearly a fake as the domain was registered in October 2008 and would have been renewed by Fasthosts every two years in or just before October 2010 and 2012, certainly not in May. This proves that the Complainant is happy to mislead you or tell untruths in order to prove his case. I attach a real invoice from October 2012 in which I renewed and paid for the domain in question.'*
- The Respondent states that he does *'.. not particularly want this domain, however the rights to it are mine and quite valuable. I have offered to sell the rights to the domain to the Complainant and have NOT stopped them using it. All I want is a fair price for something that I have paid for. I respectfully ask that the rights to the domain name remain with me and I will be happy to sell them to the Complainant for the market value. It is, after all, the Complainant's mistake that he has allowed this situation to develop in the way it has.'*

The Reply (of the Complainant)

- The Complainant disputes that it entered into any agreement allowing the Respondent *'..to continue with the RIGHTS that I had when I ceased to be employed by the Complainant'* and notes that the Respondent has not submitted any evidence to support his contention.

- As to the allegedly fake May 2011 invoice (no: 10810686), the Complainant rejects the allegation and states that the evidence comes direct from Fasthosts who can be asked to provide verification.
- As to the Respondent's contention that he has a right to the Domain Name, the Complainant states that one of the Respondent's first tasks (on joining the Complainant) was to 'sort out our e-mails'. The Complaint goes on to explain that *'Our domain name cakedecoration.co.uk wasn't coping with our requirements at that time so the respondent and I have come up with alternative domain names to use. One was knightsbridgepme.co.uk. This seemed at that time quite long so we came up with a shorter version kpme.co.uk as we were using KPME as a shorthand name for our company anyway. I do not recall at any point where the respondent had mentioned that the domain name was registered under his personal name or account. As far as I was concerned he was employed by the company and he was acting on behalf of the company. I value all my staff and the respondent held a very senior position in my company and I gave him my absolute trust to act on behalf of the company.'*
- As to the Respondent's comment that he does not particularly want the Domain Name but nevertheless wants to be paid for it, the Complainant states that this should be treated as an admission that the Respondent is *'..abusing the domain name'*. The Complainant goes on to say that *'The respondent openly admits that it is valuable not to him but to my company and he is only interested in selling the domain name to the company at an exorbitant price.'*
- The Domain Name is vital to the Complainant.

6. Discussions and Findings

Under the provisions of Nominet's Dispute Resolution Service Policy (the Policy), for a Complaint to succeed, a Complainant is required to prove, on the balance of probabilities, that it has rights in respect of a name or mark which is identical or similar to the domain name in issue and that the domain name in the hands of the Respondent is an Abusive Registration. Both elements are required.

'Rights' under the Policy

The meaning of 'Rights' is defined in the Policy as follows: *'Rights means rights enforceable by the Complainant, whether under English law or otherwise, and may include rights in descriptive terms which have acquired a secondary meaning'*.

Whilst in the vast majority of cases under the Policy, the relevant rights relied

upon are trade mark or service mark rights, the essential element of the requirement is that the rights relied on are enforceable, not that they are of a particular nature. Thus, contractual or other rights may suffice, as long as they are enforceable. Indeed, paragraph 3(a) of the Policy, which provides a non-exhaustive list of factors which may evidence that a domain name is an Abusive Registration, clearly envisages non-intellectual property rights being of relevance, paragraph 3(a)(v) describing (as evidence of Abusive Registration) a situation in which:

'The Domain Name was registered as a result of a relationship between the Complainant and the Respondent, and the Complainant:

A. has been using the Domain Name registration exclusively; and

B. paid for the registration and/or renewal of the Domain Name registration'

Complainant's 'Rights'

Whilst no trade mark registrations have been disclosed by the Complainant, unregistered (enforceable) rights may also satisfy the requirement of Rights under the Policy.

The Domain Name comprises the initials of the four words comprising the Complainant's name (Knightsbridge PME). The Complainant has used the Domain Name in the course of its business, although it appears that use has been confined to e-mails, both internal and external. The Complainant does not appear to have a website to which the Domain Name resolves. However, given the context in which the Domain Name came to be registered, whether or not the Complainant has trade mark rights for the purposes of the Policy, is a matter that need not be considered. As explained immediately below, the Complainant clearly has other rights as against the Respondent.

Other rights

It would appear that the Domain Name came to be registered in very similar circumstances to those described at paragraph 3(a)(v) of the Policy (referred to earlier). Indeed, it appears to be common ground that the Domain Name was registered as a result of the Respondent's employment with the Complainant and that it has been used by the Complainant exclusively. Indeed, it is that use which the Respondent has sought to take advantage of. The only matter that appears unclear is who paid for the *renewal(s)* of the Domain Name, as opposed to the initial *registration* (as to which there appears to be no dispute that it was the Complainant). In these circumstances, it is likely that the Complaint would have contractual or other rights as against the Respondent in respect of the Domain Name.

The Respondent of course also claims rights in the Domain Name, referring to an agreement entered into between the parties post employment. This, it is said, *'allowed [him, the Respondent] to continue with the RIGHTS that I had when I ceased to be employed by the Complainant. I have a right to this domain name because this domain name is and always has been registered in my name, AND the Complainant has never seen fit to have it transferred to*

their name, AND the renewal fee has been paid by me.....'

There is clearly some dispute in relation this post employment settlement agreement but the Respondent himself describes it as allowing him to 'continue' with the rights that 'I had' when employment ceased. Given the nature of the relationship between the parties (and, for instance, that it appears undisputed that registration was paid for using the Complainant's credit card, albeit a card used by the Respondent), it is unlikely that the Respondent acquired any rights to the Domain Name during his employment, let alone rights that could be said to 'continue' beyond employment. The mere fact of registration of a domain name in a respondent's name cannot, obviously, be an answer to a Complaint under the Policy. If it were, no complaint could ever be brought. The mere fact of payment by a respondent for registration or renewal also cannot, of itself, be an answer to a Complaint. In most cases under the Policy, the respondent will have paid registration and perhaps also renewal fees. That is how respondents usually come to end up with domain names (although it should be noted that in this case however, the Respondent did not in fact pay the registration fee for the Domain Name). As to the Respondent's argument that the Complainant '*...has never seen fit to have it transferred to their name...*', this is perhaps not surprising given that the Complainant, until being threatened in December 2012 with disruption of its business ('*you will loose functionality of your e-mails and web traffic*') had no apparent cause to question the manner in which the Domain Name (which it was using without restriction) had been registered. The allegation that the Complainant is lying (referred to further below) also takes the matter no further.

As to renewals of the registration, there is a difference between the parties in relation to the date upon which they would fall due, which the Respondent seeks to use to cast doubt on the veracity of the Complainant's case. As referred to earlier, the Respondent describes invoice no: 10810686 dated 29 May 2011, relied on by the Complainant, as '*a fake*' and has attached to his Response '*a real invoice from October 2012 in which I renewed and paid for the domain in question.*'

It is not the role of an Expert to carry out a forensic analysis of documents submitted in connection with a Complaint. However, it does seem odd that there are two invoices for renewal of the Domain Name, dated just over a year apart: the Complainant's (which it is said has '*come direct from Fasthost*') dated 29 May 2011, and what is said by the Respondent to be the '*real*' invoice, dated 7 October 2012 (provided in redacted form).

Paragraph 16(a) of the DRS Procedure provides that '*the Expert will decide a complaint on the basis of the Parties' submissions, the Policy and the Procedure*' but then goes on to say that the Expert may in addition '*look at any web sites referred to in the Parties' submissions*'. This has generally been interpreted as allowing the Expert to carry out some basic research if a proportionate alternative to ignoring a point altogether or initiating a further round of submissions by requesting further information. Thus, there may be occasions where an Expert will find it expedient to conduct a simple online

enquiry of a publicly available database. This, the Expert has done, by way of a search of the Domain Name in the WHOIS database. The result of the search shows that the Domain Name was registered on 8 October 2008 and that it was last 'updated' on 11 October 2012. This does seem to support the chronology as advanced by the Respondent, although there may in fact be little dispute on chronology (apart from perhaps in relation to actual renewal dates) given that the Complainant talks of one of the Respondent's first tasks (having joined the Complainant at the beginning of October 2008) being to 'sort out our e-mails'. As described earlier, the Complainant says that '*... the respondent and I have come up with alternative domain names to use. One was knightsbridgepme.co.uk. This seemed at that time quite long so we came up with a shorter version kpme.co.uk as we were using KPME as a shorthand name for our company anyway.*'

The timing of the renewal(s) does seem curious (and disputed) but not crucial to the decision the Expert must make. As to the allegation of lying made by the Respondent, leaving aside the question of relevance, as curious as some matters may be, the evidence (of lying) is simply not there. The most important aspects of the Complainant's case, for instance, that registration of the Domain Name was one of the Respondent's first tasks on joining the Complainant, that the Domain Name is used by the Complainant and that payment (for registration) was made by the Complainant, are clear and uncontested. In all the circumstances, the Expert is satisfied that the Complainant has Rights for the purposes of the Policy.

The Expert must now therefore consider whether the Domain Name is an Abusive Registration in the hands of the Respondent.

Abusive Registration

Paragraph 1 of the Policy defines Abusive Registration as a domain name which was either '*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 which '*has been used in a manner which has taken unfair advantage of or has been unfairly detrimental to the Complainant's Rights*';.

Thus, unfair conduct can occur at any point during the lifetime of a domain name registration, from registration onwards. It is not a requirement that *both* registration *and* use of the domain name are unfair. Accordingly, whatever the circumstances of the original registration, the later actions of the Respondent could still provide the basis of a finding of Abusive Registration.

The best guide as to what might constitute an Abusive Registration is contained in paragraph 3(a) of the Policy. As mentioned earlier, it contains a non-exhaustive list of factors which may indicate that a domain name is an Abusive Registration. Such factors include circumstances indicating that the Respondent has registered or otherwise acquired the Domain Name primarily (*emphasis added*) for the purposes of selling, renting or otherwise transferring the Domain Name to the Complainant (or a competitor) for valuable

consideration in excess of the Respondent's out-of-pocket costs, as a blocking registration against a name or mark in which a Complainant has rights, or for the purpose of unfairly disrupting the business of a Complainant (paragraphs 3(a)(i)(A)-(C)). The circumstances set out in these paragraphs concern the respondent's motives at the time of registration.

Importantly for this Complaint (and again as indicated earlier), paragraph 3(a) of the Policy also envisages a situation where the Domain Name was registered as a result of a relationship between the Complainant and the Respondent, subject to the Complainant using the Domain Name registration exclusively and having paid for the registration and/or renewal of the Domain Name registration (paragraph (3)(a)(v)).

Given that the list of circumstances in paragraph 3(a) is non-exhaustive, other circumstances may be taken into account in considering whether a finding of Abusive Registration is appropriate.

A non-exhaustive list of countervailing factors is set out in paragraph 4(a) of the Policy. This paragraph contains the best guide as to what does not constitute an Abusive Registration and includes circumstances such as

'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; or
ii. The Domain Name is generic or descriptive and the Respondent is making fair use of it
iii. In relation to paragraph 3(a)(v); that the Respondent's holding of the Domain Name is consistent with an express term of a written agreement entered into by the Parties; or...'

Discussion

The Respondent worked for the Complainant at the time of registration of the Domain Name. Whilst it appears that the Respondent participated in discussions concerning the choice of the Domain Name, it is abundantly clear that it (the Domain Name) was for use in the Complainant's business. It still is used. That it came to be registered in the Respondent's name has not been properly explained. The circumstances of the renewal(s) of the registration, including payment and date, are also unclear. But despite the lack of clarity in some areas, the Complainant has made out a convincing case to answer.

The registration clearly arose out of a relationship between the Complainant and the Respondent, and the Domain Name has been used exclusively by the Complainant who appears to have paid for the initial registration and probably the first renewal, but perhaps not the last. In these circumstances, one would

have thought that the Respondent might have tried harder to answer the case brought by the Complainant and attempted to demonstrate, by reference to the Policy, why the Domain Name in his hands is not an Abusive Registration. A starting point might have been, for instance, paragraph 4(a)(iii) of the Policy referred to earlier, *'that the Respondent's holding of the Domain Name is consistent with an express term of a written agreement entered into by the Parties;'*. But all that has been provided is a reference to an agreement that *'allowed me to continue with the RIGHTS that I had...'* without any particularity or copy provided. Moreover, no explanation at all has been provided as how the relationship between the parties may have given rise to a right on the part of the Respondent to own the Domain Name in the first place. The Respondent also fails to explain why the Domain Name has not been *'...used in a manner which has taken unfair advantage of or has been unfairly detrimental to the Complainant's Rights;'*. In short, none of the assertions advanced by the Respondent provides an answer to the Complaint.

The Respondent's failure to provide an answer to the Complaint may be because there is little the Respondent can say to advance a positive case that it has rights in the Domain Name, or to justify his threat that if the Domain Name is not purchased (for £5,000) *'..within 18 days I will arrange for this domain to point to my servers and I will then control all web site traffic and emails sent to my domain and you will loose functionality of your e-mails and web traffic'*. This threat, at first blush, appears to encapsulate two of the examples of circumstances suggesting Abusive Registration in paragraph 3(a)(i) of the Policy, namely that the Respondent has registered the Domain Name for the purposes of selling it to the Complainant at an inflated price, or of unfairly disrupting the business of the Complainant. However, to sell at an inflated price or to disrupt a Complainant's business must have been the Respondent's primary motive at the time of registration. In the circumstances of this case, it is unlikely that the Respondent had any intention of doing either back in 2008 when the Domain Name was registered and he had just joined the Complainant. Nevertheless, the circumstances set out in paragraph 3(a) of the Policy are examples of Abusive Registration. The crucial question is whether the actions of a Respondent fall within the definition of Abusive Registration.

In all the circumstances, the Expert finds little difficulty in concluding that there is sufficient evidence to support a finding of Abusive Registration in this case, either by reference to the example of Abusive Registration at paragraph 3(a)(v) of the Policy (that the Domain Name was registered as a result of a relationship between the parties) or by reference to the second limb of the definition of Abusive Registration (that the Domain Name *'has been used in a manner which has taken unfair advantage of or has been unfairly detrimental to the Complainant's Rights'*). The fact that the Respondent may not have carried through on his threat to disrupt the Complainant's business matters not; a threat to use a Domain Name in a manner that would clearly cause disruption is itself disruptive and unfairly detrimental to the Complainant.

7. Decision

The Expert finds that the Complainant has rights in the Domain Name and is satisfied on the evidence before him that the Domain Name in the hands of the Respondent is an Abusive Registration. Accordingly, the Expert directs that the Domain Name < kpme.co.uk > be transferred to the Complainant.

Signed: Jon Lang

Dated: 05 April 2013