

DISPUTE RESOLUTION SERVICE

D00013538

Decision of Independent Expert

The Nappy Lady Ltd

and

Ms Miranda Stamp

1. The Parties:

Complainant: The Nappy Lady Ltd
The Nappy Lady Ltd
2 North Ave
Farnham
Surrey
GU9 0RD
United Kingdom

Respondent: Ms Miranda Stamp
Briley Cottage
Beggars Hill Road
Lands End
Twyford
Berkshire
RG10 0UB
United Kingdom

2. The Domain Name(s):

nappylady.co.uk

3. Procedural History:

I can confirm that I am independent of each of the parties. To the best of my knowledge and belief, there are no facts or circumstances, past or present, or that could arise in the foreseeable future, that need be disclosed as they might be of a such a nature as to call in to question my independence in the eyes of one or both of the parties.

17 November 2013 18:23 Dispute received
18 November 2013 08:30 Complaint validated
18 November 2013 08:39 Notification of complaint sent to parties
05 December 2013 01:30 Response reminder sent
06 December 2013 09:25 Response received
06 December 2013 09:29 Notification of response sent to parties
11 December 2013 01:30 Reply reminder sent
16 December 2013 10:16 Reply received
16 December 2013 10:18 Notification of reply sent to parties
16 December 2013 10:18 Mediator appointed
19 December 2013 11:32 Mediation started
08 January 2014 12:42 Mediation failed
08 January 2014 12:43 Close of mediation documents sent
09 January 2014 11:28 Expert decision payment received

4. Factual Background

The Complainant

The Complainant sells cloth nappies and offers nappy advice. Initially the business was owned by a sole trader. It changed hands and was purchased by its current proprietor in July 2010. In April 2012, the business was transferred to a newly formed limited company, The Nappy Lady Limited. Throughout these various changes the business has always traded as “The Nappy Lady” and has used this name on business stationery. The business has also continuously traded through its website at www.thenappylady.co.uk since 1999.

The Complainant’s accounts for the 2012-13 financial year show a turnover of £394,440. It has produced a letter from its accountant dated 8 November 2013 confirming that the predicted turnover for the financial year 2013-14 will exceed £500,000.

The Complainant has produced copies of sample search engine results from Google and Yahoo which show that the Complainant’s website is a high organic ranking domain name for most key search terms for nappy related services and products.

The Complainant owns a registered Community Trade Mark (CTM) for the word mark THE NAPPY LADY (no. 011323961). It is registered with effect from 6 November 2012 in respect of nappies and related products among other types of product.

The Respondent and the Domain Name

The Respondent registered the Domain Name on 10 July 2005.

The Respondent operates a cloth nappy business in competition with the Complainant. This business has traded as “Twinkle Twinkle” since at least 2000 and has a website at www.twinkleontheweb.co.uk.

The Domain Name at issue in this case has not been actively used in connection with the Respondent’s nappy business. It is a dormant registration (one of a number held by the Respondent). In 2012 the Complainant became aware that the Domain Name linked to a website holding page displaying sponsored listings and links. In a screenshot attached to the Complaint these links included; “Adorable reusable nappies”, “TotsBots reusable nappies” “Terry Nappy 20 % Discount” and “Cloth Nappies in the UK”. A search carried out by the Expert on 24 January 2014, showed links including businesses offering nappies, “real” nappies, cloth diapers and pregnancy “goodies” as well as goods and services not directly connected to the Domain Name or the Complainant’s business.

At an invitation from the Respondent, the Complainant offered to purchase the Domain Name. It offered a price of £6.98 which was calculated on the basis that it exceeded the Domain Name renewal cost. The Respondent has rejected the offer.

5. Parties’ Contentions

Rights

The Complainant relies on its CTM to show that it has Rights in THE NAPPY LADY brand.

The Complainant also refers to the length of time that the Complainant and its predecessors in title have traded under the name THE NAPPY LADY (since 1999) and its general business presence. The Complainant attaches to the Complaint three business references from suppliers (Little Lambs, TotsBots and Baba Me Newry Limited) which state that the only business that they are aware of by the name THE NAPPY LADY is the Complainant and that they associate that name with the Complainant specifically.

The Respondent disputes that the Complainant has Rights in THE NAPPY LADY and expresses surprise that the CTM was granted. She points out that other businesses trade under the name and provides links to such businesses in New Zealand and South Africa.

Secondly, the Respondent makes submissions that the term the or a “nappy lady” is a generic term for a lady that advises on, retails or demonstrates cloth nappies. She refers to eight links to Internet fora and blogs where local advertisers or sellers are referred to as “nappy lady or ladies”. The Respondent began trading herself as “Miranda Stamp - The Nappy Lady” in early 1999 but quickly realised that there were lots of nappy ladies (including the Complainant’s predecessor in title) and in

November 1999 decided to rebrand herself as Twinkle Twinkle to avoid confusion. She is still often referred to as the “local nappy lady”.

As an alternative to submitting that the term “the nappy lady” is generic, the Respondent also submits that a distinction should be made between the Domain Name “nappy lady” which is a generic term and the Complainant’s brand “THE NAPPY LADY”. The Response states:

“I do feel most strongly that there is a very distinct definition of ‘THE Nappy Lady’ as opposed to the generic ‘nappy lady’ of which I am one of many, in the same way that were I to refer to ‘a doctor’ or ‘The Doctor’, or ‘a hulk’ or ‘The Hulk’ or (the toy shop or the film/song) ‘The Entertainer’ or ‘an entertainer’, or ‘a joker’ or ‘THE Joker’ in every instance the specific article is very different to the generic item and thus by the appendage ‘the’ is instantly identifiable.”

In the Reply the Complainant makes the following submissions in reply with supporting evidence:

- i. Its CTM has been granted and it is too late to argue that the mark is generic. The CTM registration indicates that it has been deemed to have a distinctive meaning capable of identifying the source of the Complainant’s product;
- ii. “nappy lady” does not appear in the Oxford English Dictionary and is not a term widely used in the English language;
- iii. “nappy lady” is not a generic term. Sometimes customers refer to the person who sold them nappies as “nappy lady” but other terms are equally used e.g. “nappy guru”, “nappy adviser” and “nappy queen”. Evidence is attached to the Reply (to supplement the evidence already produced with the Complaint) from retailers and/or suppliers in the industry, namely Fill Your Pants, Nappy Libraries and members of the Renewable Nappy Association which confirm that for the individuals concerned, nappy lady is not a widely used term.
- iv. Two of the links referred to by the Respondent do not support the Respondent’s submission. One of these is an advertisement which was placed by an employee of the Complainant and drafted by Ms Richards herself. The second is an article referring to the then operations director of the Complainant.
- v. The references to the businesses in South Africa and New Zealand are not relevant. The Complainant does not assert Rights in those territories. In the case of the New Zealand business, the Complainant has a working relationship with the owner such that they each pass on customers from the other’s geographic location.

Abusive Registration

The Complainant submits that the link to the website holding page is intended to and does confuse and misdirect customers seeking the Complainant’s services. The Respondent is earning pay per click commission income from the Complainant’s

competitors. By doing so she is using a trademarked name to earn income and disrupting the Complainant's business by redirecting customers searching for the Complainant's website to other competitor websites. People who find/use the holding page at the Domain Name will think that "The Nappy Lady" website is just an advertising site. The Complainant will be losing web traffic and sales.

The Complainant contends that there is no legitimate reason for the Respondent to hold the Domain Name. The Domain Name was only activated to the holding page when the Complainant's business had begun to grow substantially in 2012. The Complainant has contacted the Respondent to inform her of the CTM registration and to request her to stop trading on the Complainant's goodwill and trade mark. The Respondent has not stopped. The Respondent is cybersquatting and deliberately trying to confuse and misdirect potential customers away from the Complainant in an attempt to harm and disrupt its business.

The Respondent submits that the website holding page to which the Domain Name reverts is hosted by her domain name agent and that she has no control over the content. The holding page has been revamped without her knowledge to make links more prominent. She is also not benefitting "in any way from any adword campaigns on any of the dormant domain names I own."

The Respondent disputes that the holding page is causing confusion. Customers would quickly realise that they have not searched correctly. The Domain Name is not being used in a way which is detrimental to the Complainant's Rights because there is a clear distinction between the term "nappy lady" in the Domain Name and the Complainant's THE NAPPY LADY mark.

6. Discussions and Findings

Under Paragraph 2 of the Nominet Dispute Resolution Service Policy (the Policy) In order for the Complainant to succeed it must establish on the balance of probabilities, both:

that it has 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 as defined in Paragraph 1 of the Policy.

Rights

Rights are defined in Paragraph 1 of 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."

The Complainant acquired registered Rights in THE NAPPY LADY mark with effect from 6 November 2012.

Even before this date, the Expert finds that the Complainant and its predecessors had made long standing and successful use of the THE NAPPY LADY mark in the course of trade. The mark has been used as a brand to distinguish the Complainant's business from its competitors. This is supported by samples of the Complainant's business stationery and statements from its suppliers. Even if the term "The Nappy Lady" were a descriptive or generic term in 1999 when the complainant and the Respondent both began trading, the mark has subsequently been used by the Complainant in a manner which had caused it to acquire brand significance, at the latest by 2012 when the Domain Name seems to have first been used in the manner complained of. This use of the mark has generated goodwill in the mark which in turn give rise to unregistered Rights in passing off, enforceable by the Complainant.

The next issue is whether THE NAPPY LADY mark in which the Complainant has Rights, is identical or similar to the Domain Name. On its face there is similarity. The Domain Name simply omits the prefix "the"- nappy lady, instead of the nappy lady. But the Respondent submits that the omission of the word "the" is very significant in terms of trade mark significance. Whilst THE NAPPY LADY may be a name associated with the Complainant, the term "nappy lady" is understood differently to refer to a service supplied by any number of businesses rather than the Complainant specifically.

The Expert does not find this submission to be convincing. The dominant component of the Complainant's mark is not the word "the". It is the term "nappy lady" which would be the part of the brand uppermost in a customer's mind. This is supported by the raft of statements produced by the Complainant from traders which support the facts (a) that nappy lady is not a common term and (b) that the term is understood by them to refer to the Complainant. The Expert acknowledges that in some Internet postings users appear to use the term "nappy lady" descriptively but this does not displace the more compelling evidence of the term being used as a brand linked to the Complainant - especially in more recent years.

The Expert finds that the Complainant has established that it owns Rights in a mark which is similar to the Domain Name. The registered Rights have existed since November 2012. The unregistered Rights have existed since at least the beginning of 2012.

Abusive Registration

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

"Abusive Registration means a Domain Name which either:

- i. was registered or otherwise acquired in a manner which, at the time, when the registration or acquisition took place, took unfair advantage of or was unfairly detrimental to the Complainant's Rights; or
- ii. has been used in a manner which took unfair advantage of or was unfairly detrimental to the Complainant's Rights".

The Complainant's submission turns on the use that has been made of the Domain Name since 2012.

Paragraph 3a of the Policy provides non-exhaustive guidance about what may amount to Abusive Registration. This includes the following:

- 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 or authorised by, or otherwise connected with the Complainant;

It is not clear when the Domain Name was first linked to the website hosting page of which the Complainant complains. The Complainant became aware of it at some point in 2012. It is therefore possible that the use pre-dates the CTM (6 November 2012). There is a line of authority in DRS decisions that suggests that to constitute Abusive Registration the Respondent must have had knowledge of the Complainant's Rights when it began to use the Domain Name (e.g. DRS 04331-Verbatim.co.uk). Because of the uncertainty over timing, when considering whether the current use of the Domain Name amounts to an Abusive Registration, the Expert will only take into account the Complainant's unregistered Rights which she has found to have existed from before 2012. The CTM Rights will be disregarded on the ground that the Respondent may not have been aware of them. In practical terms this makes little difference to the outcome of the Complaint.

It is clear that the Respondent was aware of the Complainant and of its THE NAPPY LADY branding in 2012. Indeed, she seems to have been aware of the Complainant's predecessor in title ever since the business began in 1999.

It is a consequence of the Expert's finding on Rights that the Respondent's submission that the Domain Name is simply a descriptive term fails. The Expert finds that the Domain Name is likely to have been understood as a brand. Internet users commonly find websites by use of search engines or by guessing the URL. The close similarity of the Domain Name to the Complainant's mark in this case means that there is a real risk that potential customers of the Complainant would mistakenly type in or see the Domain Name in search results and link it with the Complainant.

On visiting the holding page customers are likely to realise that their assumption was incorrect but by landing on that page they are exposed to conveniently placed links to other businesses offering the very same services that they are seeking from the Complainant. On the balance of probabilities this is likely to divert some custom away from the Complainant to the detriment of its business and to the Rights associated with it. This detriment is unfair because it is parasitical on the Complainant's efforts in growing its business and popularising its brand. For this reason the use is also taking unfair advantage of those Rights.

The Expert accepts the Respondent's submission that she was unaware that the hosting page had been revamped to make the sponsored links more prominent. She also notes that the Respondent says that she is receiving no AdWords income. But the fact remains that the Respondent was aware of the Complainant in 2012. She knew she owned a Domain Name with a close visual and aural similarity to the Complainant's mark. In those circumstances one would expect a reasonable party in her position to have taken care to ensure that the Domain Name had not been parked by her agent in a way that could damage the Complainant or its business or at least to bear the risk if such use was taking place. This is supported by paragraph 4.7 of the Nominet Experts Overview which provides; "where the domain name is connected to a parking page operated on behalf of the Respondent by a third party (e.g. a hosting company), the Respondent is unlikely to be able to escape responsibility for the behaviour of that third party."

Taken objectively the use of the Domain Name does, for the reasons set out above, both take advantage of the Complainant's market position and cause detriment to it. It amounts to an Abusive Registration under the Policy.

7. Decision

The Domain Name to be transferred to the Complainant.

Signed: Sallie Spilsbury

Dated: 3 February 2014