

DISPUTE RESOLUTION SERVICE

D00014139

Decision of Independent Expert

National Tyre Service Ltd

and

National Tyres Network Ltd

1. The Parties:

Complainant: National Tyre Service Ltd
Regent House, Heaton Lane
Stockport
Cheshire
SK4 1BS
United Kingdom

Respondent: National Tyres Network Ltd
Charter House
1-3 Charter Way
Macclesfield
Cheshire
SK10 2NG
United Kingdom

2. The Domain Name:

nationaltyresnetwork.co.uk

3. Procedural History:

28 April 2014, the Complaint was received.
29 April 2014, the Complaint was validated.
07 May 2014, the Notification of the Complaint was sent to the Parties.
20 May 2014, the Response was received.
20 May 2014, the Notification of the Response was sent to the Parties.
22 May 2014, the Reply was received.
30 May 2014, the Notification of the Reply was sent to the Parties.
30 May 2014, the Mediator was appointed.
04 June 2014, Mediation started.
16 June 2014, Mediation failed.
16 June 2014, Mediation closed and documents sent.
19 June 2014, the Expert decision payment was received.

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 such a nature as to call in to question my independence in the eyes of one or both of the Parties.

4. Factual Background:

- 4.1 The Complainant is a company incorporated in the United Kingdom on 12 August 1970 and sells, among other things, motor vehicle tyres and tyre fitting services.
- 4.2 The Complainant is a proprietor of various UK trade mark registrations for stylised representations of the following names: NATIONAL TYRES AND AUTOCARE (UK trade mark number 2338055, registered in 2005); NATIONAL (UK trade mark number 2274080, registered in 2004); and, NATIONAL FLEET (UK trade mark number 2338051, registered in 2005) (collectively the "Marks").
- 4.3 The Respondent is a company incorporated in the United Kingdom on 17 April 2014.
- 4.4 The Respondent registered the Domain Name on 9 December 2013.

5. Parties' Contentions:

The Complaint

For the purposes of this section of the Decision, the Expert has summarised the submissions of the Parties but only insofar as they are relevant to the matters that the Expert is required to determine under Nominet's Dispute Resolution Service ('DRS') Policy (the 'Policy').

- 5.1 In summary, the Complainant submitted that the Domain Name should be transferred to it for the reasons below.

The Complainant's Rights

- The Complainant submitted that it has Rights in the names/Marks "NATIONAL", "NATIONAL TYRES", "NATIONAL TYRE SERVICE" and "NATIONAL TYRES AND AUTOCARE" (collectively the 'Names') and that the Domain Name is "extremely similar" to the Names/Marks. Further, the Complainant submitted that the Name "National Tyres" is so distinctive that it can only denote one trader, the Complainant.
- It explained that its trading name is "National Tyres and Autocare", though its customers more frequently use the term "National Tyres" and that it is "very well known as National Tyres" both online and at its retail sites.
- It submitted that it has provided its goods and services to the public (including major fleet operators) "under and by reference to" the Names/Marks since it was incorporated in 1970 and that it is the UK's "largest independent tyre and autocare specialist." (The Expert notes that the referenced Marks were not registered until 2004/2005.)
- The Complainant submitted that it is "extremely well known" and is a "truly national organisation" having 228 retail branches in the UK from which it sells its goods and services. It also has an online website (www.national.co.uk) from which it sells its goods and services, which has been operational since 1994.
- The Complainant explained that, when providing its goods and services to major fleet operators, it occasionally uses approved third party independent garages to assist in their necessary provision. The Complainant submitted that it has enjoyed a prolonged period of rapid sales growth through the expansion of its branch network and that, in the last ten years, the Complainant's revenues have almost doubled from £62m in 2003 to £119m in 2013.
- The Complainant submitted that it spends approximately £5m per annum promoting its "National" brand using a combination of TV, radio, outdoor advertising, national and local press, online and printed directories, direct mail, and e-mailers. (An advertisement (undated) under the "National Tyres and Autocare" Name/Mark was evidenced by the Complainant which started with the words "At National Tyres" in the first paragraph.)
- The Complainant submitted that, as a result of its substantial and consistent use of the Names/Marks in relation to its goods and services for the last 44 years in the UK, it has established a substantial and valuable goodwill and reputation in those Names/Marks.

Abusive Registration

- The Complainant submitted that the registration of the Domain Name by the Respondent is an Abusive Registration.
- The Complainant submitted that the Respondent selected the Domain Name because the Respondent aimed to profit from the high volume of searches for the Complainant's brand, to gain "unmerited visibility within Google and other search engines."
- The Complainant submitted that the use of its Name "National Tyres" in the Domain Name is calculated to and will lead customers to the website linked to the Domain Name (the 'Website') and such use will confuse customers (including potential customers) into believing that the Domain Name is registered to, operated or authorised by, or otherwise connected with the Complainant.
- The Complainant noted that the Respondent had set up a search engine within the Website which, when used by a customer, identifies local independent tyre fitters in that customer's area. Further, the customer is able to select a local tyre fitter through that 'portal' and purchase goods and/or services from that local tyre fitter's website.
- The Complainant submitted that the Domain Name and the prominent use of "National Tyres Network" on the Website is misleading its customers (and potential customers) to make the assumption that the Website and the independent tyre fitters accessed through the Website portal are approved by the Complainant.
- In this way, the Complainant submitted that the Domain Name is being used by the Respondent to promote the sale of the goods and services of competitors to the Complainant.
- The Complainant stated that Silkmoth Limited (a company incorporated in the United Kingdom under company number 04204791 and having the same registered address as the Respondent) ('Silkmoth') was listed at the bottom of the Website as the copyright holder of the Website.
- The Complainant explained that Silkmoth used to provide the Complainant and other companies within its group with IT services, primarily developing three websites for the group. The Complainant submitted that the relationship ended in 2012 at Silkmoth's request.

(The Complainant referred to a previous Nominet dispute (case number D00008185) where, it stated, the domain name *nationaltyres.co.uk* was transferred to the Complainant. However, that reference was to a dispute that

did not result in a decision by a Nominet Expert. As such, the Expert has not considered the application of the dispute outcome as part of the Decision.)

Respondent's Response

5.2 In summary, the Respondent submitted that the Domain Name should not be transferred to the Complainant for the reasons set out below.

- The Respondent stated that it is a wholly owned subsidiary of Silkmoth and that Silkmoth has been trading for 11 years.
- It explained that Silkmoth is a software company offering e-commerce websites specifically to the tyre trade. It further explained that Silkmoth had worked for the Complainant from 2006 to 2012, and for its wholesale company for most of that time as well, building and running a number of e-commerce websites for them.
- The Respondent submitted that Silkmoth stopped working for the Complainant at the end of 2012 at the Complainant's request.
- The Respondent explained that it is not a trading company as Silkmoth's plan was to develop the Respondent into a "buying group supporting local tyre fitting businesses."
- Further, the Respondent stated that, over the last year, Silkmoth has developed a network of tyre fitting centre websites (currently just under 700 of them), each one serving an individual fitting centre and providing "the sort of functionality previously only available to large multi-branch companies (like the complainant's)."
- The Respondent submitted that the Domain Name was registered by it to be "the home domain for a company of exactly the same name (National Tyres Network Ltd)". Further, that the Domain Name was registered before the Respondent was incorporated because "it took several weeks to convince Companies House to allow for [the Company's] registration."
- The Respondent submitted that the criteria for allowing the registration of a company name including the word "National" as the first word for the name is for the company to be "pre-eminent in the market." It stated that it had provided Companies House with evidence showing the "truly national coverage of the network" and its company registration was then allowed.
- The Respondent submitted that the Domain Name was chosen because it is a simple description of the membership and that it "is truly national and is a network of independent tyre fitters,"

which is currently "over 3 times as large as the [Complainant's] network although of course much younger."

- The Respondent submitted that the Website clearly stated that "it was a network of independent fitting centres" and that the styling of the Website was "clearly different from the styling" of the Complainant's website.
- Further, the Respondent submitted that the Website is designed as a directory listing "to allow visibility of nearly 700 independent tyre fitting centres, and not to sell directly to end consumers."
- The Respondent explained that, under the threat of litigation by the Complainant, it has now redirected the Domain Name to a different domain (www.tyresnetwork.co.uk) and that it has changed the text on the Website so that there is no possibility of confusion by the Complainant or its customers.

Complainant's Reply

5.3 In summary, the Complainant replied to the Respondent's Response as set out below.

- The Complainant submitted that the registration of the Respondent at Companies House of the company name "National Tyres Network Limited" is of no relevance to the issue at hand. The Complainant submitted that, if Silkmoth does not change the Respondent's name, the Complainant will lodge a complaint with the Company Names Tribunal because the registration of its name is "clearly opportunistic."
- The Complainant submitted that a simple description of membership would have been "National Tyre Network", "National Garage Network" or "UK Wide Tyre Fitting Services" and not "National Tyres Network." The Complainant further submitted that the addition of the "s" in the word "tyre" is also grammatically incorrect and indicates that the company name was "carefully chosen to be very similar to" the Complainant's trading name "National Tyres."
- The Complainant noted that Silkmoth worked for the Complainant for six (6) years and that Silkmoth is "exceptionally familiar" with the Complainant's Names and Marks.
- The Complainant submitted that the styling of the Website is of no relevance to the Dispute.
- The Complainant submitted that the Website allows consumers to order services and products through the independent tyre fitting centres' websites, all of which are owned and operated by

Silkmoth (which is made clear in the terms and conditions on the independent tyre fitting centres' websites).

- Therefore, the Complainant submitted that Silkmoth is "clearly dealing with consumers" and the description of the Website as a simple directory does not accurately reflect what the Website does.

Each Party also discussed threatened legal action by the Complainant. The Expert has not referenced those discussions as part of his Decision as they are not relevant to the Decision and no legal proceedings have been commenced or terminated in connection with the Domain Name (as per Nominet's DRS Procedure (the 'Procedure'), paragraph 20) sufficient to suspend the consideration of the Dispute.

6. Discussions and Findings

General

- 6.1 To succeed in the Complaint, the Complainant has to prove pursuant to paragraph 2 of the Policy that, on the balance of probabilities¹:

"a. (i) [it] 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."

- 6.2 Addressing each of these limbs in turn:

i) Rights in respect of a name or mark which is identical or similar to the Domain Name

- 6.3 The Expert considers that, for the reasons set out below, the Complainant has Rights in a name/mark which is at least similar to the Domain Name.

- 6.4 Paragraph 1 of the Policy defines 'Rights' as:

"[...] rights enforceable by the Complainant, whether under English law or otherwise, and may include rights in descriptive terms which have acquired a secondary meaning;"

also, the Complainant must have the Rights at the time of the complaint.²

¹ I.e. on the basis that the Complainant's case is more likely than not to be the true version, see <http://www.nominet.org.uk/disputes/drs/legalissues/>.

² See, for example, Nominet Appeal decision, *ghd*, DRS No. 03078, at page 9, para 9.2.2.

- 6.5 The Expert notes that, as referred to by the Complainant and summarised at paragraphs 4.2 and 5.1 above, the Complainant is the proprietor of a number of trade marks for stylised representations of various names including for "National Tyres and Autocare."
- 6.6 As the above definition of Rights also embraces enforceable rights other than a registered trade (or service) mark, the Expert has considered whether such other rights arise in any of the Names.
- 6.7 In this regard, the definition of Rights includes a reference to "*rights in descriptive terms which have acquired a secondary meaning*"; such a secondary meaning indicating to the purchasing public the goods/services of the Complainant (i.e. that the person has generated goodwill in the descriptive term).³
- 6.8 While the Expert considers that the name "National Tyres" is in itself descriptive, the Expert considers that, through the Complainant's longevity in the market place, advertising, reputation and sales, the Complainant has developed considerable goodwill and reputation in that name sufficient for it to acquire a secondary meaning as a name of the Complainant's business.
- 6.9 Further, and on the balance of probabilities, the Expert considers that the suffix "network" is merely a descriptive element in the Domain Name and does not sufficiently distinguish the Domain Name from the name "National Tyres" or from the stylised Mark "National Tyres and Autocare."
- 6.10 Given those factors, the Expert considers that, at the time of the Complaint, the Complainant had Rights in the Name "National Tyres" and Mark "National Tyre and Autocare" which are separately each at least similar to the Domain Name. In concluding the above, the Expert has also disregarded the domain suffix "*co.uk*".
- 6.11 Thus, noting the fact that the requirement to demonstrate 'Rights' is not a particularly high threshold (Nominet appeal panel decision, *Seiko-shop* DRS 00248), the Expert considers that the evidence before him is sufficient to establish that, at the time of the Complaint, the Complainant had relevant Rights in the Domain Name.

ii) Abusive Registration

- 6.12 For the reasons set out below, the Expert considers that the Domain Name is an Abusive Registration as understood by the Policy.
- 6.13 Paragraph 1 of the Policy defines "Abusive Registration" as a domain name which either:

³ Goodwill has been defined as: "the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom." - *Inland Revenue Commissioners v Muller & Co Margarine Ltd* [1901] A.C. 217 at 223,224.

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 has been unfairly detrimental to the Complainant's Rights;

- 6.14 *In relation to i. above* – the Expert considers that the Domain Name was an Abusive Registration at the time the Domain Name was registered.
- 6.15 The Policy, at paragraph 3, sets out a non-exhaustive list of factors which may be evidence that the Domain Name is an Abusive Registration.
- 6.16 Specifically, the Expert considers that the factor set out at paragraph 3 a. i. C. is relevant, which refers to where the Respondent has registered the Domain Name primarily "*for the purpose of unfairly disrupting the business of the Complainant*", and the factor set out paragraph 3 a. i. B. is also relevant, which refers to where the Respondent has registered the Domain Name primarily "*as a blocking registration against a name [...] in which the Complainant has Rights.*"
- 6.17 In relation to the above factors, the Respondent's knowledge of the Complainant when registering the Domain Name needs to be shown.⁴ In this regard, the Expert notes that the Respondent worked for the Complainant for a number of years prior to the registration of the Domain Name and that the Respondent, in the Response, referred to the Complainant as a "large multi-branch[ed] company."
- 6.18 Given that, and also the Complainant's considerable goodwill and reputation in the Names/Marks (noting that the Complainant has for example over 230 centres throughout the UK as evidenced by the provided advertisement), the Expert considers that the Respondent would have been well aware of the Complainant, the Complainant's business and the Names/Marks at the time of its registration of the Domain Name.
- 6.19 In relation to the factor at paragraph 3 a. i. A. of the Policy, given the similarity of the Domain Name to the Complainant's Name "National Tyres" and the Mark "National Tyres and Autocare", the Expert considers that it is very apparent that the Respondent chose the Domain Name specifically to profit from the Complainant's goodwill and reputation in the same market the Respondent intended to enter, the enabling of the sale of tyres and the provision of tyre fitting services.

⁴ In reference to previous DRS decisions (e.g. DRS appeal decision *verbatim.co.uk* (DRS 4331)).

- 6.20 While the Expert noted the Respondent's submission that it chose the Domain Name as it was "a simple description of the membership", the Expert does not consider that any evidence has been provided by the Respondent to support its bald assertion that its intention at the time of registration of the Domain Name was for such a purpose rather than to disrupt the Complainant's business. As the Complainant submitted, there were many other possible names that could have been used for the domain name to signify that it was "a simple description of the membership" other than the one chosen.
- 6.21 The Expert also considers that the registration of the Domain Name was intended as a blocking registration as per paragraph 3 a. i. B. of the Policy whereby the Complainant would be unable itself to register the Domain Name.
- 6.22 Therefore, for the reasons set out above, the Expert considers that the registration of the Domain Name took unfair advantage of, and/or was unfairly detrimental to, the Complainant's Rights.
- 6.23 In relation to (ii) above – the Expert considers that the Domain Name was an Abusive Registration through its use by the Respondent.
- 6.24 The Expert considers paragraph 3 a. ii. of the Policy as relevant, whereby a factor which may be evidence that the Domain Name is an Abusive Registration is:
- "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;"*
- 6.25 The Expert considers that the Respondent's use of the Website as a portal through which customers could use a search engine to locate local tyre fitters would mean that those accessing the Website would likely be confused, at least initially,⁵ into thinking that the Website and the local tyre fitters referenced therein were the Complainant's or were somehow associated with the Complainant.
- 6.26 The Expert notes that the Respondent submitted that those using the Website would not be so confused or would soon realise any mistake as the Website "clearly stated that it is a network of independent fitting centres" and that the styling of the Website is different from the Complainant's.
- 6.27 However, the Expert is not persuaded by that submission as, by the very fact that a potential customer has accessed the Website because

⁵ For a discussion of the concept of 'initial interest confusion' and recent case-law, please see the English High Court judgment in *OCH-ZIFF MANAGEMENT EUROPE LIMITED and others v OCH CAPITAL LLP and others* [2010] EWHC 2599 (Ch). See also the DRS Experts' Overview at paragraph 3.3.

of the Complainant's goodwill and reputation in the Names/Marks, the damage to the Complainant's business would already have been done.

- 6.28 Such use of the Domain Name as described above is also unfairly detrimental to the Complainant's Rights as the Complainant is likely to have lost potential sales as a consequence of the confusion through web-users using the Website to click through to the Complainant's competitors' websites and purchasing goods and services through those links.
- 6.29 The Respondent seeks in effect to rely on the factor at paragraphs 4. a. i. A. and B of the Policy to demonstrate that the Domain Name is not an Abusive Registration. Those paragraphs state that:
- 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;*
- 6.30 However, in this regard the Expert notes the reference in the Nominet Expert's Overview (Version 2) to the application of this paragraph whereby it is stated that the circumstances set out in paragraph 4(a)(i) of the Policy are only likely to "*constitute satisfactory answers to the Complaint if they commenced when the Respondent was unaware of the Complainant's name or mark forming the basis for the Complaint.*"
- 6.31 As referenced above at paragraphs 6.17 and 6.18 of the Decision, the Expert considers that the Respondent was well aware of the Complainant's Names/Marks prior to the Domain Name's registration.
- 6.32 Also, the Expert considers that the Respondent was incorporated at the Companies Registry with the same name as the Domain Name does not in itself give rise to any rights for this purpose.⁶ Indeed, the Expert considers that the sequence of events was likely to have been contrived by the Respondent for the purpose of defending an apprehended complaint or legal action in relation to the registering of the Domain Name.
- 6.33 Thus, the Expert considers that the Respondent's use of the Domain Name in the ways described above, has taken unfair advantage of, and/or was unfairly detrimental to, the Complainant's Rights.

⁶ For further discussion, please see The Nominet Experts' Overview at: http://www.nominet.org.uk/sites/default/files/drs_expert_overview.pdf.

7. Decision

- 7.1 The Expert finds that, on the balance of probabilities, the Complainant has Rights in respect of a name or mark which is at least similar to the Domain Name and that the Domain Name in the hands of the Respondent is an Abusive Registration. Therefore, the Expert directs that the Domain Name be transferred to the Complainant.

Signed Dr Russell Richardson

Dated 11 July 2014