

**DISPUTE RESOLUTION SERVICE**

**D00016453**

**Decision of Independent Expert**

VitaStik LTD

and

StrongHold Inc

**1. The Parties:**

Complainant:  
VitaStik Ltd  
3 Broad Street  
Brighton  
East Sussex  
BN21TJ  
United Kingdom

Respondent:  
StrongHold Inc  
433 n camden drive, suite 600  
Beverly Hills  
California  
90210  
United States

**2. The Domain Name:**

vitastik.co.uk

**3. Procedural History and Issue:**

- 3.1 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.

### 3.2 Timeline

28 August 2015 20:52 Dispute received  
01 September 2015 13:38 Complaint validated  
02 September 2015 09:36 Notification of Complaint sent to Parties  
15 September 2015 08:54 Response received  
15 September 2015 08:58 Notification of Response sent to Parties  
18 September 2015 02:30 Reply reminder sent  
21 September 2015 15:55 Reply received  
23 September 2015 08:53 Notification of Reply sent to Parties  
23 September 2015 08:53 Mediator appointed  
24 September 2015 17:06 Mediation started  
24 September 2015 17:07 Mediation failed  
24 September 2015 17:11 Close of mediation documents sent  
06 October 2015 02:30 Complainant full fee reminder sent  
06 October 2015 09:19 Expert decision payment received

### 3.3 The Complainant

The Complainant named at the start of the Complaint is VitaStik Limited, with an address in Brighton, UK.

However, the Complaint has been submitted by a Mr Eduard Enns, who states in the Complaint that he is a director of the company VitaStik UK Limited. Mr Enns provides evidence of the registration of that company at UK Companies House in the Complaint. In addition, VitaStik UK Limited is listed as one of the co-owners of the UK trade mark that is referred to in the Complaint (further details of which are set out below). All references to the Complainant in the Complaint appear to be to this company.

On the basis of the above, the Expert finds that the Complainant for the purposes of this proceeding under the Nominet Dispute Resolution Service (DRS) is VitaStik UK Limited.

## 4. Factual Background

- 4.1 The Complainant operates a company incorporated under the name VitaStik UK Limited.
- 4.2 The Domain Name was registered by the Respondent on 27 January 2015.
- 4.3 The Domain Name redirects to a website under the domain name [www.vitastik.com](http://www.vitastik.com).

## 5. Parties' Contentions

- 5.1 Both of the Parties make a number of somewhat confusing and unsubstantiated contentions in their submissions, particularly regarding the sale and distribution of electronic cigarette type products bearing the name “VitaStik”, and the connection between each of the Parties and other people and/or entities that are referred to in their respective submissions. Further, it is unclear as to what relevance the evidence supporting some of these contentions has to this particular proceeding under the DRS.
- 5.2 I have therefore included below the contentions that I find are relevant to these proceedings in the context of the DRS Policy and Procedure, rather than set out in detail the actual statements and contentions made by each of the Parties.

### The Complaint

- 5.3 The Complainant contends that it is the owner of UK trade mark number 3119453 (“VitaStik”) and that it is the exclusive seller of the “VitaStik” product for the UK market.
- 5.4 The Complainant asserts that it is a partner of VitaStik Germany (full company name Vapomins Vertriebsgesellschaft UG). The Complainant references a trade mark in Germany under number DE302015004512 for the mark “www.vitastik.de” and contends that VitaStik Germany is also the owner of the websites operated in Germany, Switzerland and Austria for the “VitaStik” product.
- 5.5 The Complainant wishes to use the brand name “VitaStik” in the UK to follow the success the “VitaStik” name has had in Germany, Switzerland and Austria, but it says that it cannot do so as the Domain Name has already been registered by the Respondent.
- 5.6 The “VitaStik” brand is, according to the Complainant, already established and used widely in social media. The Complainant contends that a lot of money has been successfully invested into online marketing of the brand and that the product bearing the “VitaStik” name is widely known in and outside of Germany.
- 5.7 The Complainant asserts that the Domain Name is identical to its company name and also refers to the Complainant’s only product.
- 5.8 The Complainant contends that it has attempted to contact the Respondent to request a transfer of the Domain Name, on the grounds that the Complainant is the exclusive seller of the “VitaStik” product for the UK but that it did not receive a direct response. A few days later however the Complainant says that it received a call from an unknown number requesting the Complainant to buy the domain at an exorbitant price. The Complainant has not heard anything back from the Registrant and it does not have any valid contact information for the Registrant.

- 5.9 The Complainant references a Mr. Santos who it claims was a former employer of the company VitaCig Inc. (a U.S. company) but has since resigned, after heavy disagreements with the main shareholders. According to the Complainant, Mr. Santos is not involved in VitaStik or VitaCig or any business affiliated with VitaStik or VitaCig anymore.
- 5.10 The Complainant contends that Mr. Santos began registering domain names containing the brand name "VitaStik" in his name and/or the name of his company (the Respondent) shortly after he became aware that he was leaving VitaCig Inc and did so in the knowledge that since January 2015 the Complainant was discussing a deal to bring VitaStik to Europe (including the UK).
- 5.11 The Complainant contends that Mr. Santos bought these domain names for the sole purpose of selling them to gain personal profit and preventing the Complainant (as owner of the trade mark "VitaStik") to start its business. This, according to the Complainant, is proved by the fact that Mr Santos registered the domains in his name whilst he was the CEO of VitaStik Inc.
- 5.12 The Complainant asserts that the WHOIS data for the Domain Name is invalid since the company Stronghold Inc went into liquidation at the beginning of 2014, but its name was still used when registering the Domain Name.
- 5.13 The Complainant contends that the website that the Domain Name resolves to is not being used and that the registrar of the Domain Name, GoDaddy, has been informed about the invalid WHOIS information.

#### The Response

- 5.14 The Respondent says that the Domain Name currently resolves to the website under the domain name <www.vitastik.com>. The Respondent currently ships and fulfils orders from this website to the UK, with certain larger based orders fulfilled using its local UK distributors.
- 5.15 The Respondent contends that it will be re-launching, for the 3rd time, a fully hosted, independent, serviced website under the <vitastik.co.uk> and <vitastik.uk> domain names in the coming months, with several of its UK contracted partners. The Respondent says that this new website is currently under construction.
- 5.16 The Respondent claims that the "VitaStik" trade mark is owned by mCig, VitaCig & VitaStik under numbers 86169368 and 86474282. These products and brands are, according to the Respondent, managed by VitaStik LLC, administered by the Respondent and have been sold, distributed, and promoted globally by the Respondent and its contracted partners since 2013. The Respondent asserts that hash-tag searches on Instagram and Twitter for VitaStik and VitaCig clearly illustrate the above stated claims.

- 5.17 The Respondent says that it has partnered with several international partners to further help it expand its global sales, branding and marketing and that within each of these non-exclusive contracts, there are clearly defined terms that the above companies own all rights to products, brands, trademarks, social media, and all other aspects of IP and business integral to the Respondent's products and its current business.
- 5.18 The Respondent is a publicly traded company under the ticker codes VTCQ and MCIG with over 30,000 global investors combined.

#### The Reply

- 5.19 The Complainant says that the website under the Domain Name was not used until the Respondent received notice of the Complaint.
- 5.20 The Complainant asserts that in order to be able to sell the product in Europe a licence is needed, which Mr. Santos does not have. There is currently no local UK distributor for the "VitaStik" product, as the Complainant is the owner of the associated trade mark.
- 5.21 The Complainant disputes the Respondent's claim that it is re-launching its website under the Domain Name. The Complainant asserts that trade mark number 86169368 refers to the mark "VitaCig" and not "VitaStik", and that the status of trade mark number 86474282 is not registered.
- 5.22 The Respondent's claim that the products and brands have been sold, distributed, and promoted globally by it, and its contracted partners since 2013 is not true according to the Complainant. It says that the product has been sold by mCig and Mr. Santos has no connection to mCig.
- 5.23 The Complainant says that the search results for the hash tag VitaStik on the social media referenced by the Respondent show that the hash tag is used almost exclusively for the business of VitaStik Germany. VitaStik Germany is not connected to any company that Mr. Santos owns or has owned.
- 5.24 The Complainant asserts that there is no contract between VitaStik Germany and the Respondent, and that the Complainant is launching TV commercials for its product in Germany on 1 October.

#### Further supplemental submissions by the Respondent

- 5.25 Further to the Complainant's Reply, the Respondent asked to file two "non-standard submissions", one on 7 October 2015 and a further one on 15 October 2015. The rules concerning non-standard submissions are set out within Paragraph 13b of the Procedure, which states:

*"Any non-standard submission must contain as a separate, first paragraph, a brief explanation of why there is an exceptional need for the non-*

*standard submission. We will pass this explanation to the Expert, and the remainder will only be passed to the Expert at his or her sole discretion.”*

- 5.26 Having reviewed the Respondent’s explanatory paragraphs for each of its requests to file a non-standard submissions I agreed to see the remainder of the Respondent’s submissions on the basis that they may help clarify some of the confusing contentions made by the Parties.
- 5.27 The first of these non-standard submissions repeats the Respondent’s claims that it has been using the Domain Name for the promotion and sale of its “VitaStik” product, and states that this has been ongoing in the EU and other markets for some time prior to the date of the Complaint. It emphasises the promotion on social media in particular and attaches more screenshots from websites referring to and containing pictures of the “VitaStik” product.
- 5.28 It also contains evidence of a trade mark assignment from VitaCig, Inc., purporting to assign the entire interest and goodwill in trade mark number 86474282 (VITASTIK) to the Respondent and VitaStik, LLC.
- 5.29 The second of these non-standard submissions is signed by a Mr Paul Rosenberg, CEO of mCig and VitaCig. This submission essentially makes only one new point to previous points raised by the Respondent, namely that Mr. Schmid (of the Complainant’s German partner and who the Complainant refers to in its Complaint) is not empowered to bring in new distributors such as Mr. Enns on the Respondent’s behalf without first consulting with, and being approved by it, and these rules were laid out in its contracts with Mr. Schmid.
- 5.30 I do not consider any of the points raised by the Respondent in these further non-standard submissions to have any bearing on the outcome of this proceeding and so I have used the standard submissions (namely, the Complaint, the Response and the Reply) as the basis for formulating my decision. I have also therefore taken the view not to invite the Complainant to file any answering submissions to the Respondent’s non-standard submissions.

## **6. Discussions and Findings**

- 6.1 The Complainant is required under paragraph 2(b) of the Policy to prove to me, 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.

### Complainant’s Rights

- 6.2 Paragraph 1 of the Policy provides that 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*". Rights may be established in a name or mark by way of a trade mark registered in an appropriate territory, or by a demonstration of unregistered so-called 'common law' rights.
- 6.3 The Complainant, in attempting to make out its case on Rights, references a UK trade mark for the mark "VitaStik". However, the only details that the Complainant provides about this mark is that it bears the number 3119453. It has not provided any further details of this mark, nor has it provided any objective evidence of the status of the mark (in particular, whether it is registered or not).
- 6.4 In light of the importance of this particular point to the question of determining the first limb of the test that the Complainant is required to prove pursuant to paragraph 2(b) of the Policy, I undertook a simple online enquiry of the UK Intellectual Property Office's publicly available trade mark database to ascertain the status of the mark referenced by the Complainant as a proportionate alternative to either ignoring this point made by the Complainant or initiating any further rounds of submissions from either or both of the Parties.
- 6.5 This search showed (i) that the application for the mark in question (being a mark for the words VITASTIK UK in stylised form, prefixed by a small logo) was filed on 25 July 2015 (just over one month prior to the Complainant filing its Complaint) in the name of the Complainant and one other entity (Mühlner Management Solutions GbR, a company that the Complainant has made no mention of in any of its submissions) and (ii) that the mark was entered in the UK trade marks register as registered on 23 October 2015.
- 6.6 The Complainant has also adduced evidence of incorporation in the UK of the company Vitastik UK Limited and the Respondent has not disputed that the Complainant has incorporated such a company. I am therefore prepared to accept that the Complainant is a limited company in the UK with the name "Vitastik UK Limited".
- 6.7 However, as discussed in paragraph 1.7 of the Experts' Overview<sup>1</sup>, the consensus view of the Experts' group is that mere registration of a company name at the Companies Registry does not of itself give rise to any rights for the purpose of the Policy. I respectfully endorse this view and apply it to this case. Mere incorporation of a company which includes in its name the term "Vitastik" is not enough (on its own) to show that the Complainant has Rights in this term under the Policy.

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<sup>1</sup> The Experts' Overview is a document put together by Nominet's panel of Experts which deals with a range of issues that come up in DRS disputes and provides further guidance on the Policy and Procedure for the benefit of prospective DRS parties. It is published on Nominet's website at: [http://www.nominet.uk/wp-content/uploads/2015/08/Expert\\_Overview.pdf](http://www.nominet.uk/wp-content/uploads/2015/08/Expert_Overview.pdf).

- 6.8 In addition to the UK trade mark, the Complainant attempts to claim Rights through unregistered rights in the term “VitaStik”.
- 6.9 Where the Complainant is relying on unregistered trade mark rights to prove that it has Rights for the purposes of the Policy, paragraph 2.2 of the Experts’ Overview states:

*“If the right is an unregistered trade mark right, evidence needs to be put before the Expert to demonstrate the existence of the right. This will ordinarily include evidence to show that (a) the Complainant has used the name or mark in question for a not insignificant period and to a not insignificant degree (e.g. by way of sales figures, company accounts etc) and (b) the name or mark in question is recognised by the purchasing trade/public as indicating the goods or services of the Complainant (e.g. by way of advertisements and advertising and promotional expenditure, correspondence/orders/invoices from third parties and third party editorial matter such as press cuttings and search engine results).”*

- 6.10 The Complainant asserts that it is the exclusive seller of the “VitaStik” product in the UK and that through its partner in Germany it is using the VitaStik name in Germany, Austria and Switzerland to much success. It also asserts that it has invested a lot of money in online marketing in Germany and that the “VitaStik” product is already established and widely known both in and outside of Germany.
- 6.11 These are, however, bare assertions made by the Complainant that are supported by extremely limited (and in most cases no) evidence. For example, the Complainant has provided no information on how long the name has been in use for, what the product marketed and sold under the “VitaStik” name actually is (other than relying on selected and undated screenshots of Instagram posts submitted by the Respondent in which people are seen to be holding and/or smoking what appears to be an electronic cigarette which product bears the name “VitaStik”), under what basis and grounds it claims to operate as the exclusive seller of the “VitaStik” product in the UK, how much expenditure it has incurred in promoting the product under that name, and how many sales of the product it has generated and in which countries.
- 6.12 In essence, the Complainant simply claims that it has some right to use the name “VitaStik” and wishes to do so in the UK but it cannot as the Domain Name is currently registered by the Respondent.
- 6.13 The Complainant has therefore failed to show to my satisfaction that the Complainant itself has used the name “VitaStik” for a not insignificant period to a not insignificant degree. There is no evidence before me to show that this name is recognised by the purchasing trade or public as indicating the product of the Complainant. I am further persuaded in this regard by the fact that the application for registration of a trade mark incorporating the term “VITASTIK” in the UK made by the Complainant and one other entity was made as recently as 25 July 2015.



- 6.14 Although it is well accepted that the test to determine whether the Complainant has Rights is one with a low threshold to overcome, it must still be overcome by the Complainant and this is a crucial aspect in any DRS proceeding. In a case such as this, where there are entities who (i) both claim some right to the name in question (“VitaStik”), (ii) both contend that they promote and sell products under this name and (iii) both contend that they have taken steps to protect their rights (for example, by filing and/or seeking assignment of trade mark applications in various jurisdictions for marks containing the term “VitaStik”), the Complainant is required to set out clearly in its submissions (including by providing supporting extensive objective evidence) how it has Rights pursuant to the Policy in order to make out its case. The Complainant has failed to do this.
- 6.15 However, as mentioned above and despite the Complainant providing no information on its UK trade mark other than a number, the Complainant does appear to be the co-owner of an extremely recently registered trade mark in the UK which incorporates the terms “VITASTIK UK” and it also operates under a company name which includes these same terms.
- 6.16 I am therefore prepared to find that the Complainant has proved, on the balance of probabilities, that it holds Rights in the mark “VITASTIK UK”.
- 6.17 The Domain Name incorporates the word “VITASTIK” in its entirety and without other adornment (excluding the generic .co.uk suffix). The only difference between the Complainant’s Rights and the Domain Name is the omission of the non-material word “UK”. I therefore find that the Complainant has Rights in a mark which is similar to the Domain Name, and is therefore able to prove its case on Rights under the Policy.

#### Abusive Registration

- 6.18 The DRS requires the Complainant to prove its case on the balance of probabilities on both elements of the test set out in the Policy. The Complainant’s submissions on Abusive Registration essentially focus on the circumstances set out in paragraph 3(a)(i) of the Policy.
- 6.19 That paragraph sets out a non-exhaustive list of factors which may be evidence that the Domain Name is an Abusive Registration under paragraph 1(i) of the Policy, as follows:

*“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;*”

- 6.20 Paragraph 3(a)(i) concerns the registrant’s (who in this case means the Respondent’s) motives at the time of registration of the Domain Name, and for the Complainant to make out its case based on any of these factors it must be able to prove, on the balance of probabilities, that the Respondent was aware of the Complainant and/or its Rights at the time that it registered or otherwise acquired the Domain Name, or that the Respondent, being unaware of the Complainant and/or its Rights at that time has subsequently unfairly disrupted the Complainant’s business.
- 6.21 The Complainant makes a bare assertion that the Respondent registered the Domain Name solely for the purpose of selling it and preventing the Complainant (as trade mark owner) from starting its business. It also makes unsubstantiated submissions that it is the exclusive seller of the “VitaStik” product in the UK and that the Respondent is not able to sell the product in Europe as it does not have a licence to do so. Essentially it appears to be relying on the circumstances set out in paragraph 3(a)(i) of the Policy as set out above.
- 6.22 Whether all of this is true or not (and for clarity, I am not able to make any finding on these points due to the lack of evidence submitted by the Complainant substantiating its contentions in this regard), it does not automatically follow that the Respondent has no right to the Domain Name or that it has unfairly registered and/or is unfairly using the Domain Name to the detriment of the Complainant’s Rights. The Respondent has made contentions regarding its business (whether through it or its partners or distributors) in promoting and selling a product known as “VitaStik”, and regarding use of the Domain Name (by way of a redirect to the domain name <www.vitastik.com>) for such purposes. It also claims to be a co-owner of a trade mark for the mark “VitaStik” in the US.
- 6.23 In addition, the trade mark on which the Complainant relies to establish, inter alia, its case on Rights was only filed with the UK Intellectual Property Office on 25 July 2015. The Domain Name was therefore registered some six months prior to the Complainant seeking to establish some form of registered rights in the term “VITASTIK” and those rights coming into existence. The lack of evidence supporting the Complainant’s case on unregistered rights also means that I am unable to find that the Respondent had actual or constructive knowledge of the Complainant and/or its Rights at the time that it registered the Domain Name.
- 6.24 Further, paragraph 4 of the Policy sets out a non-exhaustive list of factors which the Respondent may rely on to show that the Domain Name is not an Abusive Registration. Paragraph 4(a)(i) states as follows:
- “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”*

6.25 On the submissions before me, I am unable to find, on the balance of probabilities, that none of these circumstances apply, particularly those set out in paragraphs 4(a)(i)(A) and (B) above.

6.26 The Complainant on the one hand asserts that the Domain Name was only used (to redirect to a website under the domain name <www.vitastik.com>) after the Respondent had received notice of the Complaint. This assertion is supported by evidence comprising (i) an undated screenshot of the first few results of a Google search for vitastik.co.uk, with the text under the first of those results stating that the domain name has been redirected, and (ii) what appears to be the result of a cache search from Google dated 14 September 2015 for the Domain Name which states that the Domain Name has been redirected.

6.27 The Respondent on the other hand claims that it is a co-owner of a trade mark incorporating the term “VitaStik”, that it administers the products bearing this mark, and that these products have been sold, distributed and promoted globally by it and its contracted partners since 2013 (which date I note is two years prior to the Complainant making an application to register a trade mark incorporating the term “VITASTIK” in the UK).

6.28 In summary, this is a case where both the Complainant and the Respondent appear to have or at least claim some right to the “VitaStik” brand but the Complainant’s lack of evidence in seeking to establish its case under the second element of the test means that I am unable to find that the Domain Name, in the hands of the Respondent, is an Abusive Registration under the terms of the Policy.

6.29 Finally, it is important for the Parties to note that the DRS is designed to be a simple, efficient and low cost system for resolving domain name disputes. It is not a forum suitable for weighing up the merits, or otherwise, of non-domain name conflicts between the parties, such as whether one party has exclusive rights to sell a particular product in a particular jurisdiction – in this case, the UK. There are other forums that should be used to resolve such issues and which the Parties may wish to use to take up their differences. The DRS is also not a procedure which allows the Expert to cross-examine the parties or further test the veracity of the submissions and evidence put before them. My decision under the DRS can only concern the Domain Name, and in particular whether or not the Complainant is

able to prove that both elements of the two-part test set out in paragraph 2(b) of the Policy have been met, which in this case I find that they have not.

## **7. Decision**

- 7.1 For the reasons set out above, I find that the Complainant does have Rights in respect of a name which is similar to the Domain Name, however I do not find that the Domain Name in the hands of the Respondent is an Abusive Registration. The Complaint therefore fails.

**Signed      Ravi Mohindra                      Dated      1 November 2015**