

DISPUTE RESOLUTION SERVICE

D00017374

Decision of Independent Expert

Edible Blooms Pty Ltd

and

Edible Arrangements International

1. The Parties

Complainant: Edible Blooms Pty Ltd
32 Richmond Road
Keswick
5035
Australia

Respondent: Edible Arrangements
95 Barnes Road
Wallingford
CT
06492
United States

2. The Domain Name

<edibleblooms.co.uk>

3. Procedural History

22 April 2016 05:27 Dispute received
25 April 2016 13:38 Complaint validated
25 April 2016 13:42 Notification of complaint sent to parties
13 May 2016 02:30 Response reminder sent

17 May 2016 17:01 Response received
17 May 2016 17:01 Notification of response sent to parties
20 May 2016 02:30 Reply reminder sent
25 May 2016 10:22 Reply received
25 May 2016 10:23 Notification of reply sent to parties
25 May 2016 10:23 Mediator appointed
31 May 2016 11:38 Mediation started
17 June 2016 10:05 Dispute resolved during mediation
01 August 2016 11:46 Dispute opened
01 August 2016 11:48 Mediation failed
01 August 2016 11:48 Close of mediation documents sent
10 August 2016 10:55 Expert decision payment received
17 August 2016 16:47 Expert appointed: Steven A. Maier

Expert Declaration: 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.

On 19 August 2016 the Expert issued the following Procedural Order:

“The Complainant has submitted a Reply which includes submissions and annexures which go significantly beyond the scope of the original Complaint. While the Expert is minded to admit the Reply, the Expert directs that the Respondent may within five working days file a response to the Reply, limited to 1,500 words and only to matters newly raised in the Reply. The date for the Decision in this case shall be extended accordingly.”

Following an extension of the time period referred to above, the Respondent filed a response to the Reply on 6 September 2016.

4. Factual Background

The Complainant is a corporation located in Australia. It is a supplier of gift items including edible floral displays.

The Complainant (or its associated company) is the proprietor of European Union Trade Mark (“EUTM”) number 8658429 for EDIBLE BLOOMS, registered on 8 June 2010, with a filing date of 10 October 2009, in Classes 31, 35 and 44, for goods and services including edible floral arrangements.

The Domain Name was registered on 16 March 2006.

Prior to the Respondent’s receipt of the Complaint, the Domain Name resolved to the Respondent’s website at “www.ediblearrangements.com”. Following the Respondent’s receipt of the Complaint, the Domain Name has resolved to a “GoDaddy” parking page.

5. Parties' Contentions

The Complaint

The Claimant submits that it has traded in Australia under the name "Edible Blooms" since 2005. It states that the Respondent is not currently active in the UK and has abusively registered the Domain Name. The Complainant states that the Respondent has used the Domain Name to resolve to its own US website at "www.ediblearrangements.com" which offers similar services to the Complainant's.

The Complainant seeks a transfer of the Domain Name.

The Response

The Respondent states that it has traded under names including the term "Edible" since 1998, most notably "Edible Arrangements". It states that its core products comprise fresh fruit which is cut and presented to as to resemble bouquets of flowers. It operates 1,200 stores worldwide (of which 1,088 are in the US) and retail websites at "www.edible.com" and "www.ediblearrangements.com", as well as nine other country-specific websites containing the term "ediblearrangements".

The Respondent states that it operated stores at four UK locations from 2006 onwards, although it suspended its UK operations in 2011. However, it submits that it continues to enjoy a reputation in the UK and has received over 130 enquiries since 2013 from companies or individuals interested in a possible UK franchise arrangement. In addition, its website at "www.ediblearrangements.com" received approximately 96,000 UK visitors in April 2016.

The Respondent provides evidence of its use of the names "Edible Rewards", "Edible to Go", "Edible Cares" and "Edible for Business" and that it is the owner of US trade marks and ".com" domain names reflecting the first three of these names. It also claims a total of 200 trade mark registrations worldwide which include the component "edible".

The Respondent states that its total US sales revenue in 2015 was over USD 515 million with a marketing spend in excess of USD 29 million. It states that it has made a significant investment in promoting and protecting its EDIBLE marks worldwide, which has included "adopting a policy of the defensive registration of relevant domain names incorporating or resembling any of its trade marks." The Respondent exhibits an extensive list of domain names including the term "edible" that it registered between 1998 and 2015. The list includes over 130 such domain names, including the following:

- <edibleblossom.com> (registered on 27 June 2007)
- <ediblefruitbouquet.net> (registered on 21 June 2011)
- <ediblefruitflower.com> (also registered on 21 June 2011)
- <ediblebouquets.biz> (registered on 23 June 2011)
- <edibleflowers.me> (registered on 24 January 2013)

The Respondent emphasises that the Domain Name was registered in March 2006. It submits that the Complainant has provided no evidence of any trading under the name "Edible

Blooms” in 2005 or of any reputation in that name prior to the date of registration of the Domain Name. The Respondent states that it first became aware of the existence of the Complainant in 2009 or 2010 when the parties discussed a potential business opportunity in China, which did not proceed, and that it heard nothing further from the Complainant until its receipt of this Complaint.

The Respondent submits that the Complainant’s EUTM for EDIBLE BLOOMS is vulnerable to revocation for non-use and submits a copy of an application which it has made to the EUIPO for such revocation. The Respondent submits that its application is bound to succeed as the Complainant trades only in Australia and New Zealand and suggests that the Expert should ignore the Complainant’s EUTM in these circumstances. It adds that, even if the Complainant is found to have Rights for the purposes of the Policy, it is clear that its brand has no reputation outside of Australia and New Zealand and in particular not in the UK.

The Respondent denies that its registration of the Domain Name is an Abusive Registration under any of the criteria set out in paragraph 3 of the Policy or at all. It states that it was not aware of the Complainant when it registered the Domain Name and that the Complainant’s EUTM, which is the only trade mark upon which the Complainant relies, did not exist at that time.

The Respondent specifically denies having registered the Domain Name as a blocking registration and points out that any such registration must be “unwarranted” at the date of registration (*Peoplesoft Limited v. K.L. Kane*, DRS Case No. D00000120). The Respondent submits that its registration was not unwarranted because it had rights in the trade marks EDIBLE and EDIBLE ARRANGEMENTS and had a legitimate interest in registering the Domain Name on a defensive basis, i.e. to prevent other parties from using that name should the Respondent decide to enter the UK market.

The Respondent further submits that it cannot have unfairly disrupted the business of the Complainant because the Complainant does not have any reputation or trade in the UK. With regard to its redirection of the Domain Name to its website at “www.ediblearrangements.com”, the Respondent states that this was not done as a matter of policy or strategy, but merely because all of the Respondent’s otherwise inactive domain names were linked to that site. The Respondent confirms that it rerouted the Domain Name upon receipt of the Complaint, but denies that any disadvantage or detriment had been caused to the Complainant in the meantime.

The Respondent repeats that it was unaware of the Complainant’s mark at the date it registered the Domain Name and that it registered the name legitimately and in accordance with its defensive policy of registering domain names commonly associated with flowers and floral arrangements. It also submits that it took a decade for the Complainant to object to the registration.

The Reply

The Complainant denies that its business is limited to Australia and New Zealand. It states that its customers include Australian expatriates as well as individuals around the world who wish to send gifts to people in Australia. The Complainant produces international sales figures including UK sales of USD 213,211 between November 2013 and May 2016

represented by 2,299 transactions. It states that its website specifically contemplates international transactions by offering payment in US dollars, British pounds and Euros as well as Australian and New Zealand dollars.

The Complainant denies that its EUTM is unenforceable and states that it has offered and achieved UK sales since 2005 as demonstrated by its sales figures. It also claims unregistered trade mark rights based on increasing international renown since 2005 and exhibits press coverage which it claims supports this contention.

The Complainant submits that it has indeed suffered detriment as a result of the Respondent's actions. Not only has it been unable to acquire and trade under the Domain Name, but the Respondent has used the Domain Name to resolve to its own competing website. The Complainant argues that the Domain Name is the "natural guess" for UK-based Internet users looking for the Complainant's website and that Internet users will wrongly assume that the Domain Name is in some way associated with the Complainant. The Complainant submits that the Respondent has recognized its detrimental use of the Domain Name by now redirecting it, but did not do so in 2009 when it admits to having become aware of the Complainant.

The Complainant disputes the Respondent's submission that the Domain Name was registered as part of a "defensive" registration policy. It disputes that the term "edible" is distinctive of the Respondent without the term "arrangements" and submits that the trade marks EDIBLE ARRANGEMENTS and EDIBLE BLOOMS are distinct from one another.

The Complainant also submits that, if the Respondent was truly seeking to make defensive registrations, then given its apparent level of sophistication in dealing with domain names, it would surely have investigated the domain name <edibleblooms.com> before registering the Domain Name, <edibleblooms.co.uk>. This is particularly true since the Respondent is US-based. The Complainant submits that it is likely that the Respondent did become aware of the Complainant's domain name at this time, and then proceeded to register the Domain Name as a blocking registration to prevent the Complainant from registering that name and using it in connection with a potentially competitive business.

The Response to Reply

The Respondent disputes the Complainant's claims to have had a UK presence going back to 2005 or at any time prior to registration of the Domain Name. It states that the Complainant has only produced statistics going back to 2007. The Respondent also submits that the Complainant's statistics do not evidence any sales actually made in the UK.

The Respondent also disputes the Complainant's claim that its website offers payment in multiple currencies. It states that, in fact, the Complainant's website offers the ability to check prices in alternative currencies, not actually to process transactions in those currencies. The Respondent further submits that the mere accessibility of a website in a particular territory is not sufficient to establish the targeting of consumers in that territory.

The Respondent states that the Complainant has apparently changed its case from a vague wish to open an office in the UK (the Complaint) to immediate plans to do so (the Reply).

The Respondent submits that the Complainant has produced no evidence to support any such intention.

The Respondent continues to deny any detriment to the Complainant. It states that, since the registration of the Domain Name, only one user has clicked on the Domain Name and was rerouted to the Respondent's website. It also disputes that the Domain Name is a "natural guess" for a UK Internet user looking for the Complainant's website: there is no reason why any such user would assume an Australia/New Zealand company to have a ".co.uk" domain.

With regard to the Complainant's submission that the Respondent was likely to have discovered the Complainant's <edibleblooms.com> domain before registering the Domain Name, the Respondent states:

"Respondent did not employ IP Counsel in 2006; to Respondent's knowledge, no investigations into 'Edible Blooms' were conducted in 2006 as this was not Respondent's practice. As far as Respondent is aware, it had no knowledge of Complainant until around 2010..."

The Respondent again denies having registered the Domain Name as a blocking registration or in order to disrupt the business of the Complainant.

6. Discussions and Findings

The Complaint falls to be determined according to the Nominet DRS Policy ("the Policy") and the Procedure. Under paragraph 2 of the Policy:

- "(a) A Respondent must submit to proceedings under the Dispute Resolution Service if a Complainant asserts to [Nominet], according to the Procedure, 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.*
- (b) The Complainant is required to prove to the Expert that both elements are present on the balance of probabilities."*

Under paragraph 1 of the Policy the term "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."

Also under paragraph 1 of the Policy, the term "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.”*

Paragraph 3 of the Policy sets out a non-exhaustive list of factors that may be evidence that a domain name is an Abusive Registration. Paragraph 4 of the Policy sets out a non-exhaustive list of factors that may be evidence that it is not an Abusive Registration. However, all such matters are subsidiary to the overriding test for an Abusive Registration as set out as in paragraph 1 of the Policy.

Rights

The Complainant has established that it is the owner of an EUTM for the mark EDIBLE BLOOMS registered in various classes. The Domain Name is identical to the Complainant's trademark but for the second-level domain “.co.uk” which is typically to be disregarded for the purposes of comparison.

The Expert is not in a position to assess the merits of the Respondent's application for revocation of the Complainant's EUTM, but would not in any event disregard a trademark that is currently registered as the Respondent proposes.

It is not relevant for the purpose of assessing Rights that the Complainant's trade mark was registered after the date of registration of the Domain Name. While that question is potentially relevant to Abusive Registration, the analysis of Rights for the purposes of paragraph 2(a)(i) of the Policy is addressed only to the threshold test of whether the Complainant has current standing to bring the Complaint.

Nor is it relevant to the consideration of Rights whether or not the Complainant can establish reputation in its trade mark that is specific to the UK.

Accordingly, the Expert finds that the Complainant has Rights in respect of a name or mark which is identical to the Domain Name.

Abusive Registration

While each of the parties has made substantial submissions concerning its reputation within the UK and the other party's supposed lack of such reputation, this argument does not appear to the Expert to be highly material to this Complaint. The point is not relevant to the assessment of the Complainant's Rights, as stated above. With regard to Abusive Registration, it appears to the Expert that the central question in this case is as follows: did the Respondent register the Domain Name without knowledge of the Complainant and as part of a legitimate defensive registration strategy; or did it register the Domain name in the knowledge of the Complainant and with the intention of depriving the Complainant of any future ownership of the Domain Name? While the Complainant's reputation in the UK could potentially be relevant to the Respondent's state of knowledge, neither party is UK-based and the issue of reputation in the UK seems to the Expert to be of limited if any relevance.

The Expert is satisfied that the Respondent has, as matter of policy, made a number of registrations of domain names in a variety of domains which comprise the term “edible” followed by terms such as “blossom”, “fruit”, “bouquet”, “flower” and “flowers” and that these domain names were registered prior to the present Complaint. The Expert is also of the view that the Respondent’s registration of the Domain Name would not be inconsistent with this policy. However, the mere existence of the policy and fact that it could explain the registration of the Domain Name is not conclusive of the question of Abusive Registration, as regard must still be had to the Respondent’s knowledge and intention in this particular case.

The Expert notes that, while the Respondent has certainly registered a substantial number of domain names as described above, it has demonstrated no particular method or system to these registrations. Furthermore, the only “co.uk” registrations that are included are “ediblefranchise.co.uk”, “ediblefruit.co.uk” and “ediblefruits.co.uk” and there are no registrations at all that include the terms “blooms” or “bloom”. Therefore, the Expert concludes that, even if the Respondent did employ a defensive registration policy, the registration of the Domain Name was by no means an essential or obvious application of that policy.

Furthermore, the Expert is persuaded by the Complainant’s submissions concerning the <edibleblooms.com> domain, which was registered by the Complainant in 2005. The Expert considers it highly improbable that the Respondent registered the Domain Name, <edibleblooms.co.uk>, without having also investigated the availability of the name <edibleblooms.com> and having learned thereby that it was registered to the Complainant. The Respondent’s business at the date of registration was conducted principally in the United States and the Respondent has offered no explanation for having registered the Domain Name without having also investigated the “.com” name, save to say that it did not employ IP Counsel at the time and that it was not its practice to carry out investigations of this type. The Expert finds this explanation unconvincing, particularly in circumstances where the Respondent’s stated reason for the registration of the Domain Name was in furtherance of a policy of defensive domain name registrations.

The Expert therefore concludes that it is more likely than not that the Respondent registered the Domain Name in the knowledge of the Complainant and its business (the Expert having independently verified from the “Internet Archive” website that the Complainant’s website at “www.edibleblooms.com” was active from at least 24 November 2005). In the circumstances, the Expert infers on the balance of probabilities that the Respondent registered the Domain Name with the intention of preventing the Complainant, as an actual or potential competitor, from reflecting its “edibleblooms” name in the corresponding “.co.uk” domain name. The Expert therefore finds that the Respondent registered the Domain Name primarily as a blocking registration against a name or mark in which the Complainant had Rights (paragraph 3(a)(i)(B) of the Policy) and that the Domain Name was registered and has been used in manner that took unfair advantage or was unfairly detrimental to the Complainant’s Rights.

While the Expert notes that a period of ten years elapsed between the Respondent’s registration of the Domain Name and the Complainant bringing this Complaint, this does not appear to the Expert to have caused any material detriment to the Respondent or to present

any reason why the Expert should not find that the registration of the Domain Name is abusive.

Accordingly, the Expert finds that the Domain Name in the hands of the Respondent is an Abusive Registration.

7. Decision

The Complainant has established that it has Rights in respect of a name or mark that is identical to the Domain Name and that the Domain Name in the hands of the Respondent is an Abusive Registration. The Complaint therefore succeeds and the Expert directs that the Domain Name <edibleblooms.co.uk> be transferred to the Complainant.

Steven A. Maier
Independent Expert

12 September 2016