

DISPUTE RESOLUTION SERVICE

D00018439

Decision of Independent Expert

Ferreira Young Ltd

and

ROC Recruitment

1. The Parties:

Complainant: Ferreira Young Ltd
51 St George's Road
Wimbledon
London
SW19 4EA
United Kingdom

Respondent: ROC Recruitment
ROC Recruitment
37 Duke Street
London
W1U 1LN
United Kingdom

2. The Domain Name(s):

ferreirayoung.co.uk ("the Domain Name")

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 which might be of such a nature as to call into question my independence in the eyes of one or both of the parties.

The procedural history is as follows:

27 January 2017 15:30 Dispute received
31 January 2017 12:29 Complaint validated
31 January 2017 12:36 Notification of complaint sent to parties
17 February 2017 01:30 Response reminder sent
22 February 2017 12:09 Response received
22 February 2017 12:09 Notification of response sent to parties
27 February 2017 01:30 Reply reminder sent
27 February 2017 09:30 Reply received
27 February 2017 09:30 Notification of reply sent to parties
13 March 2017 11:28 Mediator appointed
13 March 2017 11:32 Mediation started
28 March 2017 14:49 Mediation failed
28 March 2017 14:49 Close of mediation documents sent
05 April 2017 15:36 Expert decision payment received

4. Factual Background

Both parties are recruitment companies which supply secretarial and administrative support staff in London.

In a nutshell, the Respondent registered the Domain Name after discovering incorporation of the Complainant by two of the Respondent's employees. The details are best summarised in a brief chronology as follows:

2 June 2015: One of the Complainant's founders, Lynda Young, resigned from the Respondent, giving 13 weeks' notice.

17 June 2015: The Complainant was incorporated.

31 July 2015: The Complainant's other founder, Claudia Ferreira, resigned from the Respondent.

21 August 2015: The Respondent wrote to Lynda Young alleging that, in a meeting on 19 August 2015, she had admitted incorporating the Complainant whilst on "garden leave", and that this was without the Respondent's knowledge or consent as

well as in breach of the Respondent's policies and of the terms of "garden leave". The letter also warned that setting up the Complainant with another ex-employee breached applicable restrictive covenants and urged her to cease such activity.

21: August 2015: The Respondent registered the Domain Name and ferreirayoung.com.

The Respondent has not used the Domain Name for an active website.

5. Parties' Contentions

Complaint

A summary of the Complaint is as follows:

The name "Ferreira Young" is an amalgamation of the names of the two directors of the Complainant, Lynda Young and Claudia Ferreira, and is now a recognised brand in the recruitment field. While its website is located at www.fy-recruitment.co.uk, chosen for ease of spelling and reference, the Complainant uses the name "Ferreira Young" as its main trading name including on advertising and terms of business and for email signatures and other correspondence. The name is an amalgamation of the names of the Complainant's founders.

The Complainant also owns the domain names ferreira-young.co.uk and .com. The Domain Name and ferreirayoung.com were obvious additional names for the Complainant to want to register.

The Domain Name was acquired by the Respondent shortly after discovering the Complainant's incorporation and purely to hinder the Complainant's directly competing business. The name has no relevance to the Respondent.

The Respondent has engaged in a pattern of such disruptive conduct, having registered ferreirayoung.com at the same time via a privacy service.

Potential clients and candidates who Google search the name "ferreirayoung" as a single word will be taken to the Respondent's site and not that of the Complainant, thus unfairly disrupting the Complainant's business and potentially damaging it.

The Respondent's actions, including registration of the Domain Name, were a response to its discovery that the founders of the Complainant, who had worked for it for many years, had set up a new business and were designed to stop the Complainant from trading – in the knowledge that the Complainant would attract many of the Respondent's former clients and candidates.

Response

A summary of the Response is as follows:

At the time when the Respondent registered the Domain Name, both of the Complainant's founders were employees of the Respondent, one for 21 years and the other for four years. The Respondent did not therefore acquire the Domain Name to take unfair advantage of, or cause unfair detriment to, the Complainant's rights. Rather, the Respondent was protecting "its legitimate and rightful business".

The founders incorporated the Complainant in direct competition with the Respondent without the Respondent's knowledge or consent and in breach of their contracts of employment with the Respondent, which contained restrictive covenants to protect the goodwill of the business. It was also in clear breach of company policy as per the employee handbook. The reason given by one of the Complainant's founders, Lynda Young, for leaving the Respondent was that she was going to take a break from the recruitment industry and spend time with family. The Respondent had no reason to disbelieve this at the time.

The Complainant has no right to the Domain Name.

The Domain Name is not being used by the Respondent to take unfair advantage of, or cause unfair detriment to, the Complainants rights.

The Complainant was entitled to purchase any company or domain name once its founders' contractual obligations had come to an end but that was not the case at the time when the Respondent acquired the Domain Name.

The Respondent has "made legitimate non-commercial or fair use of the Domain Name" for the purposes of paragraph 8.1.1.3 of the Policy.

The Respondent's holding of the Domain Name is also consistent with an express term of a written agreement entered into by the parties per paragraph 8.1.3 of the Policy.

The Respondent is entitled to register any domain name "without clear intention of use of that domain name". The Respondent has circa 15 domain names which are not used at this time but were purchased for legitimate commercial reasons.

The Respondent has no reason to disrupt the Complainant's business, with which it competes. The Complainant's founders set up the Complainant to gain unfair financial advantage and should at the same time have registered a wide range of domain names to protect their intended trading name.

The Respondent does not redirect any traffic from the Domain Name to its own website.

The controller of the Respondent has no personal feelings about the matter and was merely protecting its legitimate business interests.

The Complainant's statement that the Respondent's actions were designed to stop the Complainant from competing with the Respondent in the knowledge that clients and candidates would follow the Complainant is the very reason why the Respondent went to "reasonable legitimate and legal lengths to protect its business interests".

6. Discussions and Findings

General

To succeed, the Complainant has to prove in accordance with paragraph 2 of the DRS Policy on the balance of probabilities, first, that it has "Rights" (as defined in paragraph 1 of the DRS Policy) in respect of a name or mark identical or similar to the Domain Name and, second, that the Domain Name, in the hands of the Respondent, is an "Abusive Registration" (as defined in paragraph 1 of the DRS Policy).

Complainant's Rights

The meaning of "Rights" is defined in the DRS 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"

While the evidence produced by the Complainant is somewhat thin, the Complainant has demonstrated that it is actively trading under the distinctive name "Ferreira Young", which it uses on its website, on third party job boards and in correspondence.

Furthermore, the Respondent has not disputed the Complainant's contentions in relation to its trading activities including the Complainant's claim that its name is now a "recognised brand" in the recruitment field.

In view of the above, and the fact that "rights" is generally accepted to be a low threshold test, I am satisfied that the Complainant has established rights in a name or mark which is identical to the Domain Name.

Abusive Registration

Does the Domain Name constitute an Abusive Registration in the hands of the Respondent? Paragraph 1 of the DRS Policy defines “Abusive Registration” as 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 Domain Name reflects the distinctive name of the Complainant's business and the Respondent does not dispute the Complainant's assertion that it was an obvious domain name for the Complainant to want to use for its business.

The Respondent maintains that it has not actually used the Domain Name and has no intention of doing so. However, the Respondent says it was nonetheless entitled to register the Domain Name to protect “its legitimate and rightful business” in response to the actions of the Complainant's founders in incorporating the Complainant to compete with the Respondent, allegedly in breach of their contract with the Respondent. The Respondent is effectively saying that it was fair for it to register the Domain Name as a blocking registration in such circumstances.

It is beyond my role, and the scope of this proceeding, for me to assess whether the Complainant's founders breached their contracts with the Respondent. However, if the Respondent wished to stop the Complainant's founders acting in a manner which it considered in breach of contract, then presumably it could have gone to court and sought an injunction and/or other appropriate relief. In my view, for the purposes of the DRS, it was not legitimate for the Respondent to register the Domain Name as means of enforcing its perceived contractual rights, in particular to block the Complainant from acquiring a domain name which it was likely to want for its business.

Accordingly, I consider that the Respondent's registration of the Domain Name constitutes a blocking registration for the purposes of paragraph 5.1.1.2 of the Policy and/or was registered to unfairly disrupt the Complainant's business in accordance with paragraph 5.1.1.3.

I disagree with the Respondent's assertion that it has made “legitimate non-commercial or fair use of the Domain Name” for the purposes of paragraph 8.1.1.3 of the Policy. For reasons explained above, I consider that the Respondent has registered the Domain Name for a purpose which was neither legitimate nor fair. Furthermore, the Respondent has plainly been acting in a commercial context.

I also reject the Respondent's claim that the holding of the Domain Name is consistent with an express term of a written agreement entered into by the parties

in accordance with paragraph 8.1.3 of the Policy. Not only is paragraph 8.1.3 stated to relate to paragraph 5.1.5 of the Policy (concerning a domain name that has been registered “as a result of a relationship between the Complainant and the Respondent”), which is not applicable here, but there is no contract containing an express term authorising the Respondent to register and/or hold the Domain Name; rather, there is a very different scenario whereby the Respondent is claiming that it is entitled to register the Domain Name in response to an alleged breach of contract.

Somewhat inconsistently with its attack on the legitimacy of the incorporation of the Complainant, the Respondent also argues that, when setting up the Complainant, the Complainant’s founders should have registered a wide range of domain names to protect their intended trading name. However, the fact that, for whatever reason, the Complainant failed to register the Domain Name does not of itself justify the Respondent doing so.

For reasons explained above, I conclude that the Respondent acquired the Domain Name in a manner which was unfairly detrimental to the Complainant’s rights.

7. Decision

I find that the Complainant has Rights in a mark which is identical to the Domain Name and that the Domain Name is, in the hands of the Respondent, an Abusive Registration. I therefore direct that the Domain Name ferreirayoung.co.uk be transferred to the Complainant.

Signed: Adam Taylor

Dated: 5 May 2017