



**DISPUTE RESOLUTION SERVICE**

**D00020126**

**Decision of Independent Expert**

**COGRESS LTD**

and

**Mr Diego Cesar Garcia Gormaz**

**1. The Parties**

Complainant: COGRESS LTD

Suite 210

50 Eastcastle Street

London W1W 8EA

London

W1W 8EA

United Kingdom

Respondent: Mr Diego Cesar Garcia Gormaz

25 Addison Park Mansions

London

Greater London  
W14 0EA  
United Kingdom

## **2. The Domain Names**

cogress.co.uk  
cogress.uk

## **3. Procedural History**

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 The following is a summary of the procedural steps in this case: -

24 April 2018 Complaint received and validated by Nominet;  
27 April 2018 Notification of Complaint sent to parties;  
17 May 2018 Response reminder sent;  
29 May 2018 Response received and notification of response sent to parties;  
1 June 2018 Reply reminder sent;  
5 June 2018 Reply received, notification of reply sent to parties;  
8 June 2018 Mediator appointed and mediation started;  
21 June 2018 Mediation failed;  
29 June 2018 Expert decision payment received by Nominet.  
2 July 2018 Expert appointed.

## **4. Factual Background**

4.1 Cogress Ltd. ('CL' or 'the Complainant') carries on business in the provision of financial services in the investment of real property. Mr Diego Cesar Garcia

Gormaz ('Mr Gormaz' or 'the Respondent') was formerly engaged in a joint venture with CL for investment services concerning real property in Spain.

- 4.2 The domain names 'cogress.co.uk' and 'cogress.uk' (collectively 'the Domain Names' and individually 'the 'co.uk Domain Name' and the '.uk Domain Name.')
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## 5. Parties' Contentions

- 5.1 The Complaint alleges, -

5.1.1 CL (named in the Complaint as Cogress Co. Ltd.) is a company registered in England & Wales (No. 08950180), authorised and regulated by the Financial Conduct Authority (No. 696171) and has specialised in investing services, carrying on business since 2009. That business provides a platform for private investment mainly in real estate developments all over the world.

5.1.2 CL is and has been the owner of the Community Trade Mark 'COGRESS' in relation to financial services since 2014.

5.1.3 The Domain Names are exclusively composed of the word 'COGRESS.' Therefore, CL has Rights for the purposes of the DRS Policy.

5.1.4 The owner of the Domain Names is Mr Gormaz, who was involved with CL for a time, doing business in Spain for the Spanish branch of the company, Cogress Global Property S.L. ('CGP'), a joint venture between the parties relating to property in Spain.

5.1.5 For a period of approximately two years Mr Gormaz ran the business of CGP as its General Director. For so long as the business relationship with Mr Gomez was in existence, he was authorised to use the word 'COGRESS'.

- 5.1.6 Despite his position as General Director, Mr Gormaz was never authorised to own or to apply to own, in his name any trade mark, company name, trade name, etc.
- 5.1.7 He also signed a Heads of Terms ('the Heads of Terms') with CL on 28 April 2016, clause 11 of which provided that CL was to retain ownership of all intellectual property, including that created for the purposes of the joint venture, to be licensed to each joint venture company under a licence to be terminable on 6 months' notice.
- 5.1.8 CGP is still active according to the Spanish authorities and has changed its name to WELZ PLATFORM, S.L ('Welz').
- 5.1.9 The choice of name for the Domain Names deliberately targeted CL, because Mr Gormaz was the General Director of Cogress Spain.
- 5.1.10 Although the Domain Names were registered or acquired by Mr Gormaz on a *bona fide* basis, it was because of the prior authorisation granted by CL. However, since such authorisation was removed (good evidence of it is the change of the Spanish company name removing any reference to 'COGRESS'), the current use of the Domain Names is in bad faith.
- 5.1.11 The .uk Domain Name is inactive and is therefore a blocking registration for the purposes of the DRS Policy.
- 5.1.12 What would happen if the Respondent were to use the .uk Domain Name to pass himself off as the Complainant? Besides the obvious damage to the reputation of the trade mark, is there not a clear risk that consumers might believe that the service identified with such a domain name had been authorised or approved by CL?
- 5.1.13 Although there is a consensual redirection of the co.uk Domain Name to CL's website, CL does not authorise and/or approve Mr Gormaz's ownership of the Domain Names. CL cannot be left with the threat

hanging over its head that the Respondent's use of the co.uk Domain Name might change. Besides, the Respondent is retaining the ownership for a future exchange of money.

5.1.14 In view of all these matters, relevant case law and other DRS decisions, registration of the Domain Names is therefore abusive.

5.2 The Response alleges as follows: -

5.2.1 On 28 April 2016, the Heads of Terms was signed, establishing a joint venture between CL and Mr Gormaz by which each party or their nominee was to own a 50% share in a joint venture company, so creating an association between the parties in which each would participate equally.

5.2.2 On 23 February 2017, Mr Gormaz set up CGP with the approval of CL. The current corporate name of CGP is Welz, of which the Respondent became the sole director. Through this company, considerable financial investments were made for the launch and promotion of the joint venture, thus fulfilling the Respondent's commitment established in the Heads of Terms.

5.2.3 CL had no involvement in this company and made no financial contribution to it. CL never became a shareholder of CGP, as a shareholders' agreement was never agreed.

5.2.4 It is important to emphasise that the Respondent not only acquired the Domain Names, but he acquired in all a total of 10 CONGRESS domain names, for which he was required to make a considerable financial outlay. The Respondent had to purchase the co.uk Domain Name from a third party.

5.2.5 The Domain Names were not purchased at the request of CL. It was the Respondent himself who, on his own initiative, decided to

proceed with the acquisition of the Domain Names to use them in relation to the joint venture. CL has been operating since 2014, at no stage did it take steps to register the Domain Names and it has traded using the domain name 'cogressltd.co.uk' for several years.

- 5.2.6 The COGRESS domain names acquired by the Respondent were registered on his own initiative, with the consent of the Complainant and for the purpose of being used in the joint venture to which both parties had committed themselves.
- 5.2.7 When the time came for CL to comply with its commitments, which included making investment of up to 3 million € per month in projects (cl. 5 of the Heads of Terms), it refused to co-operate and unilaterally broke the agreement between the parties. On 4 December 2017 by two written communications, one from CL and the other from its lawyers, CL informed the Respondent of the termination of the relationship and requested that the corporate name of CGL be changed and that the Respondent cease use of the trade mark COGRESS. The Domain Names were not mentioned in these communications and a domain name is not intellectual property.
- 5.2.8 The Complainant's failure to implement the terms of the joint venture has caused the Respondent to incur substantial losses including expenditure incurred for the joint venture, such as advertising and employment costs, as well as the money spent in the purchase of the Domain Names.
- 5.2.9 In the circumstances, the Respondent considered how to optimise the investment he had made in order to mitigate his losses. With regard to the COGRESS domain names, considering the price paid for them and the fact that they were registered under 10 extensions, the Respondent decided to make use of all of them in a project that he had been planning for a while and which would not come into

conflict with the trade mark rights of CL: an online marketplace for the sale and exchange of political memorabilia.

5.2.10 The Respondent began to make detailed preparations for the use of the CONGRESS domain names shortly after the unilateral severance of relations by CCL, at which time there was no conflict regarding the ownership of the Domain Names. He has incurred expenditure in the design of a brand logo and a website.

5.3 The Reply alleges as follows: -

5.3.1 The Respondent is incorrect in his interpretation of the Heads of Terms. There was no agreement to advance any funds because joint venture projects were never initiated, the defendant never introduced any projects and the joint venture never started to operate.

5.3.2 The Respondent confirmed by his solicitors' letter of 22 December 2017 that he did 'not intend to use the 'Cogress' name (or any affiliate name...) or the Cogress trade mark in the future.' He further confirmed that he did not 'in any way hold [himself] out as connected with Cogress Ltd or its affiliates' (Pinsent Masons' letter, numbered paragraph 2.3).

5.3.3 In the light of those statements, CL was astonished to learn of the Respondent's new approach to and use of, the Cogress name.

5.3.4 Mr Gormaz has produced this bizarre story of a memorabilia online platform as an excuse to keep pressing the Respondent and to recover some of the money he was expecting to obtain from him through the joint venture.

5.3.5 He never informed CL about the money he says that he paid, or the efforts he says he made, to obtain the 10 domain names. He is now holding them, waiting for a ransom, which is outrageous. However, in his solicitors' letter dated 22 December 2017, he demanded the

astonishing amount of £80,000 to facilitate the transfer of the domain names to CL.

- 5.3.6 The co.uk Domain Name initially directed to the cogress UK website but has now been deactivated.
- 5.3.7 Whether or not domain names are intellectual property, it is indisputable that domain names can affect IP rights, which is the case in this dispute.
- 5.3.8 The Response is misleading, incoherent and inconsistent. The Respondent has behaved in bad faith and an abusive manner while holding the Domain Names without justification.

#### Rule 17 Statements

- 5.4 On my consideration of the papers it appeared that, -
  - 5.4.1 the name of the complainant in whose name the Complaint was brought differed to that said to be the complainant in the Complaint (and the alleged owner of the trade mark);
  - 5.4.2 the copy certificate of trade mark registration showed the owner to be a company named Hagshama UK Ltd.
- 5.5 At my request, Nominet issued a request to the parties on 3 July 2018 under Rule 17.1, DRS Policy as follows, -

*'The Expert directs that the Complainant provide by 12 noon on Friday 6 July 2018 a further statement and any further documents relied on to clarify or demonstrate (as applicable) the following matters, namely –*

*1/ The Complaint is brought in the name of COGRESS LTD. However, the Complaint refers to the owner of the Rights relied on as being 'COGRESS CO LTD'. Why is the former the correct complainant?*



*2/ In the context of ownership of the trade mark relied on, the certificate of trade mark registration appears not to refer to either COGRESS LTD or COGRESS CO LTD, but to 'Hagshama [(UK)] Ltd.' Why is it alleged that COGRESS CO Ltd is the trade mark owner?*

*3/ ...*

*The Expert further directs that the Respondent shall have until 12 noon on Thursday 12 July 2018 to respond by way of any further statement and documents to the statement and any further documents provided by the Complainant in response to the above direction.*

5.6 On 6 July 2018, the Complainant responded as follows, -

- *'The correct name of the complainant is COGRESS LIMITED as it appears in the Companies House. The fact that the complaint states COGRESS CO LTD is just a typo. My apologies (See document attached. ...: <https://beta.companieshouse.gov.uk/company/08950180>)*
- *The former name of COGRESS LIMITED was HAGSHAMA (UK) LIMITED (as it appears in the Companies House). The certification of registration of the European Trademark was issued for the applicant then - HAGSHAMA (UK) LIMITED – and it cannot be changed. However, European Intellectual Property Office database shows that the European Trademark 12947735 COGRESS belongs to COGRESS LTD, the complainant (see printout attached. The expert can check this ...: <https://euipo.europa.eu/eSearch/#details/trademarks/012947735>). In this regard please check record number 010664608: owner change of name and address; 4<sup>th</sup> March 2016.  
.....'*

5.7 On 6 July 2018, the Respondent provided the following response: -

*'1.- The fact that the complaint referred to COGRESS CO LTD instead of COGRESS LTD seems to be an understandable error ....*

*2.- We agree that the EU trade mark n° 012947735 COGRESS in class 36 (in relation to financial services) is owned by COGRESS LTD, since although the trade mark was registered in the name of HAGSHAMA (UK) LIMITED, the change of owner in favour of COGRESS LTD was recorded in the EUIPO, as indicated by the other party and checked by us before we prepared our answer.'*

## **6. Discussion and Findings**

6.1 A Complainant is required under subparagraphs 2.1 and 2.2 of the DRS Policy to prove on the balance of probabilities that the following two elements are present, namely: -

6.1.1 he has Rights in respect of a name or mark which is identical or similar to the Domain Name; and

6.1.2 the Domain Name, in the hands of the Respondent, is an Abusive Registration.

6.2 I have taken into account all the facts and matters relied on by each party, but have limited the findings in this decision to those necessary to dispose of the dispute in accordance with the DRS Policy. Therefore, it is not necessary to resolve all the issues raised by the parties.

6.3 I refer to, and repeat as findings, the facts and matters set out in paragraphs 4.1 and 4.2 above.

## Rights

6.4 By paragraph 1 of the Policy, -

*'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.'*

6.5 The documents relied on by the Complainant show that it owns registered Community Trade Mark no: 639427 for "COGRESS", registered on 31 October 2014 in class 36 (financial services; etc).

6.6 The comparison under the DRS between the Domain Name and the Complainant's name or mark ignores the '.co.uk' and '.uk' suffixes. The word 'COGRESS' is the same as the operative part of both Domain Names.

6.7 Therefore, the Complainant has Rights in respect of a name or mark, which is identical or similar to the Domain Name. Accordingly, the Complainant has established that it owns Rights.

## Abusive Registration

6.8 By paragraph 1 of the Policy, -

*'an **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 is being or has been used in a manner which has taken unfair advantage of or has been unfairly detrimental to the Complainant's Rights.'*

By paragraph 5 of the Policy, -

**5. Evidence of Abusive Registration**

*'5.1 A non-exhaustive list of factors which may be evidence that the Domain Name is an Abusive Registration is as follows:*

*5.1.1 Circumstances indicating that the Respondent has registered or otherwise acquired the Domain Name primarily:*

*5.1.1.1 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;*

*5.1.1.2 as a blocking registration against a name or mark in which the Complainant has Rights; or*

*5.1.1.3 for the purpose of unfairly disrupting the business of the Complainant;*

*5.1.2 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;*

*.....'*

6.9 Paragraph 8 of the Policy provides as follows, -

***'8. How the Respondent may demonstrate in its response that the Domain Name is not an Abusive Registration***

8.1 A non-exhaustive list of factors which may be evidence that the Domain Name is not an Abusive Registration is as follows:

8.1.1 Before being aware of the Complainant's cause for complaint (not necessarily the 'complaint' under the DRS), the Respondent has:

8.1.1.1 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;

8.1.1.2 been commonly known by the name or legitimately connected with a mark which is identical or similar to the Domain Name; or

8.1.1.3 made legitimate non-commercial or fair use of the Domain Name.

.....'

6.10 The Appeal Panel in DRS 04331 'verbatim.co.uk' decided that for a Complaint to succeed, -

*'the Complainant must satisfy the Panel, as an opener, that the Respondent was aware of the existence of the Complainant or its brand at the date of registration of the Domain Name or at commencement of an objectionable use of the Domain Name.'*

There is no issue between the parties as to the Respondent's awareness of the existence of the Complainant when he acquired the co.uk Domain Name and registered the .uk Domain Name.

6.11 As appears from the email correspondence exhibited to the Response and the Reply, the Respondent had purchased the co.uk Domain Name 2017 by 15 May 2017 and the purchase was carried out with the consent of CL. That acquisition

of the co.uk Domain Name was, as I find, in furtherance of arrangements for the joint venture between the Complainant and Mr Gormaz. Mr Gormaz registered the .uk Domain Name on 16 May 2017, and did so, as I also find, as part of those arrangements.

- 6.12 However, the parties fell out and the proposed joint venture was brought to an end by CL on 4 December 2017, or at the latest by the Respondent's solicitors' letter of 22 December 2017. The letter of 22 December 2017 made no demand for payment in respect of either Domain Name, though it made a demand for payment with reference to other 'COGRESS' domain names. There was no reference to the Domain Names in that letter or in the letters of 4 December 2017. However, this does not affect the question of whether or not the registrations are abusive. There was certainly no waiver or other legally binding forbearance on the part of the Complainant, giving up its rights under the DRS.
- 6.13 I accept the Respondent's case that the Domain Names were purchased for the purpose of being used in the joint venture. Such a use, for the purposes of the joint venture, would have been unobjectionable for so long as the joint venture was in existence and if the use was for those purposes.
- 6.14 It is essential to bear in mind that the definition of 'abusive registration' may relate to use, as well as registration or other acquisition of a domain name: see paragraph 1 of the Policy at paragraph 6.8 above. The abusiveness or non-abusiveness of the registration depends on whether or not the domain name is being or has been used in a manner which has taken unfair advantage of or has been unfairly detrimental to the Complainant's Rights (see paragraph 1 of the Policy).
- 6.15 The Respondent says that he is entitled to mitigate his loss from what he contends are failures on the part of CL to meet its obligations and so as to reimburse some of the financial outlay he made in purchasing the Domain Names.

- 6.16 The Respondent's stated intention is to use the Domain Names as part of his new business in political memorabilia. The documents produced by the Respondent for the design and development of the website and logos show that his plans for that business have been in existence since December 2017. These show the intended business as the 'Cogress Memorabilia Project' or 'Project Cogress Political Memorabilia.' One of the logos is described in those documents as being 'inspired in [sic] the US Congress' in the form of the word 'CO GRESS' with the letter 'N' appearing in a slanted form immediately beneath the gap between the 'O' and the 'G'. Another version of the logo and branding in those documents consists of the word 'COGRESS', with the letter C in blue typeface and the other letters in red typeface, accompanied by a 'brand image' in the form of an eagle, again suggestive of the US Congress. There are other versions of the logo, using the word 'COGRESS', also by reference to a map of the USA. There are other versions of the logo with different colours.
- 6.17 The threatened use of the Domain Names for the purpose of the Respondent's new project is bound to cause confusion among members of the public and is likely to cause them to believe that the Respondent's political memorabilia business is a part of the Complainant's business or has been authorised or approved by the Complainant, so falsely indicating a commercial connection between the Complainant and the Respondent and its new business.
- 6.18 The threatened use of the word 'COGRESS' as part of that new business renders that probability even greater and adds to the potential detriment to the Complainant's Rights, by associating the Rights with a business over which it has no control, and which would appear to be in some way related to the US Congress.
- 6.19 Accordingly, the Complainant has established that there are circumstances indicating that the Respondent is using or is threatening to use each Domain Name in a way which has confused or is likely to confuse people or businesses into believing that each Domain Name is registered to, operated or authorised by, or otherwise connected with the Complainant (see paragraph 5.1.2 of the DRS Policy).

6.20 The Respondent has alleged that he has made preparations for use of the Domain Names in connection with a genuine offering of goods or services, i.e. the political memorabilia business: see paragraph 8.1.1.1 of the DRS Policy. To establish such a ground of potential non-abusiveness, a respondent must show that those preparations were made before he was aware of the Complainant's cause for complaint (not necessarily the 'complaint' under the DRS): paragraph 8.1.1 of the DRS Policy. The DRS Experts' Overview states as follows, -

***‘4.3 What is required in the way of evidence to demonstrate “preparations to use” in paragraph 8.1.1.1 of the Policy?***

.....

*The circumstances set out in paragraph 8.1.1 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. Matters which only arise after the Respondent has become aware of the Complainant's name or mark forming the basis for the Complaint are more likely to have been contrived for the purpose of defending an apprehended Complaint or legal action.*

***4.4 When is an “offering of goods or services” NOT “genuine” [paragraph 8.1.1.1 of the Policy]?***

*When it is fictitious and/or ‘created’ to defeat the complaint and/or designed to take unfair advantage of or damage the Complainant's rights/business.’*

6.21 I find that the preparations made by the Complainant were made when the Respondent was well aware of the Complainant's Rights and that they were designed by the Respondent to take an unfair advantage of those Rights by using his ownership of the Domain Names to establish a business using a name that



is identical to the CONGRESS name and mark, in which it owns Rights. That use will not only cause inevitable confusion in the manner set out above, but its obvious consequence will be to cause detriment to and damage to the Complainant's Rights and business: by creating an unwanted connection between the Complainant and a business of the Respondent, which would lead consumers to believe that the Complainant has a commercial connection with the Respondent's memorabilia business, and that it is carried on with branding suggestive of the US Congress. It is nothing to the point that the new business will operate outside the field of financial services.

6.22 I refer to paragraph 8.1.1.2 of the DRS Policy (the respondent been commonly known by the name or legitimately connected with a mark which is identical or similar to the Domain Name). Although it is true that at one time the Respondent was legitimately connected with CL's name and mark, that ceased to be the case once the anticipated joint venture had come to an end. The point is emphasised by CGL's change of name to Welz. As the Experts' Overview makes clear, -

*' ... if the complaint is based upon an abusive use of the domain name, the fact that the Respondent was at one time known by the name may have no bearing at all on whether or not the complaint should succeed.'*

The same conclusion follows if the respondent was at one time legitimately connected with the name or mark in question.

6.23 Once the plans for the joint venture between the parties had fallen through, the commercial relationship between them was at an end. From then on, the Respondent had no legitimate interest in using the Domain Names, which were identical to the CONGRESS name and mark in which the Complainant owns Rights. The presence of the Domain Names is likely to have caused 'initial interest' confusion amongst persons who were either looking for the Complainant or who came across one or other of the Domain Names.

6.24 Since the breakdown in the relationship between the parties in December 2017, there has been an unresolved dispute between them over the joint venture. The

Respondent has been making plans to launch a new business based on the Complainant's 'COGRESS' name and mark and now threatens to implement those plans, with the likelihood of causing confusion and potential detriment to the Complainant's Rights and damage to its business. In addition, the threatened use of the Domain Names places the Respondent in the position to take an unfair advantage of the Complainant's Rights so as to put commercial pressure on the Complainant to obtain a resolution of the wider commercial dispute between them on terms favourable to him.

6.25 In view of the findings set out above, I have therefore concluded that the Domain Names are being and have been used in a manner which has both taken unfair advantage of and has been unfairly detrimental to, the Complainant's Rights. Each of the Domain Names is an Abusive Registration.

## **7. Decision**

7.1 The Complainant has Rights in a name or mark, which is identical or similar to the Domain Names, and the Domain Names in the hands of the Respondent are Abusive Registrations.

7.2 Therefore, I determine that the Domain Names 'cogress.co.uk' and 'cogress.uk' be transferred to the Complainant.

**Signed**

**Dated 17 July 2018**

**STEPHEN BATE**