

DISPUTE RESOLUTION SERVICE

D00008963

Decision of Independent Expert

Mellbeck Ltd
t/a Thermalshop

and

Dilip Thobhani
t/a Inshade Ltd

1. The Parties:

Complainant: Mellbeck Ltd
The Old Sorting Office, 92 High Street
Maryport
Cumbria
CA15 6BE
United Kingdom

Respondent: Dilip Thobhani
Unit 6 72 Bradgate Street
Leicester
Leicestershire
LE4 0AW
United Kingdom

2. The Domain Name:

thermal-shop.co.uk

3. Procedural History:

The Complaint was received by Nominet on 20 August, 2010. Nominet checked the Complaint and validation was confirmed on 23 August, 2010. Nominet duly sent notifications of the Complaint to the Respondent, by both letter and by e-mail also on 23 August, 2010, noting that the Dispute Resolution Service had been invoked and that the Respondent had until 14 September, 2010 to submit a Response. A Response was received from the Respondent on 14 September, 2010 and forwarded to the Complainant on 17 September, 2010 with an invitation for the Complainant to submit any Reply by 24 September, 2010. No reply was submitted and Nominet invited the Parties to participate in confidential Mediation to resolve the dispute. A Mediator was appointed on 27 September, 2010. Mediation commenced on 30 September, 2010 and was subsequently deemed to have failed as of 26 November, 2010. Nominet then invited the Complainant to pay the fee to obtain a Full Expert Decision pursuant to paragraph 7 of the Nominet Dispute Resolution Service Policy (“the Policy”) and Paragraph 21 of the Nominet Dispute Resolution Service Procedure (“the Procedure”). The fee for a Full Decision was duly received by Nominet on 8 December, 2010.

Nominet subsequently invited the undersigned, Keith Gymer (“the Expert”), to provide a decision on this case and, following confirmation to Nominet that the Expert knew of no reason why he could not properly accept the invitation to act in this case and of no matters which ought to be drawn to the attention of the parties, which might appear to call into question his independence and/or impartiality, Nominet duly appointed the undersigned as Expert with effect from 20 December, 2010.

The Expert pack included a Further Statement from Melbeck Ltd, apparently received on 2 December, 2010 and submitted for consideration under Paragraph 13b of the DRS Procedure. This Further Statement was not provided to the Respondent. The Expert has noted its content as discussed below.

4. Factual Background

The Complainant, Melbeck Ltd, is a small family business, based in Cumbria, trading as “Thermalshop” and dealing in thermal clothing, particularly under the EDZ brand, with a retail outlet in Keswick, and an online shop at www.thermalshop.co.uk.

The Complainant has been trading under the “Thermalshop” name since 2000, and their domain name, thermalshop.co.uk was registered in November 2000.

The Complainant does not claim to have any registered trade mark rights in respect of “Thermalshop”.

The Respondent is the Director of Inshade Ltd, a UK registered business, based in Leicester and also trading in thermal clothing, but at the cheaper end of the market from the Complainant. The Respondent registered the disputed Domain Name thermal-shop.co.uk on 14 May, 2009 and has used the Domain Name for a website at www.thermal-shop.co.uk.

5. Parties' Contentions

Complainant:

The Complainant has asserted that:

1. The Complainant has Rights in respect of a name or mark which is identical or similar to the Domain Name (Policy Paragraph 2a(i)); and
2. The Domain Name, in the hands of the Respondent, is an Abusive Registration (Policy Paragraph 2a(ii)).

The following reproduces (in edited form) the allegations from the Complaint:

Complainant's Rights

The Complainant has rights in the Domain Name because;

- a. It has been trading under the name Thermal shop & Thermalshop continuously since August 2000
- b. the domain www.thermalshop.co.uk was registered by the Complainant in November 2000 and has been in use continuously since then.

Background:

(1). Mellbeck Ltd, The Complainant is a manufacturer of performance clothing, established in 1995 (Reg No.3001478). Since 1997 we have been selling our products under the brand name EDZ (web site www.edz.biz), Thermalshop was set up 10 years ago as our online shop for the fulfilment of customers wishing to purchase EDZ products online. Sales through thermalshop currently accounts for about 20% of our turn over. Our EDZ web site has always linked through to thermalshop for order fulfilment.

(2). Thermalshop history

Stage 1) Thermalshop started trading online as The Thermal Shop in August 2000 through a 3rd party ecommerce site called www.edirectory.co.uk (now called www.shoppingbank.com)

Stage 2) In November 2000 we registered the domain www.thermalshop.co.uk and directed this at our edirectory shop.

Stage 3) 2005 we launch our own ecommerce web site www.thermalshop.co.uk and ceased using edirectory

(3) Other Relevant facts

It should be noted that EDZ products are predominantly thermal clothing and accessories.

Mellbeck Ltd have had no previous relationship with Inshade Ltd
Since April 2005 we have spent £27,000 with Google advertising Thermalshop.

Thermalshop.co.uk has top ranking on Google for the search 'Thermal Clothing which is the most popular search criteria for our type of products.

Over the last 4 years we have spent on average £50,000 per annum on advertising and PR.

Thermalshop currently has 12784 registered customers & has many repeat customers

Why is the domain name an Abusive Registration?

The Domain Name in the hands of the Respondent is abusive because:

(a) As the Respondent is selling similar products it will confuse people into thinking that they are dealing with us and consequently we suffer financial harm.

(b) The respondent is taking advantage of the good will and awareness that we have invested in the brand 'thermalshop.co.uk' over the last 10 years

(c) We are concerned that the as the respondents sell cheaper products that are similar to ours & that consequently we suffer financial harm.

Various attachments were annexed to the Complaint by way of evidence in support of the Complainant's assertions, including advertising and promotional information relating to "Thermalshop" and thermalshop.co.uk, together with one screenshot of the website at www.thermal-shop.co.uk taken on the 18th of August 2010.

How would you like this complaint to be resolved?

Transfer

Respondent:

The Respondent submitted a brief Response, reproduced below (in edited form):

Why should the complaint not succeed?

- 1) I am the director of Nile Trading Ltd and Inshade Ltd
- 2) Nile Trading Ltd has been manufacturing Thermal Underwear since 1984. Previously Nile Trading Ltd was Niletex
- 3) We have always aimed at the volume marketing at low priced thermals
- 4) Our first website was developed in 2001, and in 2002 our Thermal Underwear was the Best Buy by "Which" Oct 2002.
- 5) Since over the years we have had a number of sites e.g. www.thermalsdirect.co.uk , www.thermalsdirect.com, www.simplythermals.co.uk, etc.

- 6) Now at Inshade Ltd we have developed another website www.thermal-shop.co.uk which also caters for the volume market at low price.
- 7) We have spent time and money to optimise this site by <http://www.dreamsmedia.in/>. If you wish to contact them for proof please do not hesitate to do so. Now after a great amount of hard work this site is ranking very high in the search engines
- 8) We see our site www.thermal-shop.co.uk is in no direct competition with www.thermalshop.co.uk since they aim at the specialist high end and specialist market, whereas we aim for the lower budget end of the market.
- 9) Besides the domain name thermal-shop is just the url name directing to our website.
- 10) Also it is very important to note that a person wanting to buy thermals for £5.00 will not be looking for the site that sells thermals for £50.00
- 11) On a final note, why has this issue been raised after 15months of purchasing the domain name? The only reason I can think of is due to the fact that it is coming higher up on Google search engines.

Further Statement by Complainant

Following the failure of Mediation, the Complainant submitted the Further Statement below for consideration under Paragraph 13b of the Procedure:

There is an exceptional need for us to submit further information as at the time of filing our initial submissions we stated that we had not had any prior relationship with Mr Thobhani the Respondent. This overlooked the fact that we had dialogue with him in June 2007, which will have made him aware of our domain www.thermalshop.co.uk and the types of products we were selling.

6. Discussions and Findings

General

Paragraph 2 of the Policy requires that, for the Complainant to succeed, it must prove to the Expert, on the balance of probabilities, both that it has Rights in respect of a name or mark which is identical or similar to the Domain Name; and that the Domain Name, in the hands of the Respondent, is an Abusive Registration as defined in Paragraph 1 of the Policy.

Complainant's Rights

The Complainant in this case has asserted that it has Rights in the trading name "Thermalshop". Some evidence was provided by the Complainant also showing early trading references to "The Thermal Shop" but, as the Complainant itself acknowledges, the online presence using the trading name "Thermalshop" and the domain thermalshop.co.uk was established principally to provide online fulfilment for orders of the Complainant's EDZ branded thermal clothing. In the promotional material submitted with the Complaint, it is the EDZ brand which typically dominates, with www.thermalshop.co.uk simply being appended as a contact web address.

The Complainant does use a potentially distinctive, stylised version of "Thermalshop" on its present website – with a sun and cloud device over a decorative "o" in "shop", but, in relation to the sale of thermal clothing, the difficulty for the Complainant is that uses of "Thermalshop" (or "The Thermal Shop") in an unstylised plain text are inherently going to be considered simply descriptive of any shop selling thermal wear.

However, it is well-established under English law, that even a small trader may be able to establish sufficient goodwill through limited use of a trading name so as to be able to assert common law rights against passing-off by another trader.

It is also accepted under the Policy that the threshold for finding existence of "Rights" is not high.

For the purposes of the Policy, therefore, the Expert is prepared to accept that the Complainant may have established goodwill, at least with some proportion of its 13,000 or so admitted customers, in relation to its use of "Thermalshop", particularly through the use in the web address www.thermalshop.co.uk.

In comparison, the Domain Name thermal-shop.co.uk, differs only in the hyphen separating "thermal" from "shop". On the face of it, therefore, to the extent that the Complainant is accepted as having some rights in "Thermalshop" and in thermalshop.co.uk, this trading name is similar to the Domain Name and the Expert therefore considers that this requirement of the Policy is met.

Abusive Registration

The Complainant also has to show that the Domain Name is an Abusive Registration. Paragraph 1 of the Policy defines "Abusive Registration" as a Domain Name which either:

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

has been used in a manner, which took unfair advantage of or was unfairly detrimental to the Complainant's Rights.

A non-exhaustive list of factors which may be evidence that a Domain Name is an Abusive Registration are set out in Paragraph 3a of the Policy.

From the Complainant's submissions and supporting evidence, it is arguable that at least the following examples are potentially applicable in this case:

3a. A non-exhaustive list of factors which may be evidence that the Domain Name is an Abusive Registration is as follows:

i. Circumstances indicating that the Respondent has registered or otherwise acquired the Domain Name primarily:

...

C. for the purpose of unfairly disrupting the business of the Complainant;

ii. 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;

The factors listed in Paragraph 3 of the Policy are only intended to be exemplary and indicative. They are not definitive. It is Paragraph 1 of the Policy, which provides the applicable definition as indicated above.

In the Expert's view, the inherent descriptiveness of the words "thermal" and "shop", in relation to a physical premises or an online outlet selling thermal clothing, means that the scope of such Rights as the Complainant may have in "Thermalshop" must necessarily be very limited. Specifically, it would be unreasonable to expect such Rights to extend to prevent an independent use of the words "thermal" and "shop" in a predominantly descriptive manner.

Thus, for example, in the case of *Office Cleaning Services v Westminster Window and General Cleaners* (1946) 63 RPC 39, the differences between "Office Cleaning Services Ltd" and "Office Cleaning Association," even though the former was well-known, were held to be enough to avoid passing off. Lord Simmonds said:

"Where a trader adopts words in common use for his trade name, some risk of confusion is inevitable. But that risk must be run unless the first user is allowed unfairly to monopolise the words. The Court will accept comparatively small differences as sufficient to avert confusion. A greater degree of discrimination may fairly be expected from the public where a trade name consists wholly or in part of words descriptive of the articles to be sold or the services to be rendered"

In the present case, by analogy, the Expert considers that such apparently small differences as the inclusion of the hyphen in the Domain Name, thermal-shop.co.uk, and the different presentation of the words Thermal and Shop on the screen shot of the Respondent's website – the words are one above the other and in different fonts than the presentation of "Thermalshop" on the Complainant's website - would be sufficient to allow the ordinary public to discriminate between the two businesses.

It may be argued that the Respondent could perhaps have used “thermals-shop.co.uk” as he admits to previously having other registrations, including thermalsdirect.co.uk, thermalsdirect.com, and simplythermals.co.uk, but the Expert believes that “thermal-shop.co.uk” was probably more natural to select, because the “s” at the end of “thermals-” would effectively be silent anyway when read with “shop”.

The Complainant has belatedly sought to assert that some unsubstantiated alleged prior dialogue with the Respondent should lead to the imputation that the Respondent must have acted with unfair intent when registering or using the Domain Name.

The Expert disagrees. For the reasons explained above, if a party chooses to adopt a highly descriptive trading name, it must expect to have to tolerate the use of closely similar descriptive names by competitors. In retail terms, the Complainant’s business is small and the Respondent has not obviously adopted such a similar trading style and presentation on his website that would inevitably lead anyone to conclude that there was some deliberate intention to deceive actual or potential customers of the Complainant.

The Expert therefore finds that the Domain Name is not an Abusive Registration for the purposes of the Policy.

7. Decision

Having concluded that the Complainant has Rights in respect of a name or mark, which is similar to the Domain Name, but that it has not proven that the Domain Name, in the hands of the Respondent, is an Abusive Registration, the Expert determines that no action should be taken in respect of the Domain Name, thermal-shop.co.uk, and the Complaint is therefore dismissed.

Signed
KEITH GYMER

Dated 7 January, 2011