

# Nominet UK Dispute Resolution Service

DRS 10475

Exenergy Ltd.

v

Ibex Management Limited

## Decision of Appeal Panel

Dated: 24 May, 2012

### 1. Parties:

#### **Complainant/Appellant:**

Exenergy Ltd.  
38 Rassau Industrial Estate  
Ebbw Vale  
Gwent  
NP23 5SD

#### **Respondent**

Ibex Management Limited  
19 Coston Road  
Sproxtton  
Melton Mowbray  
Leicestershire  
LE14 4QB

In this decision, for simplicity's sake, we propose to maintain the terminology as used at first instance. The Complainant/Appellant remains "the Complainant" and the Respondent remains "the Respondent".

### 2. Domain Name in dispute:

<exenergy.co.uk>

This domain name is referred to below as the "the Domain Name"

### 3. Procedural Background:

The Complaint was received by Nominet on 3 November, 2011 and notified to the Respondent on 4 November, 2011. Nothing having been heard from the Respondent, a reminder was sent to the Respondent on 23 November, 2011, and the Response was

received and notified to the Complainant on 25 November. Following the sending of a reminder to the Complainant on 30 November, 2011 the Reply was received by Nominet and notified to the Respondent on 5 December, 2011. Mediation ensued, but failed to result in settlement of the dispute. The Complainant having paid the appropriate fee, on 3 January, 2012 the Expert was appointed to provide a full decision. The decision was issued by the Expert on 24 January, 2012. The decision was issued to the parties by Nominet on 30 January, 2012. On 13 February, 2012 the Complainant notified Nominet of its intention to appeal and paid the requisite 10% deposit. Nominet received the Appeal Notice on 2 March, 2012 (together with the balance of the Appeal fee) and notified the Respondent on 5 March, 2012. The Appeal Response was received by Nominet and notified to the Complainant on 19 March, 2012.

On 29 March, 2012 Tony Willoughby, Nick Gardner and Anna Carboni were appointed to the Appeal Panel

Tony Willoughby, Nick Gardner and Anna Carboni (the undersigned, "the Panel") have each individually confirmed to the Nominet Dispute Resolution Service 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."*

This is an Appeal against a Decision at first instance in favour of the Respondent. The Panel was appointed to provide a decision on or before 15 May, 2012. This process is governed by version 3 of the *Procedure for the conduct of proceedings under the Dispute Resolution Service* ("the Procedure") and the Decision is made in accordance with version 3 of the *Dispute Resolution Service Policy* ("the Policy"). Both of these documents are available for inspection on the Nominet website (<http://www.nominet.org.uk/disputes/drs>).

#### **4. The Nature of This Appeal:**

The Policy §10a provides that: *"the appeal panel will consider appeals on the basis of a full review of the matter and may review procedural matters"*.

The Panel concludes that insofar as an appeal involves matters other than purely procedural complaints the appeal should proceed as a re-determination on the merits.

In addition to the decision under appeal, the Panel has read the Complaint (with annexes), the Response, the Reply, the Appeal Notice, the Appeal Response and the Complainant's non-standard submission of 29 March, 2012 and the Respondent's response to this of 13 May, 2012 (see below).

**5. Formal and Procedural Issues:**

On 29 March, 2012 the Complainant filed with Nominet a non-standard submission. The Panel decided to accept it and gave the Respondent until 10 April, 2012 to respond to it if it so wished. Unfortunately the Panel's notification was not communicated to the Respondent and as a result no further response was filed by this date. It did however become apparent to the Respondent subsequently that it had not been notified and the Panel then gave leave to the Respondent to file a further response by 14 May 2012. The Panel also extended time for its decision until 28 May 2012. The Panel has read and taken into account both of these additional submissions.

**6. The Facts:**

While the parties are corporate entities, the heart of this dispute lies in the dealings between Roger Leaver ("Mr Leaver" or "RL"), sole director and (indirectly) sole shareholder of the Complainant, and Graham Hall ("Mr Hall" or "GH"), the prime mover behind the Respondent.

From the late 1990s Mr Leaver ran a company specialising in the installation of insulation, heating and renewables under the name Excelsior Homecare Limited (formerly Excel Insulation Limited) ("Excelsior").

The Respondent is a long-established marketing and management services company run by Mr Hall, which on 7 October, 2009 was appointed by Mr Leaver to provide marketing and management services to Excelsior.

The long-term plan was for Mr Hall to acquire the Excelsior business from Mr Leaver, who wished to retire. The plan was that Mr Hall should gradually take over the running of the business and acquire it over a period. However, for various reasons it was not possible for Mr Leaver to make a direct sale of Excelsior to Mr Hall. First, it was necessary for the assets and the business of Excelsior to be transferred into a new company, the Complainant, which was incorporated for that purpose on 17 December, 2009 at the instance of Mr Hall with the one subscriber share being put into the name of Mr Leaver. On 25 January, 2010 Groupex Limited ("Groupex") was incorporated to hold the share capital of both Excelsior and the Complainant. Mr Leaver is the sole director and shareholder of Groupex.

The transfer of the Excelsior business took place on or about 1 July, 2010 and Excelsior thereafter ceased to trade.

In the meantime, from November 2009, Mr Hall and his wife, a web designer employed by the Respondent, set about developing "Exenergy" as a brand to be used by the Complainant. The name, "Exenergy", was apparently devised by the Respondent. Mr Hall arranged for the registration of the Domain Name on 21 November, 2009. On what appears to have been a monthly basis from 1 November, 2009 to 23 August, 2011, the Respondent

issued invoices initially to Excelsior and from July 2010 to the Complainant for various services including web design and re-branding services.

Mr Hall was appointed Managing Director of Excelsior on 1 January, 2010 and Managing Director of the Complainant on or about 1 July, 2010.

The planned purchase of the Complainant by Mr Hall did not take place. There is disagreement as to the reasons for the failure of the purchase. However there appears to be no dispute that (a) there was never any legally binding agreement allowing Mr Hall to effect the purchase; and (b) whilst various discussions took place and various terms were discussed, at no time was a finalised contract or even a price agreed.

From correspondence, which has been put before the Panel, it is apparent that there was a severe falling out between Mr Leaver and Mr Hall and Mr Hall resigned from his positions with both Excelsior and the Complainant on or about 15 August, 2011. It was at about this time that it became apparent to Mr Leaver, it would seem for the first time, that the Domain Name was held in the name of the Respondent.

Further correspondence ensued, most of it very hostile in tone, in the course of which the Complainant demanded transfer of the Domain Name, the Respondent demanded payment of an outstanding invoice, the Complainant refused to pay the invoice pending transfer of the Domain Name, and the Respondent raised objections regarding content of the website and threatened to disconnect the website from the Domain Name.

Faced with the threat that its continuing use of the Domain Name for both the website and email traffic might be interfered with, the Complainant applied to the High Court in Birmingham on 28 October, 2011 for an injunction to restrain the threatened disruption.

Undertakings were given to the Court by the Complainant (including undertakings to commence this Complaint and to remove various matter from the website) and Mr Hall gave an appropriate undertaking to the Court on behalf of the Respondent to preserve the *status quo*. The Court ordered that all further proceedings in the action be stayed pending the outcome of this administrative proceeding.

On 12 December, 2011 Mr Hall registered the domain name, <sogecko.com> giving as his address the same address as the Respondent. That domain name is now connected to a website of So Gecko Ltd., which is offering *inter alia* services similar to those offered by the Complainant, services such as heating installation services.

The above outline summarises the key facts which appear to the Panel of relevance to the issues the Panel has to determine. A very large volume of material has been filed in connection with this dispute. Much of it covers a wide range of other areas of dispute between RL and GH including employment matters and corporate

dealings. Having reviewed this material it seems to the Panel that it would be helpful to summarise in a chronology the key events of relevance for present purposes. It appears that there is little or no dispute between the parties as to the essential factual matters which occurred, but a huge dispute as to the significance to be attached to some of these matters. The chronology is as follows (with appropriate wording to make clear any point which is advanced by one party only):

Date	Event
June 1998	Excel Insulation Services Ltd incorporated. Name changed to Excelsior Homecare Limited ("Excelsior") 16 July 1999. RL has been the Managing Director of Excelsior from 1 September 1998 to date, save for the period from 1 January, 2010 to 15 August, 2011 when that position was held by GH. The company is owned by RL.
Summer 2009	RL starts planning to sell his business and retire.
7/10/09	IBEX Management Limited ("Ibex") was appointed to provide marketing and management consultancy services to Excelsior including preparing a development plan and direct marketing initiatives. It did so until July 2010. Its appointment was with a view to appointment of GH of Ibex - after a probationary period - as managing director of Excelsior.
9/11/09	E mail with terms of reference to GH setting out possible purchase arrangements whereby he might take over the Excelsior business.
21/11/09	<exenergy.co.uk> was registered. The registration was made by GH in the name of Ibex. Ibex says the Domain Name was purchased with the intention of ultimately developing a website to support a new company that RL had agreed to sell to the Ibex directors at a fair, commercial price to be established by objective means. Ibex says that it was Alison Finch, a director of Ibex who conceived the name, being what she considered to be a creative combination of the name Ibex with RL's company Excelsior.
25/11/09	GH offered appointment as Managing Director of Excelsior. The offer refers to a share purchase plan to be agreed.
17/12/09	Exenergy Limited ("Exenergy") incorporated to acquire the assets and undertaking of Excelsior.
17/12/09	Ibex says it incorporated the company, Exenergy Ltd, in December 2009 on its own initiative.
1/1/10	GH takes up position as director and full time employee of Excelsior with intent that this would

	lead to a buy out of the business by GH over several years. From 1 January 2010, consequent on GH's appointment as a director and employee of Excelsior, GH's time no longer charged for by Ibex.
January 2010	Ibex says it had purchased Exenergy to be the eventual corporate identity of the trading vehicle it would purchase from RL, and passed control of Exenergy to RL's lawyers in January 2010 in good faith, to facilitate the later transfer of the trading activities of Excelsior to Exenergy. This mechanism would allow RL to isolate some legacy activities that would remain within Excelsior and ring-fence any claims that might arise in the old company.
25/1/2010	A new group holding company Groupex Ltd ("Groupex") was incorporated and the shares in both Excelsior and Exenergy were transferred to it. The issued shares in Groupex are held entirely by RL and he is its sole director. The group/company structure currently is Groupex (wholly owned by RL) with two wholly owned subsidiaries – Excelsior (which has subsequently become dormant and non-trading) and Exenergy.
2/2/10	GH and RL were appointed as directors of Exenergy on 2 February 2010. RL appointed Director / Chairman of Exenergy from 2 February 2010 to date. GH acted as managing director of Exenergy until his resignation in August 2011.
2/2/10	The preparatory work for building the www.exenergy.co.uk website began soon after this date.
14/5/2010	The domain name registration for exenergy.co.uk was amended, changing the hosting to barqueshosting.co.uk. The invoice for this was rendered to Exenergy on the instructions of the Respondent
From July 2010	Ibex provided marketing services to Exenergy rather than Excelsior.
1/7/2010	Exenergy starts trading under the name and brand "Exenergy". This date immediately follows the end of the financial year for Groupex and Excelsior. GH now employed by Exenergy. The business and assets of Excelsior were transferred to Exenergy.
21/10/2010	Actual launch of www.exenergy.co.uk web site.
29/10/2010	Ibex invoice Exenergy £3000 as "agreed fee for website development" plus £135 as "hosting for one year". Subsequent Ibex invoices include further fees for "Intranet and Web Mgmt".
Summer 2011	GH made an offer to purchase the Exenergy business; this was rejected by RL who considered it

	to be unacceptably low.
15/8/11	GH resigned from Exenergy on 15 August 2011. Subsequent employment law claims brought by GH. He also requested that copy about him was removed from the web site.
June/July 2011.	According to Ibex RL showed no interest in the ownership of the Domain Name or the website to which the Domain Name points until such time as he had "renege" on his agreement to accept the offer made to him in June/July 2011. At that time, Ibex alleges that RL appears to have concluded that he might obtain a higher sales price from a third party than from the established MBO team
21/8/2011	GH disables Exenergy's intranet
23/8/2011	Ibex's last invoice to Exenergy for the sum of £1148.78
21/9/2011	Paul Moses of Exenergy emails GH at Ibex requesting transfer of the Domain Name
21/9/2011	GH replies to Paul Moses stating "Thank you for sharing your needs. I need some outstanding monies paid to Ibex and myself for personal expenses. When these matters are cleared up I'll turn my attention to your needs. Don't bother writing to me again till this is the case"
30/9/2011	<p>GH e mails RL. This is a lengthy communication in which GH asserts the Domain Name was purchased by Ibex as part of the plans for when he would take over Excelsior. In the course of the e mail he states:</p> <p>"..... The domain name exenergy.co.uk is owned by Ibex.....There was no anticipated need for it to be owned by anyone but Ibex as Ibex is a useful vehicle for maintaining the technical aspects of various ventures in which its directors may become involved .....The fact that you pulled out of the MBO .....calls into question what should happen to the website now. Out of residual goodwill Ibex has continued to point the exenergy.co.uk domain to the server on which the website is hosted..... It was never the intention for Exenergy to own the domain .....at some point soon, you will need to think about hosting a website that is consistent with your current company profile on a domain that you own yourself. You will note, as another act of goodwill, Ibex has not pointed exenergy.co.uk to a page that says "service suspended because of unpaid invoices", which has always been an option open to Ibex.</p> <p>The same communication explores at length a wide range of other complaints GH has about how he</p>

	says he had been treated.
4/10/2011	<p>Gabb &amp; Co (Exenergy's solicitors) wrote to MDJ Law (GH's solicitors)</p> <p>" ...We assume that you will remind Mr Hall that his work in relation to the website and purchase of the domain name was undertaken entirely on behalf of Exenergy. We note that Mr Hall threatens that Ibex will point users of the website to a page which says 'service suspended because of unpaid invoices'.....Please confirm therefore that Mr Hall will take action to transfer the domain to our client immediately".</p>
6/10/2011	<p>GH replies to Gabb &amp; Co's letter of 4 October asserting Ibex's ownership of the Domain Name and including the following passages:</p> <p>"At the time the purchase was made by Ibex "exenergy" was no more than one possible name for a future vehicle to be involved in the future MBO that was being discussed with your client.....Ibex has every right to obtain the payment due, and has – until this point – shown inordinate patience in continuing to allow the use of the domain to point to the Exenergy website. I'm afraid that our considerable fund of goodwill has been all but exhausted by your Client's aggressive attitude and intransigence, and I must insist that immediate payment is made to Ibex of the outstanding amount due.</p> <p>If this account is not settled in full by close of business on Wednesday, 12th October, then all Ibex services will be suspended without further notice and your Client's website may need to be directly addressed through the host IP rather than the exenergy.co.uk domain name. There is simply no need for this issue to remain embroiled in the ongoing disputes about monies due for other matters."</p>
11/10/2011	<p>Alison Finch at IBEX emailed RL as follows:</p> <p>"Roger,</p> <p>It appears that you have still not paid the monies owing to Ibex for Invoice EXE/GH/1020 in spite of my repeated requests.</p> <p>As we have previously informed you, the courtesy Ibex has been extending to Exenergy with regard to allowing our domain name exenergy.co.uk to point to your website will cease at 6pm tomorrow, Wednesday 12th October.</p> <p>In this event, once the DNS changes have propagated, you will be able to access the Exenergy</p>

	website only by using the IP address directly, or by using some other domain alias under your control. It is possible that your email services will also be disrupted by the DNS changes."
11/10/2011	Exenergy paid the outstanding invoice to Ibex in the sum of £1148.78.
12/10/2011	MDJ Law (solicitors for IBEX) sent an e-mail message to Liz Frankis of Gabb & Co ) which on its heading bears the words "without prejudice" There is a dispute about whether this correspondence is properly "without prejudice" but the Panel does not find it necessary to refer to this material to reach its decision so that dispute does not need to be resolved.
14/10/2011	Gabb & Co write to Ibex with a detailed account of why they say the Domain Name belongs to Exenergy and requiring its transfer to Exenergy and seeking undertakings that in the meantime the web site would not be disabled or the domain name pointed elsewhere. They indicate the Complainant's intent to commence proceedings if undertakings are not provided.
18/10/2011	Alison Finch at Ibex replied to Gabb & Co.'s letter of 14th October [63] "Thank you for your communication of 14th October with its attendant demands, there is no need for such a belligerent approach - ask your client to contact Nominet.....Nominet exists to resolve domain name disputes of this nature. I understand they offer an open transparent and objective process at no initial cost...if your client believes he has a legitimate reason to challenge our ownership of exenergy.co.uk ...then Nominet is the place to start...We are happy to co operate with Nominet to resolve any doubt"
25/10/2011	Alison Finch at Ibex emailed John Price of Gabb and Co (64):  "We have said on more than one occasion that we are happy to co operate in any Nominet procedure to confirm the rightful ownership of exenergy.co.uk. As a courtesy to your Client, we have continued to point our domain to your Client's website pending resolution of this dispute in a timely manner.  However, the case for continuing this courtesy has fully evaporated. Your Client, in spite of our repeated requests, continues to display inappropriate content on his website that should plainly have been removed as soon as practicable after 15th August. We are no longer prepared to allow your Client to profit from references to the experience and commercial philosophy which are

	<p>associated with Ibex Management Ltd, not with Exenergy Ltd.</p> <p>Accordingly, we hereby give notice that we intend to cease pointing our domain exenergy.co.uk to your Client's website at close of business next Monday, 31st October, unless two conditions are met. These are (1) that the offending content has been removed, and (2) we have received information from Nominet confirming that you wish to dispute ownership through the proper channels.</p> <p>Your Client has now had ample time to prepare alternative arrangements, and any commercial losses that may arise from the changes to our DNS settings are entirely of his own making."</p>
28/10/2011	<p>Exenergy acting by Counsel made an application in the Chancery Division of the High Court for an injunction preventing Ibex from interfering with Exenergy's use of the website pending the completion of the Nominet Dispute Resolution procedure. GH attended and gave undertakings on behalf of Ibex in the terms of the injunction sought by Exenergy. A copy of the Order and Undertakings given by both parties (dated 18 November, 2011) is included in Appendix A to the Complaint.</p>

**7. The Parties' Contentions:**

The Parties' contentions are set out at length in the decision of the Expert at first instance (which is to be found on the Nominet website) and the Panel does not regard it as necessary to repeat them here.

**8. Discussion and Findings:**

The factual background to the reasoning below is to be found in section 6 above.

**General**

In order for the Complainant to succeed it must (pursuant to Paragraph 2 of the Policy) prove to the Panel, 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***

*the Domain Name, in the hands of the Respondent, is an Abusive Registration as defined in Paragraph 1 of the Policy.*

The meaning of 'Rights' is clarified and defined in the Policy in the following terms:

**Rights** means rights enforceable by the Complainants, whether under English law or otherwise, and may include rights in descriptive terms which have acquired a secondary meaning;

It is quite clear that the Complainant has traded under and by reference to the "Exenergy" brand on a significant scale since July 2010, having adopted that brand as the name of a new company which was the successor to the business previously carried out by Excelsior, and then used the name on all its stationery, advertising, vehicles and so on. The evidence establishes it carries on business on a substantial scale in South Wales. Accordingly there is sufficient evidence before the Panel to demonstrate that the "Exenergy" brand, indicates to the relevant public the goods and services of the Complainant.

The Panel has considered whether there is any reason to conclude that the rights in the "Exenergy" brand belong to anyone other than the Complainant. While on the one hand the Respondent is claiming entitlement to the Domain Name, it does not appear to suggest that it is entitled to the rights in the "Exenergy" brand itself. On the contrary, one is left with a clear indication that the Respondent accepts the Complainant's entitlement to continue using the "Exenergy" name in its business. In the Response, for example, the Respondent states: "RL alleges that it would cost him an enormous amount to "rebrand" if he does not gain possession of the domain name exenergy.co.uk. This is simply not true. He could obtain and operate a similar domain (perhaps ex-energy.co.uk, or exenergy.net, which are available as of today's date) with merely slight changes to the signage on his vehicles". The underlying message here is that only the web address would need to be changed on the signage and not the brand name itself.

Accordingly, the Panel finds that the Complainant has unregistered trade mark rights in respect of the "Exenergy" name. The Complainant therefore has rights in respect of a name or mark which (absent the generic '.co.uk' domain suffix) is identical to the Domain Name.

It remains for the Panel to address the issue as to whether the Domain Name, in the hands of the Respondent, is an Abusive Registration.

An Abusive Registration is defined in the Policy as follows:

**Abusive Registration** means 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 Complainants' Rights; OR*

*has been used in a manner which took unfair advantage of or was unfairly detrimental to the Complainants' Rights;*

The key issue between the parties here resides in the registration of the Domain Name. The Respondent in essence says it did so on its own account as part of the planned scheme whereby Mr Hall would ultimately take over the business of what was then Excelsior. The Complainant says the registration was part of the overall services that the Respondent was providing to Excelsior and, subsequently, the Complainant; whilst the Respondent may have registered the Domain Name in its own name this was simply a matter of expediency and the Domain Name was always intended to be an asset of either Excelsior or, when it came into existence, the Complainant.

It is not necessary for the Panel to resolve this dispute insofar as it impacts on whether or not the Domain Name was registered in good faith. At the time of the registration there is no evidence that the Respondent registered it otherwise than in relation to its dealings with Mr Leaver and Excelsior and with the intention it formed part of the overall plan to further develop the business with a view to Mr Hall ultimately taking over that business. For so long as the parties were all co-operating and on good terms the precise question of who had registered the Domain Name was in practical terms academic.

It is however necessary to consider this issue in relation to the subsequent use that has been made of the Domain Name and whether that was in good faith. It is quite clear that the Respondent, through Mr Hall and Ms Finch, asserted it had the right to use the Domain Name otherwise than in relation to the Complainant's web site and email systems. If, as they contend, the Respondent enjoyed outright ownership of the Domain Name it would appear that such use (including the threat to effect such use) was not in bad faith. Conversely if, as the Complainant contends, it was, or should have been, the owner of the Domain Name, then such use (including the threatened use) would in the Panel's view be use in bad faith (see further below).

The Panel accepts that the Respondent's involvement with Mr Leaver and Excelsior commenced in circumstances where it was envisaged that Mr Hall would eventually purchase the business from Mr Leaver. This does not appear to be disputed.

The Panel in reaching its decision notes that this proposed take-over did not take place. The reasons for this are in dispute but the Panel concludes that, whatever the reasons, the parties' dealings never reached a position where there was a concluded legal agreement relating to this takeover, as opposed to a broad intent that it would happen at some stage, on terms which in important respects were still to be agreed. As the Panel understands it, no party seriously suggests otherwise.

In these circumstances the Panel finds it impossible to accept the Respondent's assertions that the Domain Name was to be an asset of the Respondent which was part of the overall take-over plan, rather than an asset of the Complainant, which was a company which came into existence as part of the corporate

reorganisation and development of the business then owned and controlled by Mr Leaver. In this regard the Panel notes:

- a. Ownership of first Excelsior and subsequently the Complainant has always been directly or indirectly with Mr Leaver.
- b. The Respondent may have caused the Complainant to be created by instructing company formation agents to create a company of that name but the Respondent has never been a shareholder in the Complainant.
- c. The Complainant's name is Exenergy Limited. It may well be that that name was devised by the Respondent but that was part of its marketing and consulting activities as provided to Excelsior. Nowhere does the Respondent suggest the Complainant is not entitled to its name.
- d. Further the Respondent also implicitly accepts that the Complainant is entitled to use of the "Exenergy" brand. (See the discussion above in relation to the ownership of rights in the "Exenergy" brand.)
- e. The Panel concludes that the Respondent was engaged by Excelsior to help develop its business. As part of the plans which then developed it was identified that a new corporate vehicle was to be created with the name Exenergy. That name was devised by the Respondent but it became the Complainant's name. The Respondent registered the Domain Name also with the name "exenergy". It did so in its own name as that was convenient (and indeed at the time the Complainant did not exist). The Domain Name was to be an integral part of the Complainant's business - assuming as indeed happened that "exenergy" was selected as and became the new corporate identity. Whilst the Panel is not able to determine precisely how the domain name registration was paid for, it will have been a very modest sum and it is clear the Respondent was charging for its services that it was providing. The Respondent's invoices to the Complainant and its predecessor, Excelsior, rarely gave much of a breakdown of disbursements, but in any event the Panel takes the view that it would be somewhat absurd if this whole issue turned on who paid the registration fee, which is likely to have been a trivial sum.
- f. The Respondent claims that much of the work done by the Respondent in developing the brand and the website was done at discounted rates. If this was the case, it is not something that was mentioned in the contemporaneous documents that are before the Panel. The Respondent states that the work was done at a discount in anticipation of the share purchase going through. If so, the result must have been a severe disappointment for the Respondent, but it is not a matter of any relevance to the issue which falls to be addressed by the Panel in this administrative proceeding.

g. All of the work done by the Respondent may well have been done in the belief or expectation that Mr Hall would ultimately buy Mr Leaver's business. It was however done, in the Panel's view, on the basis that the Domain Name would be an asset of the business that Mr Hall would ultimately buy. In the absence of any separate corroborating evidence, beyond the Respondent's assertions, the suggestion the Domain Name was to be an asset of the Respondent held outside the "exenergy" business is simply not credible. Once the plans to buy the business came to nothing it is wholly artificial to say the Domain Name has an independent existence which can be divorced from the Complainant.

Accordingly the Panel concludes that the Domain Name should properly reside in the hands of the Complainant and that for the Respondent to resist the transfer and then threaten to use the Domain Name with a view to causing obvious damage and disruption to the very business for which the Domain Name was intended constitutes an abusive use of the Domain Name.

The fact that Mr Hall now appears to be associated with So Gecko Limited, a competitor to the Complainant, makes it all the more appropriate that control of the Domain Name should not be in the hands of the Respondent.

In reaching the above conclusion the Panel notes that the present version of the Policy provides that one of the non- exhaustive list of factors which may be evidence that the Domain Name is an Abusive Registration is (paragraph 3 (a) (v)) :

*"The Domain Name was registered as a result of a relationship between the Complainant and the Respondent, and the Complainant:*

*A. has been using the Domain Name registration exclusively; and  
B. paid for the registration and/or renewal of the Domain Name registration"*

There are likely to be many cases where this factual situation applies and, if the parties are not in dispute, no question of Abusive Registration arises. It is presumably intended to relate to circumstances where a further element also exists – namely the Complainant asking the Respondent to transfer the name, and the Respondent refusing. Assuming that is the case, this ground appears to the Panel to be of at least potential relevance here, and further confirms the Panel's views. As noted above the Panel is not clear whether the Respondent included the Domain Name registration fee in its disbursement charges but the substance of the work the Respondent was doing was clearly being charged to the Complainant's predecessor.

## **9 Jurisdiction and the pending Court Case**

On 7 March, 2012, after the Expert's decision in this case, a High Court judgment was issued which considered the operation of the

DRS and the availability of parallel court proceedings: *Michael Toth v Emirates, Nominet intervening* [2012] EWHC 517 (Ch) ("*Emirates*"). In that case, following a successful appeal by Emirates under the DRS for an order for transfer of the domain name "emirates.co.uk", the registrant, Mr Toth, brought proceedings in the Patents County Court ("PCC") seeking *inter alia* a declaration that the domain name was not an "Abusive Registration" within the meaning of the DRS Policy. Emirates applied to strike out this claim on the basis that the relevant Nominet rules do not permit a registrant to have a re-hearing before the courts on the issue of whether the domain name concerned is an Abusive Registration; this question may only be determined by the expert and any appeal panel appointed under the DRS. That point was under consideration by the High Court in *Emirates*, on appeal from the PCC.

Neither of the parties in this case has suggested that the issue of Abusive Registration should be dealt with by the court rather than by the original Expert or the Panel. However, in light of the fact that the Expert rejected the Complaint on the basis that the ownership of the Domain Name is part of a more complex dispute which is already before a court, the Panel feels that it is appropriate to consider the interrelationship between this administrative proceeding and the court case, in the light of the *Emirates* decision.

Mr Toth based his claim in *Emirates* on the wording of paragraph 10d of the Policy (under the heading "Appeal, repeat complaints and availability of proceedings"), which provides as follows:

"d. The operation of the DRS will not prevent either the Complainant or the Respondent from submitting the dispute to a court of competent jurisdiction."

and on the following parts of paragraph 17 of the DRS Procedure:

*"17. Communication of decision to parties and implementation of Decision.*

b. ...

c. If the Expert makes a Decision that a Domain Name registration should be cancelled, suspended, transferred or otherwise amended, we will implement that Decision by making any necessary changes to our domain name register database after ten (10) Days of the date that the Parties were notified unless during the ten (10) Days following the date that the Parties were notified we receive from either party:

i. an appeal or statement of intention to appeal complying with paragraph 18, in which case we will take no further action in respect of the Domain Name until the appeal is concluded; or

- ii. official documentation showing that the Party has issued and served (or in the case of service outside England and Wales, commenced the process of serving) legal proceedings against the other Party in respect of the Domain Name. In this case we will take no further action in respect of the Domain Name unless we receive:
  - A. evidence which satisfied us that the Parties have reached a settlement; or
  - B. evidence which satisfies us that such proceedings have been dismissed, withdrawn or are otherwise unsuccessful.”

He also referred to paragraph 20 of the Procedure, which provides:

*“20. Effect of court proceedings.*

- a. If legal proceedings relating to a Domain Name are issued in a court of competent jurisdiction or during the course of proceedings under the DRS and are brought to our attention, we will suspend the proceedings pending the outcome of the legal proceedings.
- b. A Party must promptly notify us if it initiates legal proceedings in a court of competent jurisdiction in relating [sic] to a Domain Name during the course of proceedings under the DRS.”

Mr Toth argued that these provisions demonstrate that the Expert’s Decision is not binding in such a way as to exclude the possibility of a de novo consideration of the issue by the court: paragraph 10d of the Policy refers to submitting “the dispute” to a court, which (in his submission) means the dispute as to whether the domain name in issue is an Abusive Registration; paragraph 17c of the Procedure imposes a stay of execution if court proceedings are brought in respect of the Domain Name immediately following an Expert’s decision; and paragraph 20 also allows for a court’s process to trump the DRS.

Emirates and Nominet, on the other hand, contended that “the dispute” in paragraph 10d refers to the general law matters underlying the DRS complaint. The intention behind it was to recognise that the DRS was not a forum for resolving a trade mark infringement or passing off action, or a breach of contract claim, which might have an impact on where the domain name should end up. If either party wanted to bring such a claim before the court, they were entitled to do so and, in the meantime (as provided by paragraph 17 or 20, as appropriate), Nominet would not allow the domain name to change hands. In their submission, these provisions did not envisage that the court would have jurisdiction to decide on whether the domain name

was an Abusive Registration under the Policy. That was a matter reserved for the Expert assigned to the case (and any appeal panel).

The judge agreed with Emirates and Nominet. He started by pointing out that the DRS does not involve the determination of any cause of action which could be litigated by either party; the whole concept of Abusive Registration only comes into play when a complainant starts proceedings under the DRS. As he said (paragraph 48):

“... The making of the complaint obliges the respondent to submit to proceedings. The DRS then provides for the appointment of an Expert, the reaching of a Decision, and an appeal. The Expert (and the appeal panel) rule on whether there has been abusive registration - they reach a Decision on the matter. They also rule on remedy. It is only those people who can provide for anything to happen if the complaint is substantiated. The whole process from the creation of the basis of complaint through to a determination of what should happen is bound up as one whole, with an expert determination at the heart of it. There is no obligation which a court could enforce, and there is no juridical basis on which the court could grant any remedy that could be granted by the Expert or appeal panel. Thus far it therefore seems that the court can have no role to play in any determination about abusive registration. The contract creates and completely regulates the dispute in such a way as to leave nothing for the court to bite on.”

He then rejected the proposition that the DRS had reserved for the court the ability to rule on the question of an Abusive Registration, finding in particular (at paragraphs 53) that:

- a. The overall mechanism is much more consistent with the conclusion that the question is one for the expert alone. The whole concept of abusive registration has no significance until a complainant complains, and when he does a clear mechanism is provided for dealing with it. No independent cause of action based on “abusive registration” existed before then or is created at that moment. What is created is a question for the expert to decide. That leaves no room for parallel (or consecutive) court proceedings on the point
- b. The DRS was apparently intended to create “a self-contained dispute resolution mechanism which is closely regulated, cheap, quick and (apparently) efficient”. To add a parallel route of applying to court would be inimical to this.
- c. The only provision which can be said to point the other way is the reference to “the dispute” in paragraph 10d, but in the overall context this wording was to be treated as a reference to other types of proceedings which might be capable of determining the underlying “Rights”, which might affect an Expert Decision as a result.

He concluded (paragraph 55):

“I therefore find that the DRS and Procedure put in place a regime in which the question of abusive registration is one for, and only for, the Expert appointed under the DRS.”

The Complainant’s non-standard submission of 29 March, 2012 relied on the decision in *Emirates*, arguing that it removes any possibility that the Complainant could invoke abusive registration before the court and thus “reinforces the unfairness of batting the matter off to court” in circumstances where: (1) there is a “typical DRS-type dispute”; (2) both parties are seeking a finding on abusive registration; and (3) the court which is seized of the related dispute also favours a DRS resolution, having stayed proceedings pending the DRS outcome.

The Respondent’s response to this submission does not expressly support or challenge the Complainant’s position. But it refers to a letter it sent to the Complainant’s former solicitors last October in which it stated its belief that the dispute should be handled by Nominet and does not say that it has changed its mind. The response refers to the ongoing involvement of the court, but as a forum for dealing with some of the wider issues such as alleged copyright infringement on the [exenergy.co.uk](http://exenergy.co.uk) website.

It is clear that the Respondent always wanted Nominet to deal with the question of whether the Domain Name is an Abusive Registration, rather than have the Court deal with the matter. By its application to the High Court (Birmingham District Registry), the Complainant also made it clear that it wanted to be able to deal with the issue under the DRS. And the Judge who dealt with that application also made it clear that he wanted to give effect to these wishes when he made the order staying the proceedings relating to the wider dispute pending the filing and determination of a complaint under the DRS.

In those circumstances, it would be very unfortunate if the dispute over the Domain Name was simply remitted back to the Court without a substantive decision.

The Panel respectfully agrees with the Judge in *Emirates* that the question of whether a domain name is an Abusive Registration is one that is exclusively reserved for an Expert appointed by Nominet under the DRS (and any Appeal Panel). The members of this Panel have always understood (as the Judge found) that the reference in paragraph 10d of the Policy to “the dispute” was a reference to the underlying dispute between the parties, for example, as to the ownership or entitlement to use a relevant trade mark or as to a contract relating to the use of a relevant website. While it might well be the case that a court hearing such a dispute would have the jurisdiction to grant relief that affects the ownership of a domain name, for example by ordering a transfer by the defendant to the claimant if its use infringes the

claimant's trade mark, that jurisdiction arises independently of the DRS or the question of whether the domain name is an Abusive Registration.

The full details of the case that may be put before the High Court in the wider dispute are not available to the Panel. However, it is clear that the Court was not asked to rule on the ownership of the Domain Name. The Panel has found it possible to apply the Policy and Procedure to the facts of the case which are either undisputed or are proved on the balance of probabilities and to reach a conclusion without the need to unravel the remainder of the dispute between the parties. It believes that it is incumbent on it to reach that conclusion pursuant to the wishes of both parties and the Court, and now with the benefit of the High Court decision in *Emirates*.

#### **10      The Expert's decision**

The Expert rejected the Complaint primarily on the basis that this is not a clear case of cybersquatting. "Cybersquatting" means different things to different people. Insofar as the Policy is concerned, we are only concerned with the definition of Abusive Registration and the Panel is clear in its view that the Respondent's recourse for the injustices that it and those behind it believe they have suffered at the hands of Mr Leaver are a matter for the Courts or some other form of dispute resolution; however, the use to which the Domain Name was put and/or threatened constitutes an abusive use for the purposes of the Policy and can and should be dealt with under the Policy.

The Panel concludes that the Domain Name in the hands of the Respondent is an Abusive Registration.

#### **11.      Decision**

The Appeal is allowed. The Panel directs that the Domain Name be transferred to the Complainant.

Nick Gardner

Tony Willoughby

Anna Carboni

Dated: 24 May, 2012