

DISPUTE RESOLUTION SERVICE

D00012882

Decision of Independent Expert

Dreams Limited

and

Robert Clarkson t/a Dreamz Beds

1 The Parties

Complainant: Dreams Limited
Knaves Beech Business Centre
14 Davies Way
Loudwater
High Wycombe
Buckinghamshire
HP10 9YU
United Kingdom

Respondent: Robert Clarkson t/a Dreamz Beds
1 Pole Lane
Unsworth
Bury
Lancashire
BL9 8QL
United Kingdom

2 The Domain Name

dreamzbeds.co.uk

3 Procedural History

- 3.1 On 30 May 2013 the Complaint was received. On 31 May 2013 the Complaint was validated and notification of it sent to the Respondent. On 19 June 2013 the Respondent was sent a response reminder notice. On 24 June 2013 a notification that no response had been received was sent to the parties. On 3 July 2013 the Expert decision payment was received.
- 3.2 I, Patricia Jones (“the Expert”), 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.
- 3.3 The Complainant has submitted a non-standard submission under paragraph 13b of the Nominet Dispute Resolution Service Procedure (the “Procedure”). The explanatory paragraph states the Complainant owns an active .co.uk domain name linking to www.dreams.co.uk which the Complainant would like me to consider. Having regard to the Complainant’s explanation for its paragraph 13b submission and having regard

to the content of the Complaint, I do not consider that there is an exceptional need for the Complainant's submission. I have therefore not requested to see it.

4 Factual Background

- 4.1 The Complainant is a bed and bedroom furnishing retailer. The Complainant was incorporated on 4 March 2013. It operates 170 DREAMS stores nationwide that were previously operated by Dreams plc ("Plc") before it went into administration in March 2013.
- 4.2 At the time of its administration, Plc was a leading retailer in beds and bedroom furnishing. It also manufactured beds and mattresses. Plc was incorporated on 5 November 1987. By 2000 it had 54 stores and launched its website at dreamsplc.com; in 2002 it had 67 stores and was 'Britain's leading bed specialist'; in 2004 it had 115 stores and won Furniture Retailer of the Year for a third time; in 2005 it had grown to 120 stores and launched its online store at dreams.co.uk; in 2007 it had 160 stores; and by 2009 it had over 220 stores and 1,700 employees.
- 4.3 Plc used the domain name dreams.co.uk for its on-line DREAMS retail business. This domain name was registered on 23 March 2004. Plc also conducted advertising under the DREAMS name, including sponsoring the ITV programme 'The Chase'.
- 4.4 The Complainant is the owner of a number of trade marks including the following:
 - (a) UK Trade Mark No. 2212057 for Series 1: DREAMS and Series 2: Dreams registered on 28 July 2000 in Class 20 for goods including furniture; bedroom furniture; beds; divans; bedsteads; headboards; bedding; mattresses; and futons.
 - (b) UK Trade Mark No. 2368772 for DREAMS registered on 22 April 2005 in Classes 20, 24 and 35 including for furniture; bedroom furniture; beds; divans; bedsteads; headboards; bedding; pillows; mattresses; futons; bed linen; duvets; covers for duvets; covers for pillows; bedspreads; covers for hot water bottles; and pyjama cases.
 - (c) Community Trade Mark No. 4417648 for DREAMS registered on 9 November 2009 in Class 35.
- 4.5 The Respondent registered the Domain Name on 5 September 2007. Despite the Respondent giving a trading name, he has opted to have his address omitted from the WHOIS service as a non-trading individual.
- 4.6 On 30 May 2013 the site at the Domain Name advertised and offered for sale beds, bedroom furniture and other furniture. The site is headed 'Dreamz Beds' followed by 'and Furniture' in smaller lettering.
- 4.7 On 15 December 2010 Plc wrote to Dreamz Beds and Furniture notifying them of Plc's rights in the DREAMS brand and requesting that they cease all use of the DREAMS brand. On 30 December 2010 Dreamz Beds and Furniture replied that the contents of the letter had been noted. The typeface and style of 'Dreamz Beds and Furniture' on this letter is identical to the heading on the site at the Domain Name on 30 May 2013.
- 4.8 There has been subsequent correspondence between Avidity IP, the representative of Plc and of the Complainant, and Dreamz Beds and Furniture. On 8 January 2013 Mr Rob White of Avidity IP spoke to Graham Jones of Dreamz Beds and Furniture. According to the attendance note made by Avidity IP of that conversation, Mr Jones mentioned that Dreamz Beds and Furniture had received complaints by phone about the products of Plc. He also stated that they were a small business and if some

compensation was offered to re-brand he was sure some co-operation could be reached.

- 4.9 Dreamz Beds and Furniture has removed a Twitter post that the Complainant considered to be defamatory.

5 Parties' Contentions

- 5.1 I set out below a summary of what I regard to be the main contentions of the Complainant.

- 5.2 The Complainant submits that it has rights in respect of a name or mark which is identical or similar to the Domain Name:

(a) The Complainant relies on its registered trade mark rights and on the domain name dreams.co.uk, which it says is in the process of being transferred to it from Plc.

(b) The Complainant asserts that it has substantial goodwill and reputation acquired through significant use of DREAMS in the UK from the early 1990's sufficient to succeed in an action for passing off as Britain's leading bed specialist.

(c) The Complainant contends that DREAMS in the UK in respect of beds and furniture has become synonymous with the Complainant and its nationwide business. The Complainant says it is akin to a household name in the UK and has a clear and undeniable reputation.

(d) The Complainant says that 'beds' in the Domain Name describes the goods sold by the Complainant and the Respondent and does not distinguish the Domain Name from the Complainant's Rights. The Complainant contends that a comparison is to be made between DREAMS and DREAMZ and notes that there is only a single letter of difference between the two. The Complainant says that DREAMS and DREAMZ are pronounced in the same manner with 'Z' replicating the 'S' sound. The Complainant also says that conceptually DREAMZ and DREAMS have the same dictionary meaning. The Complainant argues that DREAMZ is an obvious misspelling for use as a marketing tool.

- 5.3 The Complainant submits that the Domain Name, in the hands of the Respondent, is an Abusive Registration. The Complainant relies on paragraph 3(a)(i)C of the Nominet Dispute Resolution Service Policy ("Policy"), submitting that the Domain Name was acquired for the purpose of unfairly disrupting the business of the Complainant. The Complainant also relies on paragraph 3 (a)(ii) of the Policy, claiming that the Domain Name is being used in a way which has confused or is likely to confuse people or businesses into believing the Domain Name is registered to, operated or authorised by, or otherwise connected with the Complainant.

(a) The Complainant says its trade mark registrations, extensive UK use and reputation and trade through www.dreams.co.uk were established at the time of registration of the Domain Name in September 2007. The Complainant contends that the Respondent operating in the same field of beds, mattresses and furniture as the Complainant would have known of the Complainant's rights and reputation when the Domain Name was registered. The Complainant says the Respondent's motive in adopting and using 'Dreamz Beds' and the Domain Name was to take unfair advantage of the Complainant's established rights, to seek to divert custom and to cause confusion as to the origin of the beds and furniture goods.

- (b) The Complainant notes that 'S' is directly above 'Z' on a standard keyboard. The Complainant says that a user intending to visit the Complainant's website may mistype its domain name and reach the Respondent's site. The Complainant contends this may result in a diversion of trade from the Complainant to the Respondent and cause confusion as to whether there is some affiliation, connection or authorisation between the parties.
- (c) The Complainant argues that the quasi-identity between the Domain Name and the Rights of the Complainant mean that an Internet user is likely to be confused when purchasing beds or furniture through the Domain Name that the Domain Name is registered to, operated or authorised by, or otherwise connected with the Complainant. The Complainant argues there is 'initial interest confusion' that the operator of the site at the Domain Name is the Complainant or authorised by it.
- (d) The Complainant argues that the Respondent has taken the whole of the distinctive DREAMS Rights of the Complainant. The Complainant says the Respondent is taking unfair advantage of and being unfairly detrimental to the distinctive character and reputation in the Complainant's DREAMS Rights which have been established over many years of use in respect of beds, bedding, furniture and related retail services.
- (e) The Complainant says that the misplaced calls from the public to the Respondent about the products of Plc are evidence of confusion on the part of the public that the Domain Name is registered to, operated or authorised by, or otherwise connected with the Complainant. The Complainant contends it is also disruptive to the Complainant's business with potential loss and diversion of trade, denying the Complainant the opportunity to address consumer concerns.
- (f) The Complainant argues that the Respondent's expectation of compensation from the Complainant to change its business name and domain name re-enforces the bad faith and abusive nature of the Domain Name registration.
- (g) The Complainant asserts that the Respondent's registration and use of the Domain Name is so inherently likely to cause confusion among Internet users searching for the Complainant that it cannot constitute a bona fide offering of goods or services nor can it constitute a legitimate non-commercial or fair use of the Domain Name.
- (h) The Complainant relies on the following extract from the Nominet decision in DRS 12643 (compairsystems.co.uk): *"In most circumstances where a Respondent has registered a domain name that is identical or similar to a name or mark in which the Complainant has rights, the name or mark is well known, and the Complainant and marks were known to the Respondent, one would be unlikely to have a great deal of difficulty in concluding, as many Experts have previously, that the relevant domain name would be an abusive registration."*

6 Discussions and Findings

- 6.1 Paragraph 2 of the Policy sets out that for a Complainant's Complaint to succeed it must prove to the Expert that:
 - i. The Complainant has Rights in respect of a name or mark which is identical or similar to the Domain Name; and
 - ii. The Domain Name, in the hands of the Respondent, is an Abusive Registration.

- 6.2 I am satisfied that the Complaint was properly notified and communicated to the Respondent in accordance with paragraphs 2 and 4 of the Procedure. Whilst the Nominet correspondence was addressed to Mr Nigel Atkins, this is the name held in Nominet's contact details for the Respondent. I also note that Mr Nigel Atkins responded on behalf of Dreamz Beds and Furniture to the correspondence from Plc and Avidity IP. I therefore consider that the Respondent has chosen not to submit a Response. Nevertheless, the Complainant is required to prove to the Expert that both the above elements are present on the balance of probabilities.
- 6.3 I also consider it appropriate for me to comment on the Respondent's failure to submit a Response. On 27 June 2013, Mr Greg Norton e-mailed Nominet in relation to the dispute. In his e-mail, Mr Norton suggests that 'Dreams' wants to close down Dreamz Beds and Furniture. The footer on this e-mail says 'Greg (Dreamz Beds)'. On 28 June 2013 Nominet responded to Mr Norton notifying him that the Response deadline had passed and recommended he arrange for the registrant of the Domain Name (Mr Clarkson) to e-mail Nominet to explain why the Domain Name is not an Abusive registration as claimed by the Complainant. Despite this, no explanation has been provided by Mr Clarkson.
- 6.4 I consider the following paragraphs of the Procedure to be relevant:
- (a) Paragraph 13a: *"The Expert will not be obliged to consider any statements or documents from the Parties which he or she has not received according to the Policy or this Procedure or which he or she has not requested."*
 - (b) Paragraph 15b: *"If, in the absence of exceptional circumstances, a Party does not comply with any time period laid down in the Policy or this Procedure, the Expert will proceed to a Decision on the complaint."*
 - (c) Paragraph 15c: *"If, in the absence of exceptional circumstances, a Party does not comply with any provision in the Policy or this Procedure or any request by us or the Expert, the Expert will draw such inferences from the Party's non-compliance as he or she considers appropriate."*
 - (d) Paragraph 16a: *"The Expert will decide a complaint on the basis of the Parties' submissions, the Policy and this Procedure."*
- 6.5 I consider that under paragraph 13a of the Procedure I am not obliged to consider Mr Norton's e-mail even if it has been sent on behalf of the Respondent. In any event, it does not provide an explanation for the Respondent's registration and use of the Domain Name. I also consider that I am entitled to make a decision on the Complaint, drawing such inferences from the Respondent's failure to submit a Response as I consider appropriate. In my view, the Respondent has chosen not to give any explanation for its registration and use of the Domain Name in accordance with the Procedure which I will take into account when making my decision.

The Complainant's Rights

- 6.6 Under Paragraph 1 of the Policy, Rights is defined as *"rights enforceable by the Complainant, whether under English law or otherwise, and may include rights in descriptive terms which have acquired a secondary meaning"*. It is well accepted that the question of Rights falls to be considered at the time the Complainant makes its complaint and is a test with a low threshold to overcome.
- 6.7 As set out at paragraph 4.4 above, the Complainant is the owner of trade mark registrations for DREAMS including in respect of beds, bedroom furniture and furniture. I am therefore satisfied that the Complainant owns Rights in the DREAMS

mark.

- 6.8 I regard the DREAMS mark to be similar to the Domain Name (disregarding the .co.uk suffix). I consider 'dreamz' to be a close typographical variant of 'dreams', noting (as has the Complainant) that 's' is above 'z' on the keyboard. I also consider that there is a degree of visual similarity between 'dreams' and 'dreamz' and also a degree of phonetic similarity.
- 6.9 I do not consider that the addition of 'beds' to 'dreamz' is sufficient to distinguish the Domain Name from the DREAMS mark. This term is merely descriptive of the Complainant's business.
- 6.10 Accordingly, on the basis of the Complainant's trade mark registrations, I find that the Complainant has Rights in a name or mark, DREAMS, which is similar to the Domain Name.
- 6.11 The Complainant also relies on its unregistered rights through ownership of goodwill in the DREAMS mark. The Complainant is a relatively new company but it has been operating 170 stores under the DREAMS mark since March 2013. It also says that it has acquired the rights and goodwill in the DREAMS mark from Plc.
- 6.12 It is clear from the Complainant's evidence that Plc was a large retailer of beds and bedroom furniture trading under the DREAMS mark from the end of 1987 until its administration in March 2013. I therefore consider that Plc had unregistered Rights through use in the DREAMS mark.
- 6.13 The Complainant has adduced no evidence to support its assertion that it acquired the rights and goodwill in the DREAMS mark from Plc. However, the Complainant's ownership of the DREAMS trade marks detailed in paragraph 4.4 above, which were registered while Plc was trading, is indicative that it acquired such rights and goodwill. Further, the Complainant's operation of some of Plc's former stores is indicative that the Complainant acquired, at least part of, Plc's business.
- 6.14 I therefore consider that the Complainant also has unregistered Rights through use of the DREAMS mark since March 2013 and the acquisition of Plc's goodwill in the DREAMS mark. Accordingly, on the basis of the Complainant's unregistered rights, I find that the Complainant has Rights in a name or mark, DREAMS, which is similar to the Domain Name.

Abusive Registration

- 6.15 It now has to be considered whether the Domain Name, in the hands of the Respondent, is an Abusive Registration. Paragraph 1 of the 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 has taken unfair advantage of or has been unfairly detrimental to the Complainant's Rights.
- 6.16 It is sufficient to satisfy either of the limbs for there to be a finding of an Abusive Registration.
- 6.17 Paragraph 3(a)(i) of the Policy sets out a non-exhaustive list of factors which may be evidence that the Domain Name is an Abusive Registration under paragraph 1(i) of the Policy. The Complainant relies on paragraph 3(a)(i)(C) as follows:

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.

- 6.18 It must be borne in mind that paragraph 3(a)(i) of the Policy relates to the Respondent's motives at the time of registration of the Domain Name. Accordingly, it must be established that the Respondent had knowledge of the Complainant and/or its Rights at the time of registration. If the Respondent, with knowledge of the Complainant, registered the Domain Name for the purpose of unfairly disrupting the business of the Complainant, by attracting users to the Respondent's site who were looking for the Complainant and once there potentially diverting users into placing business with the Respondent, this may be an Abusive Registration under paragraph 1(i) of the Policy.
- 6.19 In this case, the Complainant has adduced evidence that Plc was a significant retailer trading under DREAMS with about 160 stores in 2007 when the Domain Name was registered. The Respondent's trading name is Dreamz Beds which I consider is a reference to Dreamz Beds and Furniture. The Respondent is in the same business as Plc was of beds and bedroom furniture. Taking this into account, I consider that the Respondent was aware of the DREAMS stores at the time of registration of the Domain Name. In reaching this conclusion I have also taken into account my finding at paragraph 6.5 that the Respondent has chosen not to submit a Response dealing with its awareness of DREAMS at the time of registration of the Domain Name.
- 6.20 It therefore has to be considered whether the Respondent registered the Domain Name for the purpose of unfairly disrupting the Complainant's business in order for there to be an Abusive Registration under paragraph 1(i) of the Policy.
- 6.21 At the time of registration of the Domain Name, Plc was using dreams.co.uk for its online DREAMS bedding and furniture business. In my view, there is a real risk that Internet users guessing the URL of Plc would have used the DREAMS mark followed by 'beds' which describes Plc's main product. Further, I consider there is a real risk of such Internet users mistyping or misspelling DREAMS such that they would have found the Respondent's site when they were looking for Plc. In this respect, 'S' and 'Z' are close to each other on the keyboard and, in my view, 'DREAMS' and 'dreamz' are phonetically similar. Further the receipt of complaints by the Respondent about the products of Plc demonstrates the possible use of 'dreamz' by customers when looking for Plc or the possibility of confusion amongst customers between "dreams" and "dreamz".
- 6.22 I also consider that 'dreams beds' would have been a common Internet search term for Plc. In my view there is a real risk that Internet users mistyping or misspelling DREAMS would have visited the Respondent's site in response to a search engine request looking for Plc. This is supported by the Complainant's evidence of the Respondent being high up on the list of Google search results on 'dreamz beds' on 30 May 2013.
- 6.23 The site at the Domain Name on 30 May 2013 advertised and offered for sale beds, bedroom furniture and other furniture. Further, in the letter dated 15 December 2010 Plc states Dreamz Beds and Furniture are *"using the Dreams brand on [their] website www.Dreamzbeds.co.uk and at [their] retail premises in connection with goods or services that are the same or similar to those that we offer in connection with the DREAMS brand without our permission"*. The response of 30 December 2010 to this letter from Dreamz Beds and Furniture does not deny that was the case. This

indicates that the site at the Domain Name in December 2010 was being used by the Respondent in connection with goods the same as or similar to those of the Complainant's predecessor. Whilst such use is a few years after registration of the Domain Name, in my view, it is indicative that the Domain Name was registered for such use. In reaching this conclusion I have taken into account that the Respondent has given no explanation for its registration of the Domain Name.

- 6.24 Accordingly, Internet users who found the Respondent's site when looking for Plc would have found a site which was being used in connection with goods the same as or similar to those of the Plc. In my view, there is a risk that such users would have been diverted into buying goods from the Respondent.
- 6.25 Notwithstanding this, in considering paragraph 1(i) of the Policy, I must bear in mind paragraphs 4(a)(i)(A) and (B) of the Policy being non-exhaustive factors which may be evidence that the Domain Name is not an Abusive Registration as follows:
- i. Before being aware of the Complainant's cause for complaint (not necessarily the 'complaint' under the DRS), the Respondent has:
 - A. 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;
 - B. been commonly known by the name or legitimately connected with a mark which is identical or similar to the Domain Name.
- 6.26 In this case, the Respondent has chosen not to give any explanation for its registration and use of the Domain Name. Accordingly, I have no evidence, for example, in relation to the Respondent's trading history as 'Dreamz Beds and Furniture' or its knowledge of Plc at the time of registration of the Domain Name.
- 6.27 In such circumstances, I consider that the Respondent had no legitimate reason for registering the Domain Name. In my view, the Respondent registered the Domain Name, with knowledge of Plc, for the purpose of unfairly disrupting the business of Plc by unfairly taking advantage of the likely confusion of Internet users to divert traffic to its website where users may potentially be diverted into buying goods from the Respondent.
- 6.28 Accordingly, I find that the Respondent registered the Domain Name primarily for the purpose of unfairly disrupting the business of Plc. However, I must take into account that this Complaint is not made by Plc, but by the Complainant which has acquired the rights in the DREAMS mark. In my view, this does not make any difference. It cannot be the case that the transfer of the rights in respect of which the Complaint is based means a loss of the right to complain under paragraph 1(i) of the Policy.
- 6.29 Under this paragraph an Abusive Registration is a domain name which was registered in a manner which, at the time when the registration took place took unfair advantage of or was unfairly detrimental to the Complainant's Rights. In this case, I have found that the Respondent's registration of the Domain Name took unfair advantage of or was unfairly detrimental to the Rights in the DREAMS mark. These Rights are now owned by the Complainant who accordingly has a right to complain under paragraph 1(i) of the Policy.
- 6.30 I therefore find that Domain Name, in the hands of the Respondent, is an Abusive Registration under paragraph 1(i) of the Policy.

Abusive Registration under Paragraph 1(ii) of the Policy

- 6.31 I also find that the Domain Name, in the hands of the Respondent, is an Abusive Registration under paragraph 1(ii) of the Policy. Under Paragraph 3(a)(ii) of the Policy a non-exhaustive factor which may be evidence that the Domain Name is an Abusive Registration is 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.
- 6.32 As I have found at paragraphs 6.21 and 6.22 I consider there was a likelihood of Internet users being initially confused into visiting the Respondent's website in the expectation of finding Plc and once there potentially being diverted into buying goods from the Respondent. I also consider for the same reasons set out in paragraphs 6.21 and 6.22 that there is a likelihood of Internet users looking for Plc's successor, the Complainant, being initially confused into visiting the Respondent's website in the expectation of finding the Complainant and once there potentially being diverted into buying goods from the Respondent. In this respect, the Complainant has been operating since March 2013 170 stores under the DREAMS brand. It is also in the process of having dreams.co.uk transferred to it and operates the website at this domain name.
- 6.33 Even if Internet users became aware that they had not found Plc or Plc's successor, the Complainant, when they reached the Respondent's site, the Respondent still used the Domain Name in a way to cause initial interest confusion that the Domain Name is registered to, operated or authorised by, or otherwise connected with Plc or Plc's successor, the Complainant.
- 6.34 I therefore find that the Domain Name, in the hands of the Respondent, is an Abusive Registration under paragraph 1(ii) of the Policy.

7 Decision

- 7.1 I find that the Complainant has Rights in a name or mark which is similar to the Domain Name and that the Domain Name, in the hands of the Respondent, is an Abusive Registration.
- 7.2 I therefore direct that the Domain Name be transferred to the Complainant.

Patricia Jones

29 July 2013