

.ie Alternative Dispute Resolution
NETNEUTRALS DISPUTE RESOLUTION SERVICE

Decision of Independent Specialist

Case Number: 546

1. The Parties:

Complainant:	United Locksmiths Limited
Registrant:	Garret McPhillips

2. The Domain Name(s):

unitedlocksmiths.ie	("the Domain Name")
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3. Procedural History:

I can confirm that I am independent of each of the parties. To the best of my knowledge and belief, there are no facts or circumstances, past or present, or that could arise in the foreseeable future that need be disclosed 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.

The procedural history is as follows:

Action	Comment / date
Dispute received	15 July 2019
Complaint validated	15 July 2019
Notification of complaint sent to parties	16 July 2019
Forum Opened	24 July 2019
Complaint Form received	2 August 2019
Response Form received	No formal response form received. The Registrant made a number of replies through the online forum from 24 July 2019 onwards.
Forum Closed	
Adjudication Started	2 September 2019
Adjudication Decision Posted	10 September 2019
Adjudication Decision accepted / rejected	
Specialist Decision published	

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4. Factual Background

In 2017 Pat Boyle, Morgan O'Donovan and the Registrant (in this decision referred to collectively as "the three parties") agreed to jointly establish and operate an advertising website for their respective locksmith businesses under the name United Locksmiths.

The Registrant registered the business name United Locksmiths on 2 June 2017 and registered the Domain Name with Register365 on 6 June 2017. The Domain Name was administered through Register365 using an email account (unitedlocksmiths@gmail.com), access to which was shared between the three parties. Subsequently Kenneth Toher also became involved in the running of the website and in this decision he and the others are referred to collectively as "the four parties".

The website proved to be successful and the four parties agreed to establish a company to run the website.

On 28 February 2019 the four parties established a company in the name of United Locksmiths Ltd., in which each of the parties had a 25% shareholding. That company is the Complainant in this matter. The company registration took effect on 4 March 2019. On 4 March 2019 the Registrant terminated the business name United Locksmiths.

At some point over the period 4-5 July 2019 the Registrant changed the email address associated with the Domain Name, from the shared email account to another email address. At the same time the Registrant also moved the hosting of the website, migrating the server to a new hosting provider. This had the effect of preventing the Complainant from administering both the Domain Name and the website.

On 13 July 2019 the Complainant filed this complaint under the .IE Alternative Dispute Resolution Policy ("ADRP"), alleging that the Domain Name had been the joint property of the four parties, that the Registrant had agreed to transfer the Domain Name to the Complainant, and that the Registrant had breached this agreement by taking control of the Domain Name himself and excluding the other parties from control. The Registrant denies that the Domain Name was held jointly or that it was agreed to transfer the Domain Name to the Complainant.

5. Parties' Contentions

Complaint

A summary of the Complaint is as follows:

The Complainant states that:

- From the outset it was envisaged that a company would be set up in which the three parties and later the four parties would each have an equal shareholding.
- The registered business name and the Domain Name were registered to the Registrant because Mr. Boyle and Mr. O'Donovan were at that stage still under a

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contract with a different locksmith advertising business and because it would take some time to set up a company and bank account.

- It was understood by the three parties that the domain name and site would be owned jointly.
- On 6 June 2017 the Registrant forwarded email to Mr. Boyle and Mr. O'Donovan from It's IT (Meta IT Ltd.) regarding the registration of the Domain Name, which stated that "Hello all, Just a quick update regarding the domain name. IEDR have accepted the cert and have granted us the unitedlocksmiths.ie domain. We now have full control over the domain and it will take 12-48 hours for it to become fully active. I will let you know once it is live and supply login credentials so you can take a look at the website."
- On 8 March 2017 the Registrant emailed the other parties stating that they should: "Get United Locksmiths or what ever we are calling it up and running as a group. What ever doe [sic] we make is ours except for 3-5% to be reinvested to keep the thing top of the heap."
- In email correspondence on a number of dates the Registrant referred to artwork for the site being "copywritten [sic] into our names", being "ours", and being for "my two business partners".
- In email correspondence on 22 March 2018 the Registrant referred to the website in the following terms: "Myself, Ken and the other Partners in United Locksmiths invoice separately under our own business names, as a business unit, under the banner of United Locksmiths we strive for quality service and all Ireland coverage."
- The website administration and annual hosting costs of the website were split three ways at the outset.
- Google Ads payments to promote the website were predominantly made by Mr Toher (approximately €14,000), Mr. O'Donovan (approx. €3,600) and Mr. Boyle (approx. €3,600) with the Registrant spending approx. €2,820.
- Mr. O'Donovan also spent a sum on logo design for the website.
- The Domain Name is effectively the main asset of the website and the other parties would not have spent money on developing the website had they believed that the Registrant was the sole owner.
- The Registrant terminated the business name United Locksmiths to facilitate the transfer of the Domain to the Complainant.
- The website was being properly maintained and updated prior to the Registrant's migration of the website to a new host and it suffered damage to its search rankings, loading speed and image display in the period following the transfer of hosting.

Response

A summary of the Response is as follows:

The Registrant states that:

- He is the owner of the Domain Name, logo and other artwork associated with the website and paid for each of these items himself. He has renewed the Domain Name

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using his own debit card each year. Mr. Toher has access to the control panel of the site WordPress account and can remove other content if he wishes.

- On 3 May 2019 Kenneth Toher logged onto the control panel of Register365 using unitedlocksmiths.ie@gmail.com and changed the ownership details of the Domain Name. This was done without the Registrant's knowledge or consent.
- The payments made by Mr. Toher to Google Ads were to promote his own business rather than the United Locksmiths website.
- Moving the hosting of the website was necessary to deal with out of date software licences and broken plug-ins and he has since paid for these items himself.
- The website did not suffer any damage to its search rankings or performance following the change of hosting and continued to place at number one in organic search results even on the day of migration.
- This is a malicious complaint to gain control of the Domain Name.

The Registrant also complains that the wrong address, date of birth and spelling of his name were used when the Complainant was being registered. The Registrant has complained to the Companies Registration Office and asks that this dispute resolution process be suspended pending the resolution of that complaint. However the Registrant accepts that he took part in the formation of the Complainant and the complaint that the Companies Registration Office was initially given the wrong personal details is beyond the scope of this decision.

6. Discussions and Findings

This is not a typical case of cybersquatting or conflicting intellectual property rights and instead involves a complex factual dispute resulting from the breakdown of the business relationship between the four parties. This raises questions as to whether the dispute is an appropriate one for these proceedings. It is also, as far as I am aware, the first case to be decided under the IEDR Alternative Dispute Resolution Process and there is therefore no direct precedent as to how the ADRP should be applied in these circumstances. Finally, neither the Complainant nor the Registrant are legally represented and in a number of places this decision must consider legal issues which have not been addressed in submissions.

Matters to be proved:

Under paragraph 4.1 of the ADRP the burden of proof is on the Complainant who must prove three elements, specifically that:

- A. the Complainant would ordinarily be eligible to register the domain name in question if it was not already registered by the Registrant, and
- B. the Complainant
 - (i) has rights in the domain name or in marks or identifiers very similar to it, or
 - (ii) that the Complainant's rights have been negatively impacted by the registration, and
- C. the registration of the domain should be revoked as it has been registered or used abusively or in bad faith.

A. Complainant Eligibility to Register the Domain Name

The Complainant is a company registered in Ireland and I find that it would ordinarily be eligible to register the Domain Name.

B. Complainant's Rights in the Domain Name

(i) Rights in the domain name or in marks or identifiers very similar to it

Paragraph 4.1.B(i) of the ADRP defines the term "rights" as follows:

Any legal or other enforceable right can be considered, including but not limited to:

- Trade and service marks protected in the island of Ireland, or
- Personal names (including pseudonyms) by which the Complainant is commonly known or has acquired a reputation in on the island of Ireland, or
- Geographical indications that can prima facie be protected in the island of Ireland,
- Unregistered rights acquired through use.

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In this case the Complainant does not have a trade mark, service mark, personal name or protected geographic indicator. In order to succeed the Complainant must therefore establish an “unregistered right acquired through use” or some “legal or other enforceable right”.

Unregistered rights acquired through use

To establish an unregistered right (sometimes known as an unregistered trademark or a common law trademark) a complainant must establish that it would be entitled to bring an action in tort for passing off in respect of use of the disputed domain name. This requires proof that it runs a business on the island of Ireland, in which it has goodwill, and that the unregistered trademark on the basis of which it brings the complaint is a distinctive identifier of that business. (Case No. DIE2013-0002, *Budget Energy Limited (Budget Energy ROI) and Budget Energy Limited (Budget Energy NI) v. Prepay Power Limited.*)

In determining whether there is the necessary goodwill and whether an unregistered trademark is a distinctive identifier it is helpful to look to the WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Third Edition (“WIPO Overview 3.0”). While that deals with the Uniform Dispute Resolution Policy, a number of decisions under the .IE Dispute Resolution Policy have considered it appropriate to have regard to the Overview except where the .IE policy or Irish law differ (see e.g. Case No. DIE2019-0001, *Puma SE v. Stephen Connell, Puma Transport Ireland Limited*).

Paragraph 1.3 of the WIPO Overview 3.0 provides as follows:

What does a complainant need to show to successfully assert unregistered or common law trademark rights?

To establish unregistered or common law trademark rights for purposes of the UDRP, the complainant must show that its mark has become a distinctive identifier which consumers associate with the complainant’s goods and/or services.

Relevant evidence demonstrating such acquired distinctiveness (also referred to as secondary meaning) includes a range of factors such as (i) the duration and nature of use of the mark, (ii) the amount of sales under the mark, (iii) the nature and extent of advertising using the mark, (iv) the degree of actual public (e.g., consumer, industry, media) recognition, and (v) consumer surveys.

(Particularly with regard to brands acquiring relatively rapid recognition due to a significant Internet presence, panels have also been considering factors such as the type and scope of market activities and the nature of the complainant’s goods and/or services.)

Specific evidence supporting assertions of acquired distinctiveness should be included in the complaint; conclusory allegations of unregistered or common law rights, even if undisputed in the particular UDRP case, would not normally suffice to show secondary meaning. In cases involving unregistered or common law marks that are comprised solely of descriptive terms which are not inherently distinctive, there is a greater onus on the complainant to present evidence of acquired distinctiveness/secondary meaning.

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The Complainant has established that the three (and later four) parties carried on business by running the website under the name United Locksmiths from mid to late 2017 onwards, and that the Complainant is the successor to that business. The Complainant has also provided evidence that the United Locksmiths branding was used on customer invoices, promotional key tags, on Mr. O'Donovan's shop frontage, and on Mr. Toher's van. As regards advertising, the Complainant states that approximately €24,000 was spent on advertising the website through Google Ads; the Registrant disputes this but accepts that approximately €10,000 was spent. The Registrant himself states that as of 4/7/2019 the website is in first position in organic search results on Google for locksmiths in Cork and Ennis.

Consequently, although the Complainant has not provided any evidence of the volume of sales nor the degree of public recognition or consumer surveys, on balance I find that the Complainant does have an unregistered right acquired through use in the term "united locksmiths".

Other rights

The Complainant argues that the Registrant agreed to transfer the Domain Name to it. It is possible that such an agreement might constitute a "legal or other enforceable right" to the Domain Name within the meaning of paragraph 4.1.B(i) of the ADRP. However there is no evidence in this case that the Complainant (the company itself rather than the other shareholders) was a party to this agreement or that it would have standing to seek specific performance. In any event it is not necessary to consider this point further.

(ii) Complainant's rights negatively impacted by registration

Having found that the Complainant has rights in the domain name it is unnecessary to consider the alternative ground that the Complainant's rights are negatively impacted by the domain registration or use.

C. Domain Used or Registered Abusively or in Bad Faith

Under paragraph 4.1 of the ADRP the Complainant must prove that "the registration of the domain should be revoked as it has been registered or used abusively or in bad faith". These terms are defined in paragraph 1 of the ADRP which provides that:

"Abusively registered" refers to a Domain Name which was registered or used to take unfair advantage of or was unfairly detrimental to the Complainant's Rights; [and]

"Bad Faith" means a Domain Name which was registered or used without legitimate intent, and/or to engage in deceptive conduct and/or to act in a way which is in breach of the Registrant's contractual obligations (as stated in the Registrant Terms and Conditions)

Paragraph 4.1.C of the ADRP provides a non-exhaustive list of examples of abuse and bad faith:

A Complainant can demonstrate that the domain has been registered or is being used Abusively or in Bad Faith by the Registrant if it can provide evidence that:

- The domain name was registered or is being used with the primary purpose of selling or renting it specifically to the Complainant (or a competitor) for more than the Registrant paid for it, or

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- The domain name was registered or is being used with the primary purpose of preventing the Complainant registering a name or mark in which the Complainant has rights, or
- The domain name was registered or is being used with the primary purpose of unfairly disrupting or interfering with the Complainant's business, or
- The domain name is being used in a way that is likely to confuse people or businesses into believing that it is registered to, operated or authorised by, or otherwise connected with the Complainant, or
- The domain name was registered or is being used for an unlawful purpose (e.g. it is engaging in suspected fraudulent activity, engaging in other criminal/illegal online activity), or
- The domain name is registered to a company which currently has a dissolved company trading status, or
- The domain name is being used to facilitate the circulation of defamatory or racist material, or
- The domain name is registered to a Registrant which does not have (and never had) a connection to the island of Ireland, or
- The domain name was registered as a result of a relationship between the Complainant and the Registrant, 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; or [*sic*]

Failure by the Registrant to use the Domain Name for the purposes of email or a web site, the Registrant offering a domain name for sale, or use of domain parking services that may include advertising related to the keyword content of the domain name are not of themselves evidence of abuse or bad faith, however the Specialist may consider these issues in combination with other factors when deciding a case.

In this case there is no allegation that the Domain Name was *registered* wrongfully and to succeed the Complainant must therefore establish that the Registrant has subsequently *used* it abusively or in bad faith.

As the Complainant has not specified the precise nature of the abuse or bad faith, I will consider three examples from paragraph 4.1.C which might arguably be relevant.

The domain name was registered as a result of a relationship between the Complainant and the Registrant, 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.

The facts in this case do not fall within this example as the Domain Name was registered prior to the Complainant's formation and the Registrant himself paid for registration and renewal.

The domain name was registered or is being used with the primary purpose of unfairly disrupting or interfering with the Complainant's business

While the evidence shows clear personal animosity between the Registrant and the other parties, the Complainant has not established that the Domain Name is being used with the necessary motive of unfairly disrupting or interfering with its business.

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The only use of the Domain Name which might fall under this heading is the way in which it was redirected to point to a version of the website hosted with a different provider. The Complainant asserts that this change of hosting by the Registrant harmed the website performance and search rankings, but it appears from the limited evidence (including the Complainant's technical evidence) that these have been largely remedied since. The Registrant states that he moved hosting to remedy problems with the website plug-ins and licences rather than for any other purpose. While the Complainant disputes that there were any such problems, its own technical evidence suggests that the Registrant may have believed there were based on a misunderstanding of the WordPress installation. There is, therefore, insufficient evidence to show that the Registrant has acted with the *primary purpose* of disrupting or interfering with the Complainant's business.

The domain name is being used in a way that is likely to confuse people or businesses into believing that it is registered to, operated or authorised by, or otherwise connected with the Complainant

This example highlights again that this is an unusual case. In the majority of domain name disputes the complaint is that a domain name is being used to redirect web traffic *away from* a complainant's website to a competitor, confusing visitors into believing that there is a connection between the two sites which does not in fact exist. In this case however the Domain Name is being used to direct web traffic *to* the Complainant's website (albeit that the Registrant has moved the hosting of that website). This does have the effect of indicating that the Domain Name "is connected with the Complainant" but in this case it is correct to say that there is such a connection as the Registrant was a partner in the initial business, is now a 25% shareholder in the Complainant, and has from the outset used the Domain Name for the United Locksmiths website. Consequently the Complainant has not established that the Domain Name is being used in a way which is likely to cause confusion.

Other forms of abuse or bad faith

The examples in paragraph 4.1.C of the ADRP are not intended to be exhaustive and it might be argued that the Registrant is acting in "bad faith" by treating the Domain Name as his own property rather than property of the partnership and by disregarding the apparent agreement to transfer it to the Complainant. Against that, it might be argued that the Registrant is not acting in bad faith where he is acting on the basis of a genuine dispute regarding ownership of the Domain Name. In any event, however those issues would require a detailed factual assessment and are beyond the scope of the expedited procedure under the ADRP. As was pointed out under the UDRP in Case No. D2000-1470, *The Thread.com, LLC v. Jeffrey S. Poploff*:

This Panel is not a general domain name court, and the Policy is not designed to adjudicate all disputes of any kind that relate in any way to domain names. Rather, the Policy is narrowly crafted to apply to a particular type of abusive cybersquatting... To attempt to shoehorn what is essentially a business dispute between former partners into a proceeding to adjudicate cybersquatting is, at its core, misguided, if not a misuse of the Policy.

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See also Case No. D2001-0668, *ITMetrixx, Inc. v. Kuzma Productions*, holding that the UDRP process was not appropriate to resolve a “dispute between business partners over the ownership of the business and its assets”.

This is not a vindication of the Registrant: it may well be that the Complainant is the proper owner of the Domain Name. These however are matters which are outside the ADRP and would have to be decided by a court.

I therefore find that the Complainant has not met its burden of proof to establish that the Domain Name has been registered or used in bad faith.

7. Decision

For the foregoing reasons the Complaint is denied.
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Signed: TJ McIntyre

Dated: 4 September 2019
