

DISPUTE RESOLUTION SERVICE

DRS 8195

Decision of Independent Expert

Enterprise Holdings Inc

and

Mr Dan Conroy

1. The Parties:

Complainant: Enterprise Holdings Inc
Address: c/o Nick Walker
Lewis Silkin LLP
5 Chancery Lane
London

Postcode: EC4A 1BL
Country: United Kingdom

Respondent: Mr Dan Conroy
Address: 1 Sandringham Road
Chorley
Lancashire

Postcode: PR7 1LG
Country: United Kingdom

2. The Domain Name(s):

erac.co.uk ("the Domain Name")

3. Procedural History:

- A copy of the Complaint was received in full and validated by Nominet on 28 January 2010. Nominet notified the Respondent of the Complaint on 1 February 2010.
- A copy of the Response to the Complaint was received on 23 February 2010. On the same day Nominet notified the Complainant of the Response.
- On 2 March 2010 Nominet received a copy of the Reply to the Response which was sent to the Respondent on 9 March.
- On 9 March 2010 a Nominet Mediator was appointed. Mediation began on 12 March 2010.
- Mediation failed on 30 March 2010 and confirmation of this was sent to both parties on the same day.
- On 8 April 2010 the Complainant paid the fee to obtain an expert decision pursuant to paragraph 21 of the procedure for the conduct of proceedings under the Nominet Dispute Resolution Service (“the Procedure”).
- On 9 April 2010, Nick Phillips, the undersigned (“the Expert”) confirmed to Nominet that he knew no reason why he could not properly accept the invitation to act as the Expert in this case and further confirmed that he knew of no matters which ought to be drawn to the attention of the parties, which might appear to question his independence and/or impartiality.

4. Factual Background

- The Complainant is Enterprise Holdings Inc, (“Enterprise Holdings”) represented by Nick Walker of Lewis Silkin LLP.
- The Respondent is Mr Dan Conroy.
- The Complainant is the registered proprietor of a number of trade marks. These include trade marks for ENTERPRISE and ENTERPRISE RENT-A-CAR. They also include Benelux trade mark No. 0793593 for ERAC registered as of 9th February 2006.
- The Complainant’s business concerns the provision of car rental services throughout the United Kingdom, Europe and North America.
- The Domain Name was first registered by the Respondent on 12 February 2000.
- The Domain Name has had a number of uses since its registration. It is currently used to link to a Sedo parking page.

5. Parties’ Contentions

The Complainants Submissions:

1. The Complainant, through Enterprise Holdings owns the United Kingdom and Community Trade Marks for ENTERPRISE, the United Kingdom Trade Marks for ENTERPRISE RENT-A-CAR and E ENTERPRISE RENT-A-CAR, and the Benelux Trade Marks for ENTERPRISE, E ENTERPRISE and ERAC.

2. It is well known by the name ERAC, an acronym for Enterprise Rent-A-Car.
3. The Respondent is using the Domain Name to host, amongst other sponsored links, sponsored links to the Complainant's competitors.
4. The Complainant has since 1996 operated its corporate website at erac.com.
5. The Complainant uses the domain name erac.com for all of its email addresses i.e. xxxx@erac.com.
6. It is so well known by the mark ERAC that the Complainant's website appears as the first natural result of a Google search for the term ERAC.
7. The mark ERAC has such a valuable association with the Complainant's business that the Complainant's competitors bid on the term to create sponsored links to their own websites from top search engines.
8. The Domain Name is identical to the mark ERAC by which it is well known.
9. The Respondent's registration of the Domain Name was an abusive registration on the basis that the Respondent registered the Domain Name for (i) the purpose of selling or renting the Domain Name for valuable consideration in excess of the Respondent's out of pocket costs directly associated with acquiring or using the Domain Name; and/or (ii) as a blocking registration against a name or mark in which the Complainant has rights; and/or (iii) for the purpose of unfairly disrupting the business of the Complainant in accordance with paragraph 3(a)(i)(A) of the Nominet Dispute Resolution Service Policy ("the Policy"); and/or (iv) using the Domain Name in a way which

confuses or misleads people into thinking that the Domain Name is registered to, authorised or operated by the Complainant.

10. The Respondent was aware of the Complainant's rights in the Domain Name when the Domain Name was first registered, shown by the initial link to jumpautos.com as well as when the Respondent created a review site for the Complainant's business.
11. The site to which the Domain Name currently links diverts web traffic to the Respondent which is intended for the Complainant, for the Respondent's gain.
12. From 2005 the Domain Name became a Sedo parking page, and later in the same year sponsored links to other car rental companies began appearing on it.
13. The Complainant offered to buy the Domain Name in April 2007 for the sum of \$250 and the Respondent rejected this offer and counter offered \$10,000. This demonstrates an intention to gain financially beyond reasonable out of pocket expenses and therefore Abusive Registration or use of the Domain Name is assumed.
14. After its offer to buy the Domain Name was rejected further sponsored links to the Complainant's competitors appeared, along with an image of a gear stick lever.
15. The Domain Name has remained consistently listed as available for sale since 2005.
16. The Respondent has highlighted receipt of confidential emails intended for the Complainant to potential buyers of the Domain Name and it therefore follows that confidential emails sent to @erac.co.uk are being received and read by the Respondent.

17. The Respondent's conduct is comparable to that in *GPM v Citigroup Inc [2005] EWCH 2663* in that the Respondent is passing himself off as the Complainant.
18. The Respondent is using the Domain Name in a way which has confused or is likely to confuse people to the extent that they believe that the Domain Name is registered or operated by the Complainant for the purposes of 3(a)(ii) of the Dispute Resolution Service Policy ("the Policy).
19. The Respondent fulfils the criteria laid down in DRS 04331 <verbatim.co.uk>, as he always knew of the Complainant's Rights and the Respondent has (i) taken advantage of the Complainant's Rights and (ii) is receiving the benefit of the Complainant's goodwill connected with the mark, to the Complainant's detriment.
20. Even if the registration of the Domain Name was not an Abusive Registration then it has become an Abusive Registration through use.
21. The Domain Name should be transferred from the Respondent to the Complainant.

The Respondent's Submissions

1. A number of "real life" tests using Google News UK, Yahoo News Search, Google Blog Search, blogged.com, Bing.com and Wikipedia have established that the Complainant is not well known by the mark ERAC, and therefore that the Complainant has no rights in the mark.
2. The Complainant does not use the name ERAC to refer to itself.

3. The Complainant's registered trade marks are not relevant to this dispute at all; aside from the Benelux trade mark the registered trade marks are not identical or similar to the Domain Name.
4. The Benelux trade mark cannot be taken into account as the Complainant does not have business operations in the Benelux countries.
5. As there is a holder of the Community Trade Mark for the mark ERAC, their rights to the Domain Name are much greater than the Complainant's and as such he should not be forced to transfer the Domain Name to the Complainant.
6. If the Domain Name was transferred to the Complainant the Complainant would not use it.
7. The Complainant registered erac.ca before he registered the Domain Name and if the Domain Name was/is important to the Complainant they could have registered the Domain Name themselves prior to his registration.
8. The Complainant has just entered the Puerto Rican market and didn't register the domain name of erac.pr. It follows that the mark ERAC and the Domain Name are not of valuable importance to the Complainant.
9. The acronym ERAC is a random jumble of letters applicable to many business and organisations and the Complainant has no special rights in respect of the acronym.
10. As the site to which the Domain Name is pointing is currently a Sedo parking page it does not threaten the Complainant's business in any way at all.

11. The Respondent registered the Domain Name on 12 February 2000 with his personal funds to create a review site about the Complainant. He also did the same for one of the Complainant's competitors, demonstrating his intent to run review sites.
12. He keeps the Domain Name as he feels it is a valuable 4 letter domain that will be useful in a future project of his.
13. The counter offer he made to the Complainant of \$10,000 for the Domain Name was made to dissuade the Complainant from pursuing the purchase as the Respondent did not want to sell the Domain Name.
14. He disputes some of the historical uses of the site detailed in the Complaint.
15. The comment posted about receiving confidential emails was only designed to inform Enterprise Holdings that he was receiving emails intended for the Complainant's employees, in error.
16. He disputes the view that his website causes confusion as he does not use the email function of the Domain Name and his is not a well known site.

6. Discussions and Findings

Rights

General

1. Under paragraph 2 of the Policy the Complainant is required to show, on the balance of probabilities, that;
 - (1) *it has rights in respect of a name or mark which is identical or similar to the Domain Name; and*
 - (2) *the Domain Names in the hands of the Respondent are an Abusive Registration.*

Complainant's Rights

2. The first question I must therefore answer is whether the Complainant has proved on the balance of probabilities that it owns Rights in a name or mark that is similar or identical to the Domain Name.
3. The Policy defines the rights as including but not limited to “*...rights enforceable under English laws or otherwise, and may include rights in descriptive terms which have acquired a secondary meaning.*” This has always been treated in decisions under Nominet’s DRS as a test with a low threshold to overcome.
4. The Complainant has a number of registered trade marks for marks such as ENTERPRISE and ENTERPRISE RENT-A-CAR. I find it difficult to see how these registrations are relevant to this Complaint, so different are they from the Domain Name. However the Complainant does have a

Benelux registration for the mark ERAC. The Policy expressly does not limit the definition of Rights to rights enforceable under English law and therefore a foreign trade mark is enough to give the Complainant Rights in that mark or name.

5. I take the Respondent to be arguing that the Complainant has no interests in the Benelux and therefore its Benelux registration is invalid. Regardless of whether there is any substance to that allegation this is an argument that I simply cannot entertain under the Nominet DRS procedure. There is simply not the scope under this procedure to look into the validity or otherwise of registrations and the fact that the Complainant has a subsisting trade mark registration is enough to give the Complainant Rights in that mark.
6. Indeed in this case even if the Complainant had no relevant registrations I would still have been minded to find that it had Rights in the name or mark ERAC by virtue of its use of that name. Clearly the Complainant's use of ERAC has not been as widespread as its use of its other marks such as ENTERPRISE it has however been somewhat more than insignificant. It has for example operated its corporate website from the domain name erac.com for some time and all of its email addresses use the domain name erac.com. To my mind this use is more than enough for the Complainant to have established enough goodwill and reputation to have rights in the name or mark ERAC at least on the balance of probabilities.
7. I should stress that it is not necessary for the Complainant to show that it has exclusive rights to use ERAC and therefore it is irrelevant that other people may use or even have registered the mark ERAC. It is enough that the Complainant has rights of any kind in the mark. These could for example be rights which are limited to a particular locality or a particular offering of goods and services.

8. I therefore find, on the balance of probabilities, that the Complainant has Rights in the name or mark ERAC by virtue of either its Benelux registration and/or its use of the mark ERAC.
9. I must now decide whether the names or mark in which the Complainant has Rights are identical or similar to the Domain Name. On this issue, ignoring as I must do the first and second level suffixes, the Domain Name is identical to the name or mark ERAC and therefore I find that, on the balance of probabilities, the Domain Name is identical or similar to a name or mark in which the Complainant has Rights.

Abusive Registration

10. Having concluded that the Complainant has Rights in a name or mark which is identical or similar to the Domain Name, I must consider whether the Domain Name constitutes an Abusive Registration. An Abusive Registration is defined in the Policy as

*“...a domain name which either
(a) was registered or otherwise acquired in the manner which, at the time registration...took place took unfair advantage of or was unfairly detrimental to the Complainant’s Rights; OR
(b) has been used in a manner which took unfair advantage of or was unfairly detrimental to the Complainant’s Rights.”*

11. This definition allows me to consider whether the Domain Name constitutes an Abusive Registration at any time and not, for example, just at the time of registration.
12. Paragraph 3 of the Policy provides a non-exhaustive list of the factors which may evidence that a domain name is an Abusive Registration.

13. It is however also relevant to consider in broader terms whether the Domain Name constitutes an Abusive Registration within the definition set out in the Policy.

14. It is well established that in order for the Complainant to establish Abusive Registration it must show that the Respondent had knowledge of the Complainant's Rights either at the time of registration or at the time of the conduct complained of. The principles of this are established in the Appeal Decision for *Verbatim Limited v Michael Toth DRS 04331*:

"In this Panel's view the following should be the approach to the issues of knowledge and intent in relation to the factors listed under paragraph 3 of the Policy:

- (1) *First, some knowledge of the Complainant and/or its brand/rights is a pre-requisite for a successful complaint under all heads of the DRS Policy other than paragraph 3(a)(iv) (giving false contact details). The DNS is a first-come-first-served system. The Panel cannot at present conceive of any circumstances under which a domain name registrant, wholly unaware of the Complainant and its Rights, can be said to be taking unfair advantage of or causing unfair detriment to the Complainant's Rights.*
- (2) *Secondly, 'knowledge' and 'intention' are pre-requisites for a successful complaint under all heads of paragraph 3(a)(i) of the Policy. The wording of that paragraph expressly calls for the relevant intent, which cannot exist without the relevant knowledge.*
- (3) *Thirdly, 'intention' is not a necessary ingredient for a complaint under paragraph 3(a)(ii) of the DRS Policy. The test is more objective than that. However, some knowledge of the Complainant or its name/brand is a pre-requisite.*
- (4) *Fourthly, while some knowledge of the Complainant or its name/brand is a pre-requisite for a successful complaint under the DRS Policy (save for a complaint under paragraph 3(a)(iv)), knowledge is not of itself conclusive in favour of the Complainant. The Expert/Appeal Panel will still need to*

be satisfied that the registration/use takes unfair advantage of or is causing unfair detriment to the Complainant's Rights.

(5) *Fifthly, when a Respondent denies all knowledge of the Complainant and/or its Rights at the relevant time, that denial is not necessarily the end of the matter. The credibility of that denial will be scrutinised carefully in order to discern whether, on the balance of probabilities, the relevant degree of knowledge or awareness was present.*

8.14 *Accordingly, in the view of this Panel, for this complaint to succeed, the Complainant must satisfy the Panel, as an opener, that the Respondent was aware of the existence of the Complainant or its brand at the date of registration of the Domain Name or at commencement of an objectionable use of the Domain Name."*

15. The Appeal Panel in Verbatim also referred to the decision in *rileys.co.uk DRS 04769* and it is worth reproducing a short extract from that decision as follows:-

"The onus is on the Complainant to make out its case. Is the Complainant so famous that the Respondent must have had the Complainant in mind when registering the Domain Name and for the abusive purposes alleged by the Complainant, namely to damage the Complainant's business or to extort money from the Complainant?"

The Complainant has made no attempt to demonstrate to the Expert the fame of the Complainant's brand. There are no details of its business over the years, nothing in the way of sales figures or promotional or advertising material. Accordingly, the Expert is simply not in a position to make any inference adverse to the Respondent on that basis.

Is there anything else about the Respondent's behaviour meriting an adverse inference to be drawn? The Respondent from its own submissions appears to have suffered previously under the Nominet DRS Policy, but there are no details in the papers before the Expert; nor are there any details of any other obviously objectionable domain names in the Respondent's portfolio of domain names. They may exist (the Expert does not know), but there is no evidence to that effect before the Expert."

16. In this case at least part of what the Respondent says on Abusive Registration is that when he registered the Domain Name he was simply selecting a name which was, as far as he was concerned, an obvious and perfectly innocent acronym for Enterprise Rent-A-Car and indeed the Respondent says that at much the same time he also registered hrac.co.uk with HRAC being a shortening for Hertz Rent-A-Car.

17. This may or may not be true. However it is clear that subsequently the Respondent became acutely aware that ERAC was in use by the Complainant and that the Complainant used a variant of the Domain Name as its e-mail address. This is clear because in April 2007 on the Sedo site offering the Domain Name for sale the Respondent used the following words;

“Offer Description

Own this domain and you too can receive hundreds of confidential emails intended for Enterprise Rent-a-Car”

18. There is no suggestion by the Respondent that he did not add this text. Indeed the Respondent openly admits using these words and says that these words were added to notify the Complainant that emails were being misdirected.

19. Therefore by at least April 2007 (and very probably quite considerably earlier) the Respondent was well aware of the Complainant’s use of ERAC. It is also reasonable to assume that around this time the Respondent was receiving emails intended for the Complainant at its erac.com domain name.

20. By placing this text on the Sedo site the Respondent was undoubtedly seeking to increase the value and the saleability of the Domain Name by using the fact that the owner of the Domain Name would be likely to

receive confidential e-mails intended for the Complainant. I find the Respondent's explanation that the text was only designed to inform Enterprise Holdings that he was receiving emails intended for the Complainant's employees, completely implausible. If this was the intention then the information could better have been conveyed to Enterprise Holdings directly than published on a website. To my mind it is difficult to conceive of a clearer example of a party seeking to take unfair advantage of another party's Rights.

21. I should add that there is also some evidence that the links on the parking page to which the Domain Name has been linked have from time to time included links to the Complainant's competitors, which would of itself be likely to lead me to a finding of Abusive Registration. However I do not think I need to look much further, at this stage, than the words on the Sedo site which have been reproduced above in order to make a prima facie finding that the Domain Name is in the hands of the Respondent an Abusive Registration.
22. Having made a prima facie finding of Abusive Registration, it is now open to the Respondent to rebut this finding by, for example, establishing any of the non-exhaustive factors under paragraph 4 of the Policy.
23. Paragraph 4 provides a non-exhaustive list of factors which may be evidence that the Domain Name is not an Abusive Registration. It is largely concerned with legitimate, fair or non-commercial uses of the Domain Names. Effectively calling in aid 4(b), the Respondent argues that he intended and indeed for a period implemented a "review" site for the Complainant's business, However, even if this were admitted as a fair use at the time, it could not in my view over-ride the abusive behaviour of the Respondent using the erroneous receipt of confidential e-mails intended for the Complainant in order to leverage a sale of the Domain Name. I therefore find that Paragraph 4 is of no assistance to

the Respondent and that the Respondent has failed to rebut my prima facie finding of an Abusive Registration.

7. Decision

For the reasons set out above I find, on the balance of probabilities, that the Complainant has Rights in a name or mark which is identical or similar to the Domain Name and that the Domain Name in the hands of the Respondent is an Abusive Registration. I therefore direct that the Domain Name should be transferred to the Complainant.

Signed

Dated