

# DISPUTE RESOLUTION SERVICE

**DRS 18610**

## Decision of Independent Expert

HRworks GmbH

Complainant

and

Garth Piesse

Respondent

### 1 The parties

Complainant:	HRworks GmbH
Address:	Konrad-Goldmann-Str. 5 b 79100 Freiburg Freiburg Germany

Respondent:	Garth Piesse
Address:	POB 181 Palmerston North Manawatu New Zealand

### 2 Domain names

*hrworks.co.uk* and *hrworks.uk* (the "Domain Names").

### 3 Procedural history

I 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,

which need be disclosed as being of such a nature as to call into question my independence in the eyes of one or both of the parties.

02 March 2017	Dispute received
06 March 2017	Complaint validated
06 March 2017	Notification of complaint sent to parties
23 March 2017	Response reminder sent
24 March 2017	Response received
24 March 2017	Notification of response sent to parties
29 March 2017	Reply reminder sent
30 March 2017	Reply received
30 March 2017	Notification of reply sent to parties
10 April 2017	Mediator appointed
10 April 2017	Mediation started
11 April 2017	Mediation failed
11 April 2017	Close of mediation documents sent
18 April 2017	Expert decision payment received

## 4 Factual background

- 4.1 Both Domain Names were registered on 30 December 2016 by the Respondent. The Respondent registered as a "non-UK Individual", but shows a London address.
- 4.2 There is a data validation notice on the entry stating that Nominet was unable to match the registrant's name and/or address against a third party source on 22 February 2017.
- 4.3 Both Domain Names are pointing to the website of Uniregistry, where they are being offered for sale.

## 5 Parties' contentions

### Complaint

- 5.1 The Complainant is incorporated in Germany. It has decided to expand into the UK. It says that its product has been called HRworks since 2001. No evidence is provided. It says that the company was renamed HRworks in 2007. Evidence is provided in the form of an extract from the German companies registry (in German, without translation) which appears to show that the Complainant changed its name to HRworks GmbH on 26 April 2007.
- 5.2 It says it has had a German registered trade mark for HRworks since 2001 and an EU TM in the same mark since 2016. It states that "*the evidence for the ownership of the trademarks is attached, the documents are in German language*". Attached to the Complaint are certificates (in German, without translation) for both the German and EU trade marks.
- 5.3 It contends that the Domain Names have not been used by the Respondent since they were registered and that "*no website exists*". It asserts that this means that there was an Abusive Registration because they "*must have been registered to stop HRworks using them. They do not lead to an existing website, so the owner of the domains does not derive advantage from the website. It seems as if the only reason of registering the domain would be to occupy it*".
- 5.4 The Complainant further asserts that "*this could severely disrupt our business, because our company and product have been bearing the name HRworks since years*". It says that its customers and potential customers in the UK would not be able to find it online, which is

particularly serious because its business is "*online-based software*" and that "*an appropriate appearance in the internet is essential*".

5.5 Finally, it contends that the Respondent "*cannot own the trademarks of HRworks*".

#### Response

5.6 The Respondent accepts that the Complainant has rights in the term 'HRworks' on the basis of its EU trade mark and that this is, for the purposes of the DRS, identical to the Domain Names.

5.7 It denies that the Complainant has any rights deriving from the German trade mark number 30152178 exhibited to the Complaint because that trade mark is shown on the German trade mark register as having been cancelled at the request of the proprietor in April 2012. It says that this is "*a clear attempt by the Complainant to mislead both the Expert and the Respondent*".

5.8 As to Abusive Registration, the Respondent says that he is in the business of buying, selling and monetising "*generic domain names*". The Respondent became aware that *hrworks.co.uk* was about to drop (i.e. its period of registration was about to expire) and assumed that the previous owner no longer wanted it. On acquiring it, he immediately registered the corresponding *.uk* version.

5.9 He says that they were "*potentially attractive domain names to own because they reflected a combination of two common generic terms "HR", the widely-used abbreviation for "human resources", and "works", which many businesses and organisations use as part of their name, no doubt because the term "works" can denote "effectiveness" amongst other things*".

5.10 The Respondent says that he owns many other domain names consisting either of the term 'HR', together with a descriptive word, or of a descriptive word followed by the term 'works'. Numerous examples of such domain names are exhibited, registered between December 2008 and January 2017, i.e. both before and after the Domain Names were registered. The Respondent says that he intends to sell the Domain Names to "*someone involved in "HR" in some shape or form*". He points out that, since registration, those Domain Names have redirected to a webpage at URL *www.uniregistry.com* inviting purchase enquiries. The relevant screenshots are exhibited to the Response.

5.11 The Respondent says that the Complainant made an enquiry to purchase *hrworks.co.uk* on 22 February 2017. A Uniregistry broker responded with an offer of USD 5,000, but the Complainant did not reply to that or a number of follow-up emails from the broker. Those emails are all evidenced.

5.12 The Respondent says that he was not aware of the Complainant's existence when he registered the Domain Names and that there was no reason why he should have been. He also points out that the Complainant has not given any such reason. He relies in this regard on the Appeal Panel's decision in *verbatim.co.uk* (DRS 4331) which held that, where the Complainant relies on paragraph 5.1.1 (as it now is) of the DRS Policy, it must prove that the Respondent was aware of the existence of the Complainant or its brand at the date of registration or at commencement of an objectionable use of the domain name.

5.13 The Respondent says that the Complainant has produced no evidence of reputation anywhere, particularly not in the UK, nor in New Zealand where he lives. He points out that a Google UK search for the term 'HRworks' brings up 68,000 results, and that the first two pages of Google UK search results do not refer to the Complainant. He contends that this demonstrates that the combination of 'HR' and 'works' is an obvious one in the HR field which is not unique to the Complainant. He says that he had no reason to be aware of or interested in use of the term by

the Complainant in Germany as opposed to the many others using it, both in the UK and abroad. He also relies on the fact that he has not used the Domain Names in any way which is referable to the Complainant's business of online based software.

- 5.14 The Respondent rejects the Complainant's assertion that the Domain Names have not been used on the basis that they have always redirected to webpages inviting purchase enquiries, as the Complainant must have been aware given that it made a purchase enquiry via that very site. It is said that this is "*another attempt to mislead the expert*".
- 5.15 The Respondent also relies on the fact that there is nothing illegitimate about trading in Domain Names for profit (see Policy, paragraph 8.4).
- 5.16 The Respondent denies that any intent, a necessary ingredient for all heads of paragraph 5.1.1 of the Policy, could have been present, given that he was unaware of the Complainant. He maintains that there is no logic to the Complainant's contention that the alleged non-use of the Domain Names itself demonstrates that they were registered "*to stop HRworks using them*". He says that what the Complainant is really saying is that it will suffer inconvenience because its preferred domain names have already been taken by somebody else. However, the Respondent says that is a result of the first come, first served nature of the .uk domain name system and does not constitute abusive registration.
- 5.17 Finally, the Respondent contends that the Complainant does not enjoy a complete monopoly in the term 'HRworks' just because it owns a trade mark in that term.
- 5.18 In addition, the Respondent requests a finding of Reverse Domain Name Hijacking (RDNH) on the basis that this Complaint should never have been brought and that the Respondent has been put to unnecessary cost and inconvenience. He contends that the Complainant has provided "*no evidence whatever of abusive registration*" and that, therefore, following the decision in *so31.co.uk* (DRS 16688), a finding of RDNH should be made.
- 5.19 The Respondent relies in particular on the Complainant's conduct in (a) purporting to rely on a registered trade mark which it had itself cancelled four years earlier, (b) making "*a demonstrably false claim*" that the Respondent had operated no website via the Domain Names, when in fact it had itself made an enquiry to the Respondent through a webpage accessed via one of those domain names, and (c) its failure to disclose the fact that it had made such enquiry.

#### Reply

- 5.20 As to Rights, the Complainant points out that, given that the Respondent has accepted that it owns the requisite rights by virtue of its EU trade mark, no further evidence on Rights is required.
- 5.21 It concedes that its German trade mark was deleted in 2012. It says that the German trade mark certificate was exhibited to the Complaint "*to show that our company is holding trademarks since 2011*". It says that it was "*replaced*" by the EU trade mark in 2017.
- 5.22 The Complainant questions the relevance of the Respondent's Google searches because he searched against 'hr works' rather than 'hrworks' (i.e. no character space) and also used Google.com rather than Google.co.uk. It reiterates that its product has been called HRworks since 2001.
- 5.23 The Complainant rejects the Respondent's contention that HRworks is a "*common domain name*". It says the term 'HRworks' is not to be found in any dictionary.

- 5.24 It concedes that it tried to buy the Domain Names on 30 December 2016 but was unable to do so. The Complainant denies having filled in the form on the web page referred to by the Respondent. It says it "*received two offers to buy the domain, giving a price of 5000 USD for a domain which usually should be at no charge*", but assumed those emails to be spam.
- 5.25 The Complainant says it has over 1,100 customers in Germany and approximately 100 further customers abroad, but it is not interested in targeting New Zealand.
- 5.26 It exhibits the results of a search on Google.co.uk against the character string 'HRworks' which identifies the Complainant as the first and third search results. It contends that it should have been clear to the Respondent that the Complainant existed.
- 5.27 The Complainant refutes the suggestion that the combination of 'HR' and 'works' is obvious and would like to see verification of that assertion by the Complainant.
- 5.28 The Complainant says that it does not claim that the Respondent was aware of its use of the HRworks term – "*this is none of his business*" – but, as a domain name broker, the Respondent should, according to the Complainant, "*have reviewed this properly*". The Complainant draws attention to the copy of an extract from the German companies register from which it can be seen that it used HRworks as the name of its company since 2007.
- 5.29 The Complainant denies that the webpages to which the Domain Names direct invite "*purchase enquiries*". It says that they are "*just sale stores*".
- 5.30 The Complainant points out that the Respondent has been party to a number of similar Domain Name disputes.
- 5.31 It summarises its position as: "*we own the European trademarks, we claim the domain*". The Complainant denies that it is seeking to use the DRS in order to avoid paying the price demanded by the Respondent. It says that it relies on the definition of Abusive Registration under the Policy, but that it would be willing to pay the Respondent USD 100 "*as an allowance for special expenditure*".
- 5.32 The Complainant does not respond to the Respondent's request for a finding of Reverse Domain Name Hijacking with any particularity, save to refer to the fact that Abusive Registration is defined on Nominet's website and to assert that it "*kept to this definition*".

## 6 Discussions and findings

### General

- 6.1 To succeed under the DRS Policy, the Complainant must prove on the balance of probabilities, first, that it has Rights (as defined in the Policy) in respect of a name or mark that is identical or similar to the Domain Name (paragraph 2.1.1 of the Policy), and secondly, that the Domain Name is an Abusive Registration in the hands of the Respondent (paragraph 2.1.2).
- 6.2 Abusive Registration is defined in paragraph 1 of the Policy in the following terms:

*"Abusive Registration means 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) is being or has been used in a manner which has taken unfair advantage of or has been unfairly detrimental to the Complainant's Rights."*

### Complainant's Rights

- 6.3 Paragraph 2.1.1 of the Policy requires the Complainant to prove that it "*has Rights in respect of a name or mark which is identical or similar to the Domain Name*". "Rights" means "*rights enforceable by the Complainant, whether under English law or otherwise, and may include rights in descriptive terms which have acquired a secondary meaning*" (paragraph 1).
- 6.4 Somewhat unusually, there is no dispute between the parties as to Rights. The Respondent concedes that, by virtue of its EU trade mark, the Complainant has the requisite rights in a mark which is identical or similar to the Domain Names.
- 6.5 No point is taken by the Respondent in relation to the fact that the Complainant's European trade mark was not registered until 15 February 2017, i.e. some six weeks after registration of the Domain Names. In those circumstances, the Complainant is right to say that the question of its German trade mark rights is moot.
- 6.6 However, that does not fully answer the Respondent's charge that the Complainant tried to mislead him and the Expert by asserting ownership of a German trade mark, and exhibiting a copy of the certificate in question, without disclosing that it had been cancelled at the request of the proprietor in April 2012 (or September 2011).
- 6.7 The Complainant's lack of candour in this regard does it no credit. Moreover, its attempt to exculpate itself after having been found out by the Respondent, namely that it only exhibited the certificate of the cancelled trade mark "*to show that our company is holding trade mark since 2011*", does not in fact hold water.
- 6.8 Even assuming that 2011 was intended to read 2001, that is certainly not how the Complainant put its case in the Complaint, where its position was unambiguous:
- "We possess the trade marks of HRworks in Germany since 2001 and since 2016, trade marks are valid even on the European scale. The evidence for the ownership of the trade marks is attached".*
- 6.9 In this Expert's judgment, the natural and ordinary meaning of those words is that the Complainant has owned a trade mark in Germany since 2001, and an EU trade mark since 2016, the evidence for which is the attached trade mark certificates, i.e. including the certificate for the German trade mark which had in truth been cancelled.
- 6.10 The true position appears to be that the Complainant owned no trade marks between 1 September 2011, when its German trade mark was cancelled, and 15 February 2017, when its EU trade mark was registered. It was during this period that the Domain Names were registered on 30 December 2016.
- 6.11 It is possible that the individual who prepared the Complaint did not, at that time, know that the German trade mark had been cancelled. In other words, it could have been a careless, but nonetheless honest, mistake. But, no such explanation is forthcoming in the Reply. Instead, the Complainant gives the less than convincing explanation mentioned at paragraph 6.[7] above.
- 6.12 The chances are, therefore, that this is an instance of knowing dishonesty rather than mere carelessness.

- 6.13 Nominet's dispute resolution service cannot function fairly and efficiently if parties are dishonest and/or attempt to mislead each other and/or the Expert deciding their case. Such conduct is therefore to be deplored.

#### Abusive Registration

- 6.14 The Complainant's case on abusive registration appears to be based (though it does not say so) on paragraphs 5.1.1.2 and/or 5.1.1.3 of the Policy, namely:

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

*5.1.1.2 as a blocking registration against a name or mark in which the Complainant has Rights; or*

*5.1.1.3 for the purpose of unfairly disrupting the business of the Complainant".*

- 6.15 There is at least an implied suggestion in both the Complaint and the Reply that the Complainant also seeks to rely on paragraph 5.1.6 of the Policy, namely that:

*"The Domain Name is an exact match (within the limitations of the character set permissible in domain names) for the name or mark in which the Complainant has Rights, the Complainant's mark has a reputation and the Respondent has no reasonable justification for having registered the Domain Name."*

- 6.16 The Respondent relies on the decision of a distinguished Appeal Panel in *verbatim.co.uk* (DRS 4331) in support of the proposition that the Complainant must satisfy the Expert that the Respondent was aware of the existence of the Complainant or its brand at the date of registration of the domain names. In that case, the Panel held as follows at paragraphs 8.13 and 8.14:

*"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 [now paragraph 5] 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) [now 5.1.4] (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) [now 5.1.1] 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) [now 5.1.2] 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.*

...

*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."*

- 6.17 As noted in the Experts' Overview at paragraph 2.4, the *Verbatim* decision will not necessarily always be a complete answer for a Respondent. Where the domain name concerns a well known mark, an element of objectivity may play a part, for example where a domain name was acquired as part of an automated or bulk transfer of multiple domain names where the Respondent may not, as a matter of fact, have been aware that he was acquiring a domain name which matched a well known name or mark which he might reasonably have been expected to be aware of.
- 6.18 But this is not such a case. In the first place, the term 'HRworks' certainly has, at the very least, something of the descriptive and/or generic about it. In such circumstances, the onus is on the Complainant to demonstrate how well known that mark is and therefore build a convincing case, even if only inferential, that the Respondent had actual or constructive notice of its Rights at the time of registration.
- 6.19 Secondly, the Complainant has not begun to discharge its burden of proof in this regard. It concedes that its business is largely focused on its domestic market in Germany, with only 100 overseas customers. Even in Germany it appears to be a relatively modest enterprise with approximately 1,100 customers. Indeed, no information at all (let alone any evidence) is provided of turnover, marketing spend, or other such indicators of trading goodwill in the name or mark.
- 6.20 The Complainant asserts that "*evidence of reputation should not be needed*". It is mistaken, for the reasons explained above. Indeed the Complainant goes so far as to say: "*we do not claim the Respondent to be aware of our use of term*". Its case appears to be that as a domain name broker, he should, before registering the Domain Names, have checked whether any other party could potentially have had an interest in doing so. In support of this proposition, the Complainant says that he could have checked the German companies registry from which he would have seen that it had been the name of its company since 2007.
- 6.21 This is a fundamental misunderstanding of the first come, first served nature of the Nominet domain name system and of the evidential burden which a Complainant has to discharge under the DRS Policy. As the Respondent correctly observes, ownership of a trade mark does not, in and of itself, grant the trade mark proprietor a monopoly in that term.
- 6.22 Further, as mentioned at 6.1 above, the onus is on the Complainant to prove, on the balance of probabilities, that the Domain Name is an Abusive Registration in the hands of the Respondent. In a case like this, brought primarily on the basis of paragraph 5.1.1 of the Policy, it must prove, to that standard of proof, that the Respondent was aware of its existence at the date of registration (or, arguably, that it ought reasonably to have been aware of its existence). For the reasons explained above, it has manifestly failed to do so.
- 6.23 Paragraph 5.1.6 did not form part of the Policy at the time of the *Verbatim* appeal decision, so was not expressly considered by the Appeal Panel. But both the reference to the reputation of the Complainant's mark and the requirement that the Respondent must have had "*no reasonable justification*" for registering the domain name suggest that similar considerations, in relation to knowledge, apply. The two points are inter-related. If a Respondent is aware of the Complainant's mark, it may be easier for the Complainant to prove that registration was not reasonably justified.



6.24 But, in this case, (a) the Respondent has given a prima facie reasonable justification for registering the Domain Names in the course of his business as a domain name broker, and (b) whatever the extent of the reputation of the mark (very limited, on the evidence), the Complainant has in any event conceded that the Respondent was not aware of it. In those circumstances, the Complainant has failed to prove that the Respondent falls foul of paragraph 5.1.6.

#### Reverse domain name hijacking

6.25 It is relatively unusual for a Respondent to request a finding of RDNH. It is even more unusual for such a submission to carry much, or any, weight. However, in this case the Respondent's request for such a finding has some force.

6.26 Paragraph 18.7 of the Policy provides as follows:

*"If, after considering the submissions, the Expert finds that the Complaint was Reverse Domain Name Hijacking, the Expert shall state this finding in the Decision."*

6.27 Reverse Domain Name Hijacking is defined in paragraph 1 as:

*"Using the DRS in bad faith in an attempt to deprive a Respondent of a Domain Name."*

6.28 Experts are generally slow to make a finding of bad faith under the DRS unless there is compelling evidence of it. Regrettably, however, in this case such a finding deserves consideration.

6.29 First, for the reasons explained at paragraphs 6.7 to 6.13 above, the Complainant appears dishonestly to have sought to rely on a trade mark which had been cancelled and, even after this conduct had been exposed by the Respondent, failed to provide a credible explanation, let alone any apology, for having done so.

6.30 Secondly, it lacked candour in failing to disclose the fact that it had made an enquiry of the Respondent to buy one of the Domain Names.

6.31 On the other hand, the Respondent's contention that the Complainant has falsely claimed that the Respondent did not operate a website is not so compelling. The Respondent is right to say that the Domain Names were and are redirecting to the Uniregistry website where they are offered for sale, but that is not necessarily incompatible with what the Complainant in fact submitted, namely that the Domain Names had not been used by the Respondent and that "*no website exists yet*".

6.32 In the case referred to by the Respondent (*so31.co.uk* (DRS 16688)), Mr Harris considered whether a Complainant who has not had the benefit of legal advice should be given the benefit of the doubt where it brings a complaint in circumstances where it should have been obvious to it that there was no evidence of Abusive Registration. In that case, Mr Harris concluded that the fact that the Respondent was not legally advised should not make any difference:

*"A finding that a complaint has been brought in bad faith is a serious one and suggests some element of wrongdoing rather than mere ignorance or lack of understanding of the Policy. However, I believe that an Expert is entitled to assume and to expect a Complainant to have at least read the Policy before commencing proceedings. Had the Complainant done so in this case, it would have been aware that [the fact that] the Respondent is a domain name trader is not enough and the Complaint would almost inevitably fail."*

- 6.33 This Expert agrees with that analysis. Moreover, in this case there is also the aggravating feature of the Complainant's dishonesty (a) in seeking to rely on a trade mark which it had itself cancelled, and (b) in failing to disclose that it had made an attempt to purchase one of the Domain Names. The former act is undoubtedly more serious than the latter omission, but that omission and lack of candour lends weight to the Respondent's contention that the Complainant has acted in bad faith.
- 6.34 For these reasons, this Expert finds that this is a case of Reverse Domain Name Hijacking, as defined in the Policy.

**7 Decision**

- 7.1 The Expert therefore finds that the Complainant has rights in a name or mark which is identical or similar to the Domain Names, but that the Domain Names are not, in the hands of the Respondent, an Abusive Registration.
- 7.2 It is therefore determined that there be no transfer of the Domain Names and that, pursuant to paragraph 18.7 of the Policy, this Complaint constitutes Reverse Domain Name Hijacking.

**David Engel**

Signed: .....

Dated: 23rd May 2017