

DISPUTE RESOLUTION SERVICE

D00023987

Decision of Independent Expert

The Leak Detection Company Ltd

and

Digital Search Ltd.

1. The Parties:

Lead Complainant: The Leak Detection Company Ltd
The Studio
Horsham Road
Forest Green
Surrey
RH5 5RZ
United Kingdom

Respondent: Digital Search Ltd.
Suite 1A Level 2/802 Pacific Hwy,
Gordon
New South Wales
2072
Australia

2. The Domain Name:

leakdetectioncompany.co.uk

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 a such a nature as to call in to question my independence in the eyes of one or both of the parties.

11 August 2021 15:11 Dispute received
12 August 2021 11:45 Complaint validated
12 August 2021 11:46 Notification of complaint sent to parties
19 August 2021 09:36 Response received
19 August 2021 09:36 Notification of response sent to parties
26 August 2021 09:56 Reply received
26 August 2021 09:58 Notification of reply sent to parties
26 August 2021 09:58 Mediator appointed
01 September 2021 09:30 Mediation started
16 September 2021 15:18 Mediation failed
16 September 2021 15:18 Close of mediation documents sent
22 September 2021 15:48 Expert decision payment received

4. Factual Background

The Complainant is a UK registered company incorporated on 7 August 2012. It registered the domain name theleakdetectioncompany.co.uk on 3 August 2012. It has traded since then under its company name (The Leak Detection Company Limited) and domain name. Its accounts show a net worth of £240,569 in 2020. It applied for a UK trade mark (UK00003673970) for its company name and logo, as shown below, on 27 July 2021 which is the same date as the Complaint was filed.



The Respondent registered leakdetectioncompany.co.uk (the **Domain Name**) on 13 November 2020. The BDMA (British Damage Management Association), a trade organisation of which the Complainant is a member, contacted it on 26 June 2021 believing it to be the Respondent, which was not so registered, but nonetheless was using their logo. They requested that the Complainant remove it within 28 days as a breach of the Consumer Protection from Unfair Trading Regulations 2008 as a false endorsement. The Complainant explained that the BDMA were confused and had mistaken it for the Respondent. The BDMA withdrew their complaint with apologies and indicated they would pursue it further.

The Complainant wrote to the Respondent alleging passing off on 27 July 2021. The Respondent registered the UK company Leak Detection South Limited on 28 July 2021. The Complainant has complained to Companies House on grounds that the Respondent's company name is too similar to its domain name. Both companies offer to provide leak detection services, the Respondent in Hampshire and the Complainant throughout the UK.

5. Parties' Contentions

The Complaint

A summary of the Complainant's relevant allegations is as follows:

Rights

It was incorporated on 7 August 2012 and registered its domain name on 3 August 2012. It started trading with one leak detection engineer operating in the Southeast of the UK and has grown to 7 engineers and 2 office staff working on a UK wide basis.

Turnover has been as follows:

Year ending 2013 £33k, 2014 £57K, 2015 £61k, 2016 £197k, 2017 £299k, 2018 £440k, 2019 £561k, 2020 £553k, and in 2021 is projected to be £650k. It has re-invested most profits back into the company which currently enjoys a net worth of £240,569. It was one of the first companies in the UK to specialise 100% in leak detection, finding and fixing hidden internal and flat roof plumbing leaks in homes and commercial premises. It provides a high-quality service and invests in training and equipment. Its key competitors include: ADI Leak Detection (adileakdetection.co.uk), UK Leak Detection (ukleakdetection.co.uk), Polygon (polygongroup.com), Aspect (aspect.co.uk), and Leak Detection Specialists (leakdetectionspecialists.co.uk). The term 'Leak Detection' is used commonly by such companies but they do not attempt to pass themselves off as the Complainant in either their corporate or domain names. It applied belatedly on 27 July 2021 for a UK registered trademark for its company name and logo.

Abusive Registration

The Respondent registered the Domain Name on 13 November 2020 to deceive existing and potential clients and confuse them into believing they are dealing with the Complainant as an established company when they are not. The close similarity of the Domain Name to that of the Complainant has resulted in disruption to its business. For example, it received the above complaint from the BDMA which had mistakenly believed that the Complainant was the Respondent. It has also received telephone calls from existing and potential clients (including a regular key trade account) who are confused as to which entity they are dealing with. Also their hard-won Google search engine listing is being undermined by the 'piggyback' effect of the

similarity of the Domain Name resulting in potential clients seeing 2 almost identical domain names on the same page listing.

It contacted the Respondent on 27 July 2021 alleging passing off and indicating that their website was confusing customers as to which legal entity was behind it as it lists the 'Leak Detection Company' and 'Leak Detection Fire & Flood Restoration Company' and 'The Flood Restoration Company' many times. No such companies were registered at the time of making the Complaint. A company called Leak Detection Company South Ltd (company number 13535869) was incorporated on 28 July 2021, the day following the Complaint.

Most of the Complainant's business comes from homeowners whose Insurers advise them to carry out an internet search for a leak detection company. Thus its company name, domain name, website, search engine optimisation, and Google/Trustpilot reviews are crucial in maintaining this business as well as that which it receives from professional and trade customers. It has invested significantly in search engine optimisation to ensure its organic listing is in the top half of page 1. It enjoys excellent reviews via Google and Trustpilot and has taken 9 years to build this position, so it is unfair that the Respondent can so quickly achieve a high Google listing partly because they have used an almost identical domain name. It is very concerned that its reputation could be undermined by clients possibly receiving a poor standard of service from the Respondent and being confused by the 2 almost identical domain and company names. This could result in invalid reviews against the Complainant, something which already happens occasionally with other leak detection companies but is likely to increase where company names are almost identical.

The possibility of client confusion is increased by the Respondent using a very similar logo to that of the Complainant.

The Respondent also uses info@leakdetectioncompany.co.uk, a similar email address to that of the Complainant which uses admin@theleakdetectioncompany.co.uk. The Respondent's website provides a misleading business address from which it does not operate. Rather another now dissolved company run by the sole director of Leak Detection Company South Limited had operated from it. That director also owns a Chemdry Southdowns franchise which has a domain name of chemdrysouthdowns.co.uk and operates from another address.

The Complainant has taken initial legal advice, which appears to be in its favour, and a 'cease and desist' letter may be sent to Leak Detection Company South Ltd in due course but it has not currently instructed a solicitor to take action. It believes this will not be necessary if the Respondent is prevented from using the Domain Name and would prefer to avoid any legal dispute, if possible. It requests transfer of the Domain Name.

The Response

A summary of the Respondent's key submissions is as follows:

As an on-line marketing and web development agency it registered the Domain Name and set up a website of behalf of its client as the sole director described above. It educated its client about options for brand names. It chose "Leak Detection, Fire & Flood Restoration Co.". To complement relevancy, the Respondent found that the Domain Name was available and so decided to register it as it literally describes what it does and its relevancy to the potential customer base. It was not deliberately chosen for the reasons suggested by the Complainant. Many other companies in this sector use similar domain names, which demonstrates its relevance to the audience and keywords.

There are numerous companies providing this type of service with similar domain names, content and site structure which are also on the first page of web search hits and are much more similar. For example:

<https://www.leakdetectionspecialists.co.uk/>

<https://www.specialistleakdetection.com/>

<https://www.adiproleakdetection.com/>

The Respondent's client's branding, trading name and content are different and unique. It is struggling to see how there can be any trademark infringement. The client paid it and it has worked hard on search optimisation to achieve high rankings in Google search results and has never been manipulative in its approach. The words 'leak detection' are synonymous with other companies in this sector and it questions how anyone can own 'leak detection company'?

It admits that it registered Leak Detection South Limited on 27 July 2021. This is an unrealistic claim of rights to something utterly generic and ridiculous.

The Response ends with brief commentary from the Respondent's "client", Mr Major Atwal, who appears to be the individual responsible for the business behind the website that uses the Domain Name for its address and is the sole director of Leak Detection South Limited. He supports the Response and says that the Complaint has no grounds whatsoever and asks for compensation for loss of earnings.

The Reply

A summary of the Complainant's key submissions in reply is as follows:

The Response does not address any of the Complainant's key allegations and appears to be a mix of comments from the Respondent and its client headed by the former and signed off by the latter. It focusses on the fact that the words 'leak detection' are often used by other competitors in their domain

names. This is not disputed but those other companies' domain names are clearly differentiated from 'theleakdetectioncompany.co.uk'. The domain name Leakdetectionfireandfloodrestorationcompany.co.uk would be appropriate for the Respondent to use here as it aligns to its business and is clearly different from 'theleakdetectioncompany.co.uk'. It suggests that the only reason for not selecting such an alternative to the Domain Name may be to achieve unfair advantage.

6. Discussions and Findings

Under paragraph 2.1 of the Policy the Complainant must prove on the balance of probabilities that:

'2.1.1 The Complainant has Rights in respect of a name or mark which is identical or similar to the Domain Name; and

2.1.2 The Domain Name, in the hands of the Respondent, is an Abusive Registration.'

Under paragraph 1 of the Policy *'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;'*

Under paragraph 1 of the Policy *'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;*

Rights

The easiest way to demonstrate Rights is to have a Registered Trade Mark. The Complainant's trade mark application was filed on 27 July 2021, the same date as the Complaint was filed, and has not yet been granted. Accordingly, it cannot form the basis of any Rights here.

The issue then is whether the Complainant has accrued relevant unregistered rights in its trading name, The Leak Detection Company (the **Name**), such as under the law of passing off. The Complainant was incorporated on 7 August 2012 and registered its domain name on 3 August 2012, which it uses as the web address for its trading website. It says that it has gradually grown from only one leak detection engineer in the Southeast of the UK to 7 engineers and 2 office staff working on a UK wide basis. It gives its annual turnover throughout that period which has also grown and provides its company

accounts to demonstrate its net worth. It states that it was one of the first companies in the UK to specialise 100% in leak detection, finding and fixing hidden internal and flat roof plumbing leaks in homes and commercial premises. None of this is denied by the Respondent.

Usually these facts would be sufficient to establish Rights in a trading name. This is especially as it is well accepted that the threshold for establishing Rights under the Policy is relatively low. However, there are some important exceptions to establishing Rights. For example: where the name concerned is generic or a name or term which is wholly descriptive of the Complainant's business. The Expert considers the term 'The Leak Detection Company' to be highly descriptive of the Complainant's business. The Complainant itself admits that the term 'leak detection' is commonly used in the names of its key competitors. The Respondent's main argument is that the term 'leak detection company' is descriptive and it cannot understand how anyone can own those terms. It says its descriptive nature is one of the reasons it chose the Domain Name.

Nevertheless, Rights may exist in descriptive terms which have acquired a secondary meaning. In order to establish secondary meaning in a name or mark, it is necessary to show that despite being a descriptive term it has become distinctive of the brand owner. It typically takes a number of years of effort and activity on its part such that the consuming public comes to recognise the significance of the mark as referring to that brand owner's goods or services, despite its descriptive character. There are many other online entities apart from the Respondent which include 'leak detection' as part of their branding and/or domain names, but all of those presented to the expert have additional features to differentiate them to a greater or lesser degree. For example, the names and trading terms used by ADI Leak Detection (adileakdetection.co.uk), UK Leak Detection (ukleakdetection.co.uk), Polygon (polygongroup.com), Aspect (aspect.co.uk), and Leak Detection Specialists (leakdetectionspecialists.co.uk).

The Complainant also admits that it sometimes receives invalid reviews as a result of confusion with leak detection companies other than the Respondent. This suggests that the Name is not exclusively associated with the business of the Complainant or may be easily mistaken for that of another entity, which raises some doubt in the Expert's view as to whether secondary meaning has been established here. However, the Complainant has been trading for 9 years, has grown its size and profitability and has built up a reputation while trading under the Name and via its website which incorporates the Name. In these circumstances the Expert is prepared to accept that a level of distinctiveness exists in the Name sufficient to establish Rights especially as the threshold for establishing Rights is low. The Expert deals in more detail with the issue of secondary meaning under Abusive Registration below.

Rights being established, the Name still requires to be identical or similar to the Domain Name (leakdetectioncompany.co.uk). It is accepted practice to discount the .co.uk suffix and the only other difference is the omission of the definite article in the Domain Name which in the Expert's view is not sufficient

to render it dissimilar to the Name and indeed renders it close to identical. In any event the Respondent does not deny that the Domain Name is similar to the Name by dint of arguing that the above companies also use similar domain names as they include the words 'leak detection'.

It follows that the Expert finds on the balance of probabilities that the Complainant has established Rights in a name or mark which is identical or similar to the Domain Name.

Abusive Registration

The Complainant alleges that the Respondent is misusing the Complainant's domain and company name in the Domain Name, hence confusing prospective customers, and misdirecting the Complainant's customers to the Respondent's web pages. The Respondent has asserted in return that the Complainant's company name is both generic and descriptive and hence cannot be reserved solely to the Complainant.

In order to establish an Abusive Registration a Complainant generally needs to show on the balance of probabilities that the Respondent was aware of the Complainant and/or its rights in a mark identical or similar to the Domain Name at the time it was registered or acquired and that it intended to target the Complainant or its trade mark. This was the view of the Appeal Panel in *Verbatim Limited v Toth (DRS 04331)* which stated that '*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 under paragraph 3(a) (iv) (giving false contact details). ...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 its objectionable use.*'

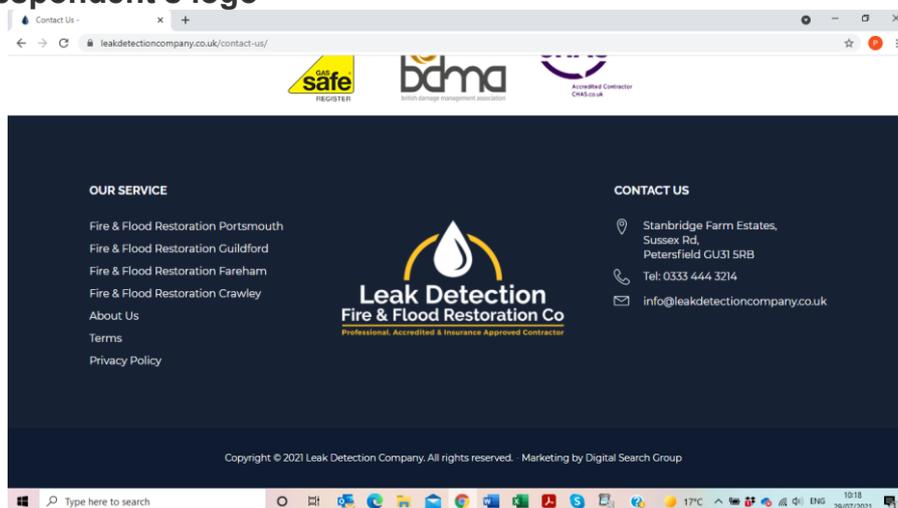
This decision also makes it clear that subjective intention is not a necessary ingredient for a complaint under paragraph 5.1.2 (set out below) of the DRS Policy and the test is more objective than that. In the *Playboyracing* appeal (DRS 4149) at paragraph 8.17 the Panel said this: '*in the light of the strength of the Complainant's Rights and the similarity of the Domain Name to the name in respect of which those Rights exist, has the registration and/or use of the Domain Name by the Respondent taken unfair advantage of or been unfairly detrimental to those Rights?*'

The Complainant suggests that the Respondent deliberately chose the Domain Name to piggy back off its established reputation. If correct this would imply prior knowledge. The Respondent states that it chose the Domain Name because it was available, and it literally describes what it does and as it is relevant to the potential customer base. It denies it was deliberately chosen for the reasons suggested but does not specifically deny all knowledge of the Complainant or the Name. This leaves open the possibility that it did come upon both in making its choice, especially as it relies on a screenshot of a

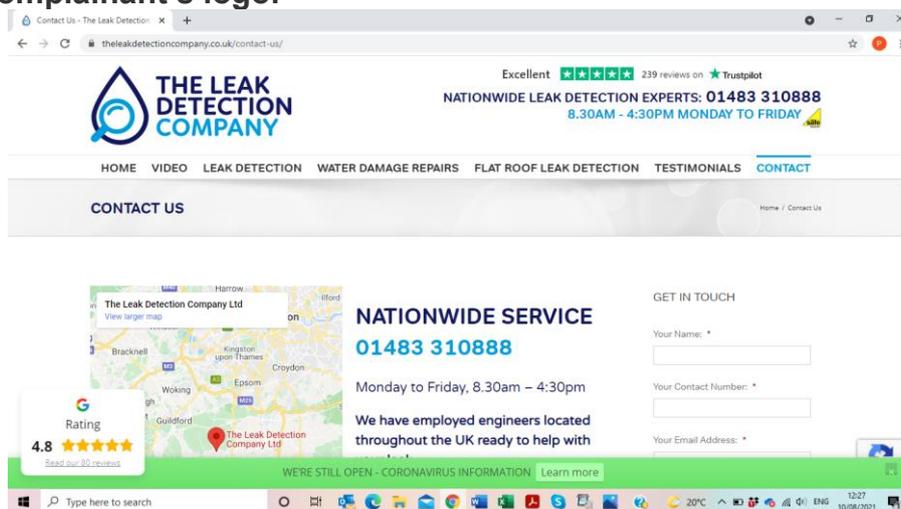
search engine results page, showing a list of websites that are responsive to a keyword search for the words 'leak detection', which includes the Complainant's website in the third highest position. It is also reasonable to assume that it would have carried out on-line market research on its competitors and in searching for a domain name is likely to have come across the Complainant's domain name. In the Expert's view on the balance of probabilities therefore the Complainant meets the first hurdle of knowledge. However, this does not necessarily suggest that such knowledge led it to register the Domain Name to intentionally target the goodwill of the Complainant which would be a factor in support of a finding of Abusive Registration.

The Complainant also suggests that there is intention to pass off as a result of the similarity of the Respondent's logo to its logo. The Response does not specifically deal with this point.

The Respondent's logo



The Complainant's logo.



Whilst the logos have some obvious differences, the dominant common feature in the Expert's view is the image of a water drip. The Expert has also

looked at the websites of the competitors mentioned above also using the words 'leak detection' in their domains. None of their websites uses anything remotely similar to such a water drip in their branding. The Respondent could have used any one of a number of images as part of its branding and it seems an odd coincidence that it chose this one as well as a similar domain name to the Complainant. This lends considerable credibility to the Complainant's claim that such emulation of its image was part of a deliberate strategy by the Respondent to seek to pass itself off as the Complainant.

Paragraph 5 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 5.1.2: *'(ii) 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 business into believing that the Domain Name is registered to, operated or authorised by, or otherwise connected with the Complainant.'*

This is the main ground which the Complainant relies upon for Abusive Registration. It refers to the above complaint from the BDMA and telephone calls from existing and potential clients who are confused as to which entity they are dealing with. However, the Complainant also admits that it sometimes receives invalid reviews as a result of confusion with other leak detection companies. Its argument is that the risk of confusion occurring with the Respondent is increased due to the closer similarity of the Domain Name to the Name and use of a similar logo. The fact that the BDMA as a trade body, presumably with Industry knowledge, was confused between the Name and the Domain Name supports the Complainant's argument. It also suggests that less sophisticated customers, existing and prospective, are even more likely to be confused, which supports the Complainant's allegations that it has received telephone calls from confused customers.

The Respondent's registration of the company name 'The Leak Detection Company South Limited' the day after it received the Complainant's letter alleging passing off from the Complaint also smacks of an ex post facto attempt to justify the registration and use of the Domain Name, particularly as it does not match the name under which the Respondent claims to have been trading: "Leak Detection, Fire & Flood Restoration Co."

Nonetheless there is still the issue of whether use of an accepted descriptive term can be abusive. A list of factors which may be evidence that the Domain Name is not an Abusive Registration is set out at paragraph 8.1 of the Policy, and the Expert finds that paragraph 8.1.2 is of assistance to the Respondent, as follows: *"The Domain Name is generic or descriptive and the Respondent is making fair use of it."*

Reference is made to the decision in DRS04884 (Maestro.co.uk) *'Where a domain name is a single ordinary English word, the meaning of which has not been displaced by an overwhelming secondary meaning, the evidence of abuse will have to be very persuasive, if it is to be held to be an Abusive Registration under the DRS Policy.'* This was a case of use of 3 single

ordinary English words 'leak detection company'. Can this constitute an Abusive Registration?

Paragraph 8.1.1.1 may also assist the Respondent as follows: '*Before being aware of the Complainant's cause for complaint,the Respondent has 8.1.1.1 used or made demonstrable preparations to use the Domain Name ...in connection with a genuine offering of goods or services .*' This is not a case where the Respondent has simply registered a very similar domain name to attract pay-per-click advertising revenue or the like; rather it claims to have a genuine leak detection business. On the other hand, the Expert must take all the circumstances into account and this factor is not conclusive.

Both paragraphs 5 and 8 of the Policy are subject to the overriding test for an Abusive Registration as set out in paragraph 1 of the Policy.

The question is whether the Respondent is using the Domain Name fairly, given its descriptive meaning, or is trying to specifically target the Complainant in an effort to take unfair advantage of (and/or be unfairly detrimental to) the Complainant's Rights. The Expert has found on the balance of probabilities that the Respondent had prior knowledge of the Complainant in selecting the Domain Name and must have appreciated that its use would have caused some level of confusion in the market. Added to this it adopted a water drip image as a distinctive image as part of its website branding which the Expert considers is likely to have been inspired by a similar image used by the Complainant. The Respondent says that it chose the Domain Name purely due to its descriptive nature but in making that decision it would have known of the likelihood of confusion with the Complainant as a result. As such it would have known that such confusion would unfairly benefit it and disadvantage the Complainant. It is likely therefore to have consciously or subconsciously chosen the Domain Name and its logo to emulate those of the Complainant and thus potentially obtain an advantage in diverting customers of the Complainant to its website.

Furthermore, I am minded to reject any suggestion of "fair use" of the Domain Name under paragraph 8.1.2 of the Policy, given the apparently unauthorised use of the BDMA logo so as to make a false claim of membership of and accreditation by a trade association.

In all these circumstances the Expert finds, albeit it is a finely balanced decision, that the evidence of Abusive Registration is sufficiently persuasive despite the descriptive nature of the Name and the lack of direct evidence of targeting by the Respondent. Thus the Expert considers that the Domain Name has been both registered and used in a manner which takes unfair advantage and is detrimental to the Complainant's Rights and so is an Abusive Registration in accordance with both limbs of the Policy definition. Accordingly the Expert finds that the Domain Name is an Abusive Registration.

7. Decision

Having found that the Complainant has Rights in respect of a name which is similar to the Domain Name and that the Domain Name in the hands of the Respondent is an Abusive Registration, the Expert orders that it be transferred to the Complainant.

Signed
Gill Grassie

Dated : 13/10/21