

DISPUTE RESOLUTION SERVICE

DRS 7640

Decision of Independent Expert

Marshal Ltd

and

Softek

1. The Parties:

Complainant: Marshal Ltd. (Mr Bruce Green)
Address: Renaissance 2200, Basing View
Basingstoke, Hants

Postcode: RG21 4EQ
Country: GB

Respondent: Softek (Mr J. Thompson)
Address: Rue du Pont Marquet
St Brelade, Jersey

Postcode: JE3 8DS
Country: JE

2. The Domain Name(s):

mailmarshal.co.uk
webmarshal.co.uk

3. Procedural History:

The Complaint was received and validated by Nominet on 19 August, 2009. Notification of the Complaint was sent to the Parties on the same date. A Response to the Complaint was received on 9 September 2009 and the Complainant issued a Reply to the Response on 15 September, which was notified to the Respondent on 16 September. Nominet received payment on 5 November 2009 in respect of its request for a Full Expert Decision. On 9 November 2009 Nominet invited the undersigned Peter Davies (“the Expert”), to act as Expert in the case. On the same date Peter Davies confirmed to Nominet that he knew of no reason why he could not properly accept the invitation, and further confirmed that he knew of no matters which ought to be drawn to the attention of the parties, which might appear to call into question his independence and/or impartiality. The Expert’s appointment was dated 13 November 2009.

4. Factual Background

The Complainant is a UK limited company. It develops, sells and licenses computer security software under brand names which include Mailmarshal and Webmarshal (“The Products”).

The Complainant holds registrations for International (EU) trademarks numbered U00000909940 (“MAILMARSHAL”) and U00000903910 (“WEBMARSHAL”) dated 5 October 2006. (“the Trademarks”). Copies of the relevant registrations are appended to the Complaint.

Prior to the Complaint, the Respondent, trading as “Softek” was a distributor and/or reseller of the Products.

The Domain Names were registered by the Respondent on 14 April 2000. They currently resolve to screens bearing a “Softek” heading and carrying the following message:

“Im sorry but Softek (owners of mailmarshal.co.uk and webmarshal.co.uk since April 2000, and suppliers of Marshal since 1999) no longer supply these products.

Please search again, or continue to [Softek's main product website](#).

Please contact Softek for advice if you need more information.”

5. Parties’ Contentions

The Expert's summary of the submissions of both Parties is set out below.

Complainant

- The Complainant is the lawful successor in title to two computer software products whose names "MAILMARSHAL" and "WEBMARSHAL" are also Trademarks. The Complainant has been using the Trademarks since 2002 but before then its predecessor in title (NetIQ Europe Ltd, a company incorporated in the Republic of Ireland) used the Trademarks extensively.
- The Trademarks have been registered by the Complainant in the UK and in other jurisdictions. The Respondent's registration of the Domain Names predate the Trademarks' registration in the UK as the Respondent was, when it registered the Names, an indirect distributor for the Complainant's predecessor in title. The Respondent is currently an indirect distributor for the Complainant. Rights in the Trademarks subsist after the registration of the Domain Names and remain relevant as the Complainant continues to develop the business and goodwill in the products to which the Trademarks relate. The use of the product names "MAILMARSHAL" and "WEBMARSHAL" by the Complainant's predecessors in title pre-dates the registration of the Domain Names.
- The Domain Names are identical to the Trademarks.
- An Internet user seeking information about the Products and entering the Domain Names into a search engine will be directed to the Respondent's home web page (www.softek.co.uk), where information is provided on a variety of software products which includes the Products. This will cause the Products and the Trademarks to be associated with the Respondent instead of the Complainant. Such association takes unfair advantage of the Complainant's Rights, since the Respondent uses the Trademarks and goodwill to present his business as a whole to the user rather than provide information relating solely to the Products.
- The Respondent takes further unfair advantage of the Complainant's Rights since a user who looks for information about the Products will associate other products (not the Complainant's) on the Softek Site with the goodwill connected to the Products.
- Other products on the Respondent's site, competing functionally with the Products or not, will compete for the finite budgets of potential customers, to the Complainant's detriment. A customer may have its mind changed and buy another software product from the Respondent's site, having been diverted from the original intention to source specific information about the Products.
- The Respondent is "Softek Services Limited" but on the Internet the Respondent refers to itself only as "Softek". The name "Softek" is a registered trademark ("the IBM Trademark") of International Business

Machines Corporation (“IBM”). The domain name “softek.com” is a registered domain name of IBM (the “IBM Domain”).

- IBM owns or is licensed to develop, market and distribute products using the IBM Trademark, which is associated with software products which are functionally compatible with the Products, especially “Softek Transparent Data Migration Facility (TDMF)”, “Softek z/OS Data Mobility Facility (zDMF)” and “Softek Data Mobility Console for z/OS (DMCzOS)”. The Respondent is directing users via the Domain Names to the Softek Site, in circumstances where IBM owns the IBM Trademark which is registered in classes similar to the Complainant’s Trademarks. Such traffic is dangerously proximate to IBM’s rights in the IBM Trademark and the IBM Domain. This is unfairly detrimental to the Complainant’s Rights. It is likely on the balance of probabilities that the “softek.co.uk” domain registered to the Respondent is in unlawful conflict with the rights of IBM both in respect of the IBM Trademark and the IBM Domain.
- The Respondent’s registration of the Domain Names and its registration of domain names identical to the IBM Trademark and the names of IBM’s products demonstrate that the Respondent is engaged in a pattern of registrations where the Respondent is the registrant of domain names (under .uk) which correspond to well known names or trademarks in which the respondent has no apparent rights and the Domain Names are part of that pattern.
- The juxtaposition of the Domain Names with the word “Softek” on the Respondent’s web site indicate that the Respondent is using the Domain Names in a way which is likely to confuse people or businesses into mistakenly believing that the Domain Names are registered to, operated or authorised by, or otherwise connected with the Complainant.
- The reasoning in the decision of the Court of Appeal in *British Telecommunication plc v. One in a Million Limited* ([1999] F.S.R. 1, CA.) is entirely apposite to the Complaint. The dicta of Aldous LJ applicable to the Complaint support the conclusion that the Domain Names in anybody’s hands other than those of the Complainant are instruments of fraud, being names which will, by reason of their similarity to the Trademarks and Products of the Complainant, inherently lead to passing-off. The use of the Domain Names takes advantage of the distinctive character and reputation of the Trademarks. That is unfair and detrimental.

Respondent

The Respondent makes assertions arising from the Complaint which the Expert summarises as follows:

- The Respondent has been a contracted agent for the Products since 1999, generating extensive revenues for the successive owners of these products.
- At the request of the original developers of the Products, DTL Ltd of New Zealand, the Respondent registered the Domain Names on 14th April 2000 to support printed and online sales efforts, with the express knowledge and consent of the vendors.
- At that time, also at the request of DTL Ltd, the Respondent formed a UK limited company to support sales efforts for the Products in the UK.
- The Trademarks were not granted until 2006.
- The Complainant states that it has been using the Trademarks since 2002, however according to Companies House, the Complainant was not incorporated until 8 November 2005.
- The Domain Names were not Abusive Registrations as contemplated by Paragraph 3.a.i of the DRS Policy because they were registered with the full agreement of the original developers in the year 2000. They did not take unfair advantage of the Complainant's Rights, as the Complainant was not incorporated until more than 5 years later in 2005.
- No complaint has been made to the use of the Domain Names in more than 9 years of use.
- The Domain Names have neither taken unfair advantage of the Complainant's rights, nor been detrimental to them, as defined in Paragraph 3.a.ii of the DRS Policy. The domains were registered and have been used to generate more than 2000 new customers and extensive revenues solely for the vendors of the Products since 2000.
- From 27th August 2009 the Respondent has been prevented from supplying the Products, and a statement advising customers that it can no longer supply the Products is clearly displayed on the home pages of mailmarshal.co.uk and webmarshal.co.uk. Additionally, all references to the Complainant and the Products have been removed from the Respondent's main company website at softek.co.uk.

Complainant's Reply to the Response

This reply was submitted in non-standard form to Nominet, in that it went beyond consideration of points raised in the Response, to comment upon actions of the Respondent taken after the initiation of DRS Proceedings. As these matters have some slight bearing upon the outcome of the Dispute, the Expert exercises the

discretion allowed to him under the DRS Procedure to take the Reply into consideration.

The Reply is in two parts: the first is, more or less a “general traverse” of all points raised in the Response. All statements by the Respondent are denied and/or declared irrelevant by the Complainant.

The second part of the Reply refers to the action of the Respondent in removing references to the Complainant and the Products from Respondent’s main company web site on or about 27 August 2009. The Complainant submits that this adds to the interference in and prejudice to the Complainant’s business, as users going to sites at either of the Domain Names will now find no information at all about the Products and will be presented only with information about competing or alternative products.

6. Discussions and Findings

General

Paragraph 2 (a) of the DRS Policy provides that, in order to succeed, the Complainant must show that

- i. the Complainant has Rights in respect of names or marks which are identical or similar to the Domain Names; and*
- ii. the Domain Names, in the hands of the Respondent, are Abusive Registrations.*

The Complainant is required to prove to the Expert that both elements are present on the balance of probabilities.

Rights

The Complainant claims unregistered rights or goodwill in names or marks which are identical to the Domain Names, identifying its predecessor in title to the names of the Products as NetIQ Europe Limited, registered in the Republic of Ireland. However, no evidence is offered of the existence of this entity or its relationship with the Complainant.

The Respondent does not contradict the Complainant’s claim to Rights as required under the Policy. However the Respondent indirectly calls into question the Complainant’s status as successor in title to the goodwill and other unregistered rights, by asserting that he registered the Domain Names at the request of another entity, DTL Ltd of New Zealand, which he identifies as the original developer of the Products.

In the absence of proper explanation or evidence from either Party, it is impossible to draw conclusions about the role, or even the existence, of the Irish and New Zealand companies, and therefore about the different chains of ownership or authorisation upon which each Party relies.

Moreover, Paragraph 2 of the Complaint, contains the sentence,

“The Respondent is currently an indirect channel of distribution for the Complainant.”

This statement is not consistent with the rest of the Complainant’s submissions. Is the Respondent an authorised distributor or is it not? Such uncertainty weakens the Complainant’s blanket denials of each and every assertion of the Respondent.

However, the Complainant has appended evidence of the registration of the trademarks to the Complaint and the Expert accordingly finds that the Trademarks are sufficient to establish that the Complainant has the relevant Rights.

Abusive Registration

Paragraph 1 of the DRS Policy defines Abusive Registration as a Domain Name which either:

- i. was registered or otherwise acquired in a manner which, at the time when the registration or acquisition took place, took unfair advantage of, or was unfairly detrimental to the Complainant’s Rights; or*
- ii. has been used in a manner which has taken unfair advantage or has been unduly detrimental to the Complainant’s Rights.*

As to the first of these, the information provided by the Parties is insufficient for the Expert to take a view, even on the balance of probabilities. Lack of evidence makes the Complainant’s Rights when the Domain Names were registered unclear. The Respondent has offered his similarly unsupported version of events at that time, which the Complainant baldly denies.

Having established that the 2006 registration of the Trademarks invests the Complainant with the appropriate Rights, it is easier for the Expert to take a view, on the balance of probabilities, as to whether the registration of the Domain Names has been used in a manner which has taken unfair advantage or has been unduly detrimental to the Complainant’s Rights.

Paragraph 3 of the DRS Policy sets out a non-exhaustive list of circumstances which might support a finding of Abusive Registration. The list includes, at Paragraph 3.a.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 businesses into believing that the Domain Name is registered to, operated or authorised by, or otherwise connected with the Complainant.”

The Expert considers that there is a real risk of confusion on the part of users who refer to the Domain Names to buy or to seek information about the Products. There is, on the balance of probabilities, a material risk of prejudice to the Complainant and its business. The Respondent's action in removing information about the Products from the sites to which the Domain Names resolve is clearly an inadequate response, particularly if users continue to be re-directed to sites offering competing products.

The Respondent addresses few of the points made in the Complaint, but makes unsupported claims for its success as a distributor of the Products, presumably to show that its registration of the Domain Names benefitted the Complainant. Even if this were once the case, it does not help the Respondent in the present circumstances.

The Complainant makes other points concerning the Respondent's business name and the possible infringement of rights of a third party, IBM Corporation. In the light of the evidence of an Abusive Registration arising from the risk of confusion for users and prejudice to the Complainant, the Expert declines to comment further on this aspect of the Complaint.

7. Decision

The Expert finds that the Complainant has Rights in names or marks which are similar or identical to the Domain Names and that the Registration is an Abusive Registration in the hands of the Respondent. The Expert directs that the Domain Names be transferred to the Complainant.

Signed Peter Davies

Dated: 27 November 2009