

DISPUTE RESOLUTION SERVICE

DRS 7880

Decision of Independent Expert

1. The Parties:

Lead Complainant: PPG Industries, Inc

Address: One PPG Place

Pittsburgh

PΑ

United States

Other Complainants: PPG Coatings Nederland B.V.

PPG Industries Ohio, Inc

Respondent: Mark Bullock

Address: Rectory Lodge

Upton Cressett Bridgnorth WV16 6UH United Kingdom

2. The Domain Name(s):

amercoatdirect.co.uk sigmacoatingsdirect.co.uk sigmapaints.co.uk amercoat.co.uk ppgcoatings.co.uk amerondirect.co.uk

3. Procedural History:

3.1 On 2 November 2009 the Complaint was filed with Nominet in accordance with the Nominet UK Dispute Resolution Service Policy ("the Policy"). Nominet validated the Complaint and sent a copy of the Complaint to the Respondent on 3 November 2009, advising the Respondent that the Complainants were using Nominet's Dispute Resolution Service to complain about the registration or use of the Domain Names, and allowing the Respondent fifteen working days within which to respond to the Complaint.

- 3.2 A Response was received on 23 November 2009. The Complainants submitted a Reply, which was received by Nominet on 27 November 2009. The dispute then entered Nominet's mediation stage. Nominet was unable to resolve the issue through mediation.
- 3.3 On 16 December 2009 the Complainants paid the relevant fee to Nominet in order for the matter to be referred to an independent Expert for a full Decision. On 22 December 2009 Bob Elliott was duly appointed as Expert.

4. Factual Background

- 4.1 The Lead Complainant, PPG Industries, Inc, is the operating company for the PPG business based in Pittsburgh, Pennsylvania, US. Its corporate material describes it as "a leading diversified manufacturer that supplies paints, coatings, optical products, specialty materials, chemicals, glass and fiber glass around the world".
- 4.2 The two other Complainants are wholly-owned subsidiaries of the Lead Complainant. PPG Industries Ohio, Inc (a Delaware company) is the registered proprietor of the UK and Community Trade Mark registrations for the stylised mark PPG, and the UK trade mark registration for the word mark AMERCOAT. PPG Coatings Nederland B.V. (a Dutch-registered company) is the registered proprietor of the UK and Community Trade Mark registrations for the stylised mark SIGMA COATINGS, and for the Community Trade Mark registration for the SIGMA word mark.
- 4.3 The Lead Complainant PPG Industries, Inc, was also licensed by Ameron International Corporation ("AIC") to use the trade mark AMERON from 1 August 2006, until 31 January 2009, allowing the AMERON mark to be used in conjunction with the PPG trade mark, following the acquisition of certain business assets of AIC. The Community Trade Mark AMERON remains registered in the name of AIC.
- 4.4 The Respondent is an individual, Mark Bullock, who appears to be the owner of a business which trades either as Andrews Coatings Limited, or Off The Wall Antigraffiti Solutions.
- 4.5 The Domain Names were all registered by the Respondent. Amercoatdirect.co.uk was registered on 20 August 2008, ppgcoatings.co.uk was registered on 7 April 2008, amercoat.co.uk was registered on 11 April 2008, sigmacoatingsdirect.co.uk was registered on 5 March 2009, sigmapaints.co.uk was registered on 17 September 2008, and amerondirect.co.uk was registered on 16 August 2007.
- 4.6 Four of the Domain Names (amercoatdirect.co.uk, ppgcoatings.co.uk, amercoat.co.uk and amerondirect.co.uk) resolve to a website which is headed "AMERCOAT DIRECT". The Products page of the website (which appears to home page) has an email contact address sales@amerondirect.co.uk. The website lists a number of products which can be obtained, at "discounted trade prices". Lists of those prices, and relevant product data can be accessed through the website, and there seems to be no dispute that the products in question are genuine products supplied under various brand names by companies within the PPG Group (including AMERCOAT products, but also other PPG brand products). On the Products

page of the website there is also the following statement: "We are the importer and distributor of Amercoat Industrial Paints products in the UK". This appears reasonably prominently on the page, although in text which is the same size as much of the rest of the page. In smaller print at the foot of the web page, the following address is provided: "Amercoat Direct - Andrews Coatings, Carver Buildings, Littles Lane, Wolverhampton...".

- 4.7 The other two Domain Names (sigmacoatingsdirect.co.uk and sigmapaints.co.uk) resolve to a similar website, but headed "SIGMA MARINE & PROTECTIVE COATINGS". The contact email address on the Products page is sales@marineandprotectivecoatings.co.uk. There is a list of Sigma products, with prices and product data being accessible through the website, and the statement "We are the original importer and distributor of Sigma Marine & Protective Coatings in the UK". The contact address at the foot of the page (again in smaller print) is as follows: "Marine & Protective Coatings Andrews Coatings, Carver Buildings, Littles Lane, Wolverhampton ...".
- 4.8 Both the Amercoat Direct and the Sigma Marine & Protective Coatings sites have links from their Products page to "partner sites". In both cases these are sites for Andrews Coatings and Off The Wall Antigraffiti Paints and Services. There are also links between the two respective sites (Amercoat Direct and Sigma Marine & Protective Coatings).
- 4.9 It seems to be common ground that the Respondent's (Mr Bullock's) business is, and has been for some time, an authorised seller of PPG products.
- 4.10 According to copy emails provided by the Complainants, the origins of the current dispute appear to lie in an initial meeting between the Respondent and a Dave Heal, National Account Manager, England and Wales, PPG Protective & Marine Coatings, in June 2009. It appears that the conversation was initially a request by Mr Heal that Mr Bullock stop using the www.amerondirect.co.uk website at the time, because of the termination of PPG's licence to use the AMERON trade mark. Mr Heal then appears to have discussed with his lawyers the use by Mr Bullock of PPG's trade marks in other domain names. As a result he notified Mr Bullock by email that no one other than PPG was allowed to use those trade marks in their Domain Names, and asked Mr Bullock to assign ownership of the Domain Names to PPG, in return for repayment of the registration costs. Mr Bullock did not do so, and following further exchanges of emails, the Complaint was filed with Nominet on 2 November 2009.

5. Parties Contentions

Complainants' Submissions

Rights

5.1 The Complainants rely upon the trade mark registrations referred to above for PPG, AMERCOAT, SIGMA and SIGMA COATINGS. In respect of AMERON, the Lead Complainant relies upon it having had exclusive rights to use that trade mark, under the licence from AIC referred to above, on the basis that, although that licence expired on 31 January 2009, it had relevant Rights at the time the amerondirect.co.uk Domain Name was registered (on 16 August 2007).

Abusive Registration

- 5.2 As a customer of the Complainants the Respondent was aware of the Complainants' rights in the trade marks in question at the time the Domain Names were acquired. The Complainants believe that the use of the Domain Names is disruptive to the Complainants' business by misdirecting or misleading the Complainants' customers and potential customers. The Complainants believe that the registration of the Domain Names indicates the intention on the part of the Respondent to trade off of [sic] the goodwill and reputation of the Complainants in their registered trade marks and in the mark AMERON for which the Lead Complainant had been granted an exclusive licence.
- 5.3 The Complainants believe that the use of the Domain Names by the Respondent will and does confuse people into thinking that the Domain Names are under the control of the Complainants because of the use in the Domain Names of the Complainants' own trade marks and the trade mark which was licensed to the Complainants, and the use of the Complainants' trade marks on the Respondent's websites.
- 5.4 The Complainants seek the transfer of the Domain Name to themselves (presumably, to the Lead Complainant).

Respondent's Submissions

Rights

5.5 The Respondent does not dispute the Complainants' claim to have Rights in the marks AMERCOAT, PPG, SIGMA or SIGMA COATINGS. However, as regards the AMERON mark, the Complainants have not shown that they had any rights at the time that the Complaint was filed, their licence to use that mark having expired on 31 January 2009.

Abusive Registration

- The Respondent says that he is an authorised importer and distributor in the UK, and has been known to the Complainants for a number of years. Since registering each of the Domain Names, the Respondent has continuously used those in bona fide business practices, in order to sell the Complainants' products. He has used the Domain Names to sell only SIGMA, PPG, AMERCOAT and other branded products of the Complainants.
- 5.7 At no stage has the Respondent approached the Complainants with an offer to sell, rent or otherwise transfer any of the Domain Names to the Complainants or to a competitor of the Complainants, for valuable consideration in excess of the Respondent's documented out-of-pocket costs directly associated with acquiring or using the Domain Names. The use of the Domain Names has become central to the Respondent's business of selling the Complainants' legitimately imported products, and the Domain Names are therefore important to the Respondent's business.

- 5.8 There is no evidence to suggest that the Respondent acquired the Domain Names in order to block the registration of those Domain Names, or for the purposes of unfairly disrupting the business of the Complainants. Neither have the Complainants shown that the Respondent's motive was such.
- 5.9 The Respondent refers to the statement on the web pages about his business being "the importer and distributor" of the products in question in the UK. The products offered are genuine products of the Complainants. The Respondent also refers to the address given at the foot of the web pages.
- 5.10 The Respondent therefore suggests that he is clearly not pretending to be the Complainants nor taking advantage of the Complainants' goodwill and reputation, because the products being sold are in fact the Complainants' having been legitimately purchased from the Complainants. The markings on the web pages are clear enough to a potential customer that it cannot be said that the customers would be confused, misled or misdirected into thinking that the Domain Names are under the control of the Complainants. Therefore, it cannot be said that the Respondent is using/has used or has threatened to use any of the Domain Names in a way which has confused or is likely to confuse people or businesses into believing that the Domain Names were registered to, operated or authorised by, or otherwise connected with the Complainants.
- 5.11 The Respondent suggests that no damage has been done to the Complainants' business, because the Domain Names are being used to legitimately sell the Complainants' products. No competing products, counterfeit products, or copycat products are being sold under the Domain Names.
- 5.12 The Respondent says that he has used the Domain Names in connection with a genuine offering of goods being an authorised importer and distributor of the Complainants, before being aware of the Complainants' cause for complaint. The Respondent relies upon an email from one Scott Fretwell, Area Sales Manager of PPG Protective & Marine Coatings, dated 11 April 2008, which asks a colleague to forward the PPG, SIGMA and AMERCOAT logos to the Respondent in order to enable him to update his website. The email also asks for Andrews Coatings to be added as a distributor under the "old AMERON/PPG website" and also refers to the Ameron Direct website. The Respondent suggests that this "implies that the Complainant was happy to assist the Respondent in better reflecting their brands and improving sales through the Respondent's website by using their logos (trade marks)".

Complainants' Reply

- 5.13 The Complainants dispute the implication which the Respondent says arises from the email of 11 April 2008 it nowhere refers to any specific website, and can only be interpreted to be referring to the Respondent's website of andrewcoatings.co.uk, and only two of the Domain Names in this dispute had been registered at the time of the email.
- 5.14 The allegation that there was no damage done is inaccurate as the Complainants themselves (with respect to the five Domain Names other than amerondirect.co.uk) are unable to register or use the Domain Names, and other distributors of the Complainants had made complaints to the Complainants about the practices of the Respondent.

- 5.15 With respect to the amerondirect.co.uk Domain Name, the Complainants cannot condone the use of the AMERON mark by their distributors since the Complainants no longer have the right to use the AMERON mark and do not want their products associated with AMERON any longer.
- 5.16 The defence put forward by the Respondent that it is selling legitimate goods of a trade mark owner at a URL and website containing that trade mark owner's trade mark is not a valid defence to a claim for trade mark infringement.

6. Discussion and findings.

- In order to succeed in these proceedings, paragraph 2.6 of the Policy requires the Complainants to prove on the balance of probabilities that both elements of the test set out in paragraph 2.a are present, namely that:
 - i. the Complainants have 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.

Complainants' Rights

- 6.2 By virtue of the trade mark registrations referred to above at paragraph 4.2 it is clear that the Complainants have Rights in respect of names or marks which are identical or similar to the Domain Names, in so far as those Domain Names contain the PPG registered marks AMERCOAT, PPG, SIGMA or SIGMA COATINGS. The addition of the suffixes "direct", "coatings" and "paints" is in each case essentially the addition of a descriptive term, which does not, in the Expert's view, prevent the Domain Names being similar to the Complainant's names or marks (and in respect of the Domain Name amercoat.co.uk, the mark in question is used without addition). The Respondent does not contest the Complainants' assertions in this respect. The Expert therefore accepts that the Complainants have Rights in respect of the five Domain Names amercoatdirect.co.uk, sigmacoatingsdirect.co.uk, sigmapaints.co.uk, amercoat.co.uk and ppgcoatings.co.uk.
- 6.3 The position as regards amerondirect.co.uk is, however, different. The Complainants claim to have Rights in this respect by virtue of a trade mark licence which expired before the Complaint was filed. There is no suggestion that the Complainants have any continuing right to use the AMERON mark (it appears that the use of the mark was largely for the purposes of run-off of an existing inventory of stock). Paragraph 2.a.i of the Policy requires the Complainants to show that they have Rights (not had such Rights) and the Expert cannot see how this can be interpreted in any way other than to refer to the position at the time of filing the Complaint, or possibly the time of the decision (rather than at the time of registration of the Domain Name, as the Complainants suggest). The Expert therefore finds that the Complainants do not have Rights in respect of the Domain Name amerondirect.co.uk, and that element of the Complaint therefore fails.

Abusive Registration

- 6.4 The Complainants have to show that the Domain Names are Abusive Registrations. Paragraph 1 of the Policy defines "Abusive Registration" as a Domain Name which either:-
 - Was registered or otherwise acquired in a manner which, at the time the registration or acquisition to 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 of or has been unfairly detrimental to the Complainant's Rights.
- A non-exhaustive list of factors which may be evidence that the Domain Name is an Abusive Registration is set out in paragraph 3.a of the Policy. A number of those factors are addressed specifically by the Respondent in its submissions, but the Expert does not feel that it is necessary to go through those individually many of the points the Respondent has mentioned are not relied upon by the Complainants, and are not in dispute. The essence of the dispute between the parties is whether there are "circumstances indicating that the Respondent is using or threatening to use the Domain Name in a way which has confused people or businesses into believing that the Domain Name is registered to, operated or authorised by, or otherwise connected with the Complainant", under paragraph 3.a.ii of the Policy.
- 6.6 There are two decisions of Nominet's Appeal Panel which fall to be considered. Those are the cases of Seiko UK Ltd v Designer Time/Wanderweb, DRS 00248, Seiko-Shop.co.uk and Epson Europe B.V. v Cybercorp Enterprises, DRS 03027, Cheap-epson-ink-cartridge.co.uk and other domain names.
- 6.7 In DRS 00248 the Appeal Panel said:-

"There are many different traders who may wish to make use of the Trade Mark of a third party, e.g. the proprietor's licensee (exclusive or non-exclusive), a distributor of the proprietor's goods (authorised, unauthorised or "grey market"), the proprietor's franchisee or the proprietor's competitor engaged in comparative advertising. There are an infinite array of different factual circumstances which could arise under each of these categories.

Accordingly, we are not able to - and we are not going to attempt to - lay down any general rules governing when a third party can make "legitimate" use of the trade mark of a third party as a domain name. All we can do is decide whether the Expert came to the right conclusion on the evidence and submissions before him.

Essentially Seiko's complaint is that Wanderweb's registration of the Domain Names has gone beyond making the representation "we are a shop selling Seiko/Spoon watches" and is instead making the representation(s) "we are *The* Seiko/Spoon watch shop", or "we are the official UK Seiko/Spoon watch shop". The latter form of representation is what we understand the ECJ to be referring to when, in the ECJ case C-63/95 BMW -v- Deenik, it speaks of creating "the impression that there is a commercial connection between the other undertaking and the trade mark proprietor". An example of a domain name, which, in the opinion of

some members of the Panel, would make the former but not the latter representation was given by the Expert in paragraph 7.28 of the Decision: "we-sell-seiko-watches.co.uk".

The Panel agrees that if there is support in the evidence for the suggestion that the Domain Names make, or are liable to be perceived as making, the latter representation (i.e. that there is something approved or official about their website), this would constitute unfair advantage being taken by Wanderweb or unfair detriment caused to Seiko".

- In DRS 03027, the Appeal Panel summarised its position regarding the passage cited above from DRS 00248 by saying that it was obviously important not to lose sight of the primary question namely "were the Domain Names registered or used in a manner which takes unfair advantage of or was unfairly detrimental to the Complainant's Rights", but that it is helpful in cases of this kind (for the reasons set out in DRS 00248) to ask and to answer the secondary question "does the Respondent's registration and use of the Domain Names create the [false] impression that there is a commercial connection between the Respondent and the Complainant?".
- 6.9 In this present case, there are few factual differences between the parties. Perhaps the only significant difference is the interpretation of the email of 11 April 2008 from Mr Scott Fretwell, PPG's Area Sales Manager. The Respondent suggests that it was effectively a "green light" for him to use the Complainants' trade marks in his Domain Names. The Complainants suggest that it was only referring to use of PPG's trade marks on the Respondent's website at andrewscoatings.co.uk. It is not clear to the Expert that either interpretation of the email is necessarily correct and the email is not precise in its terms. However, it is clear that there is no reference to permission for the Respondent to use PPG's trade marks in domain names and at best it seems only to be general approval for the Respondent's Ameron Direct website trading. It certainly does not amount to an unconditional approval of the Respondent using those trade marks in the Domain Names in whatever way he thought fit (and, as the Complainants have pointed out, four of the Domain Names had not been registered at that time).
- 6.10 The Complainants have made reference to whether the Respondent's use of the Domain Names amounts to trade mark infringement. For the reasons explained by the Appeal Panel in DRS 00248, although trade mark law may be of some assistance, it is the Expert's role to apply the policy, not to be guided solely by the law of trade marks.
- As is stressed in DRS 03027, the primary question is whether the Domain Names were registered or used in a manner which takes unfair advantage of or was unfairly detrimental to the Complainants Rights. In seeking to address the "secondary question" also posed by the Appeal Panel in DRS 03027 ("does the Respondent's registration and use of the Domain Names create the [false] impression that there is a commercial connection between the Respondent and the Complainant?"), the following appear to the Expert to be the most relevant issues:-
 - (a) Leaving to one side for a moment the Domain Name amerondirect.co.uk, there are five Domain Names in question, involving four of the Complainants' registered trade marks. This implies at least a conscious decision by the Respondent to direct

- consumers to his websites, using a variety of combinations of the Complainants' trade marks, with descriptive suffixes in four cases;
- (b) The Complainants' trade marks are not used exclusively in respect of the equivalent PPG brands it is possible, for instance, to buy "Steelguard" or "Epok" products (being other branded products of the Complainants) using a domain name incorporating the mark PPG, and arriving at a website headed "AMERCOAT DIRECT";
- (c) Two of the Domain Names use the suffix "direct". As noted by the Expert in his decision in bio-oil-direct.co.uk, DRS 06483, at paragraph 6.9 (f), there will normally be an associated implication from the use of the word "direct", which will suggest a saving for the user (cutting out intermediate links in the supply chain), and imply a close commercial connection between the Respondent and the Complainant, unless the ways in which the Domain Names are actually used demonstrate clearly that there is some other intention behind the use of that wording. There is no obvious explanation here for the use of the suffix "direct" other than to suggest such a close connection, and none is suggested by the Respondent;
- (d) The use of the expression "direct" is accentuated by the heading "AMERCOAT DIRECT" on the website to which the majority of the Domain Names resolve;
- (e) Both websites contain a reference to the operator of the website being an importer and distributor of the products in question in the UK. In respect of the SIGMA MARINE & PROTECTIVE COATINGS site, the reference is to "the original importer and distributor...". The parties' submissions do not address what is meant by "original", but again it could well be taken by a customer as being a suggestion of a close link to the owner of the trade marks (or possibly some privileged status as a distributor):
- (f) There is a reference on both websites to an address, including the name "Andrews Coatings", but this is in relatively small print, it is placed at the foot of the Products web page, there is no further explanation of the distinction between the Respondent's business and that of the Complainants, and in the case of the Amercoat Direct website, the address also includes the words "Amercoat Direct" (and therefore does not serve its suggested purpose of distinguishing between the respective businesses);
- (g) The Respondent says that the Complainants may have benefited from his actions, by increased sales. However the Complainants, in their Reply, have referred to complaints from other distributors (which the Expert also feels is a relevant consideration, as other distributors are likely to feel competitively disadvantaged). It may equally be the case that the Respondent's actions have not actually generated extra sales for the Complainants, as the effect may have been to divert sales to the Respondent which would otherwise have gone to one of the other distributors, who do not use the Complainants' brands in their domain names;

- (h) There does not appear to have been any evidence of actual confusion (in the sense, for example, of emails clearly intended for the Complainants having been sent to the Respondent in error), and there appears to be no dispute that the products themselves are "genuine";
- (i) The Complainants do not complain that the websites in question have mimicked or copied some elements of their own trading style or get-up (other than the use of the trade marks).
- 6.12 It is for the Complainants to prove their case on the balance of probabilities. The Complaint is not particularly detailed or convincing as to the Complainants' submissions in this respect. In this particular case the various factors listed above appear to be more finely balanced than may be the case in other similar complaints. Nevertheless, on balance and weighing up the various factors set out above, the Expert is persuaded that the Complainants have succeeded in demonstrating that the Domain Names have been used in a manner which takes unfair advantage of or is unfairly detrimental to the Complainants' Rights. The Respondent has done relatively little (perhaps little more than the bare minimum), to try to dispel the initial impression (from the Domain Names) that there is a commercial connection between the Respondent and the Complainants. The use of a trade mark as part of a domain name (particularly one which does not have any other distinctive element) carries with it a likelihood of suggesting to the consumer a close commercial connection between the owner of the mark and the owner of the domain name, which goes beyond the site merely being a source of the trade mark owner's goods. The Respondent has been aware of the Complainants' position in respect of the use of its trade marks since June 2009, but seems to have done little about it to help dispel any possible confusion or misconception as to that commercial connection.
- 6.13 Also, the Expert notes that, despite having been told by the Complainants that there was no continuing authority to use the AMERON trade mark, given the termination of the licence from AIC on 31 January 2009, the Respondent has nevertheless continued to use that mark in one of the Domain Names, and as the principal email contact for the AMERCOAT DIRECT website to which the majority of the Domain Names resolve. This suggests to the Expert a degree of disregard by the Respondent for others' trade mark rights.
- 6.14 Paragraph 4.a.i of the Policy contains a non-exhaustive list of factors which may be evidence that the Domain Name is not an Abusive Registration, which includes "before being aware of the Complainant's cause for complaint (not necessarily the "complaint" under the DRS) the Respondent has ...used or made demonstrable preparations to use the Domain Name or a domain name which is similar to the Domain Name in connection with a genuine offering of goods or services". In this case it is apparently accepted that the products were "genuine", but the Expert does not consider that the "offering" was genuine, essentially for the same reasons in order for the offering to be "genuine" the Respondent would have needed to have done more to dispel what the Expert considers would have been the misconception which the average user would have had from the Domain Names themselves, namely that there is a closer commercial connection between the Respondent and the Complainants than is in fact the case.

6.15 The Expert therefore finds that the Domain Names (other than amerondirect.co.uk), in the hands of the Respondent, are Abusive Registrations within the meaning of the Policy.

7. Decision

- 7.1 The Expert finds that the Complainants have rights in the names or marks PPG, AMERCOAT, SIGMA COATINGS and SIGMA, which are identical or similar to the Domain Names ppgcoatings.co.uk, amercoatdirect.co.uk, amercoat.co.uk, sigmacoatingsdirect.co.uk and sigmapaints.co.uk, respectively. However, the Complainants do not have Rights in the name or mark AMERON.
- 7.2 The Expert further finds that the Domain Names (other than amerondirect.co.uk), in the hands of the Respondent, are Abusive Registrations.
- 7.3 The Expert therefore decides that the Domain Names amercoatdirect.co.uk, ppgcoatings.co.uk, amercoat.co.uk, sigmacoatingsdirect.co.uk and sigmapaints.co.uk should be transferred to the Lead Complainant. However, there should be no action in relation to the Domain Name amerondirect.co.uk.

Signed: Bob Elliott

Dated 12 January 2010