

DISPUTE RESOLUTION SERVICE

D00008496

Decision of Independent Expert

Jumptec Ltd t/a CCM Motorcycles

and

Haines & Co Motorcycles

1. The Parties:

Lead Complainant: Jumptec Ltd t/a CCM Motorcycles
Address: Unit 5, Jubilee Works
Bolton
Gtr Manchester
Postcode: BL2 6QF
Country: United Kingdom

Respondent: Haines & Co Motorcycles
125 High Street
Cinderford
Gloucestershire
Postcode: GL14 2TB
Country: United Kingdom

2. The Domain Name(s):

ccmspares.co.uk

3. Procedural History:

The Complaint was received by Nominet on 22 April 2010. Nominet validated the Complaint and sent a copy to the Respondent.

The Response was received by Nominet on 12 May 2010 and a copy sent to the Complainant.

On 9 September 2010 the Complainant paid Nominet the required fee for a full decision of an Expert pursuant to the Nominet UK Dispute Resolution Service Policy ("the Policy").

Nominet invited the undersigned, Jason Rawkins ("the Expert"), to provide a decision on this case and duly appointed the undersigned as the Expert with effect from 15 September 2010.

4. Factual Background

The Nominet records show that the Domain Name was registered on 15 October 2002.

Based on the parties' submissions (see section 5 below) and a review of the materials annexed to the Complaint, set out below are the main facts which I have accepted as being true in reaching a decision in this case:

- (1) The Complainant has traded under the CCM name since 1972.
- (2) The Complainant sells both CCM motorcycles and spare parts for those motorcycles, both direct to members of the public and through a network of dealers.
- (3) Whilst there may have been a period when Complainant did not supply spare parts direct to the public (I reach no conclusion on that point), it has done so since at least 2005. The Complainant sells such parts online via its website www.sparesccm.com.
- (4) The Respondent is a member of the Complainant's network of dealers.
- (5) The Respondent operates a website at www.ccmspares.co.uk via which it offers spare parts for CCM motorcycles. At the time when the Complaint was filed, the website homepage:
 - (a) had a heading of "Haines & Co";
 - (b) included a prominent representation of the Complainant's "CCM" logo;
 - (c) included a statement that CCM "no longer deal direct to the public for spares".
- (6) The statement set out under (c) above has been on the Complainant's website homepage since 2002.
- (7) The Respondent also operates a website at www.hainesmc.co.uk, which is identical to its website at www.ccmspares.co.uk.
- (8) The Respondent offers both genuine spare parts for CCM motorcycles, and also non-genuine (but compatible) spare parts.

5. Parties' Contentions

Complainant

The Complainant's submissions are as follows:

1. The Complainant has rights in a name which is identical or similar to the Domain Names:
 - (1) In summary the Complainant has, through various incarnations, traded under the CCM name since 1972. More details are set out in the Complainant's submissions, relevant sections of which are reproduced below:

"In 1972 Alan Clews, father in law to the current MD, started CCM Motorcycles. He principally started manufacturing motorcycles in his garage by selling bikes & spares direct to his customers. The business developed over the 1970's and CCM produced over 2,000 motorcycles during the period 1972-1981. The majority of

machines and spares were sold direct to the general public with about 50% either exported or distributed through selected UK dealers.

In 1980/81 CCM Motorcycles became part of the Armstrong Group of companies, with over 10,000 produced in the Bolton factory which is still the current site of CCM Motorcycles. During 1980-1987 CCM or CCM Armstrong as it was then known sold bikes through a dealer network as well as selling direct. It also sold motorcycles to the Canadian, British, & Jordan armies, selling spares and servicing direct to these end users.

In 1987 Alan Clews, who had remained with the CCM Armstrong group as MD and then sales director and who was also a 10% shareholder, headed a management buyout and regained control of CCM Motorcycles. From 1987-1992 CCM Motorcycles operated the business of manufacturing CCM Motorcycles and spare parts business from its current Jubilee Works site in Bolton until a fire destroyed the manufacturing and spares unit. The business relocated to Blackburn where from 1992-1996 the business re-established itself principally as a spares business as all the manufacturing plant had been destroyed in the arson attack.

The majority of spares income was from retail customers and MOD servicing work. When In 1996 CCM Motorcycles moved to a new manufacturing premises at Shadsworth, Blackburn. From 1996 to 1999 CCM manufactured motorcycles and sold spares direct to the end customer. In 1999 Alan Clews & family took a reduced shareholding in CCM Motorcycles by bringing in private investors in order to expand the business. During this period Alan & Austin Clews shareholding was 10% each, a result of Venture capitalist investment in 1999. During the period 1999-2001 CCM sold bikes, spares and services direct to the end customer. Austin Clews left CCM in 2001 and Alan was a 1 day a week Director from 2001-2004.

From 2000 - July 2004 CCM motorcycles manufactured and sold over 2,000 motorcycles.

In July 2004 CCM motorcycles ran into financial difficulty and BDO Stoy Hayward were appointed as administrators. In September 2004 CCM motorcycles trading names, stock fixtures, fittings and including all intellectual property rights were sold back to the original owners pre 1998 and the founding Clews family.

In September 2004 CCM advised all dealers (including [the Respondent]) of our acquisition of the CCM business.

After a difficult first 6 months relocating to its original site at Jubilee Works in Bolton, the main target for the business was to re-establish the spares business to service all the existing CCM dealers and owners and that along with the manufacturing of motorcycles has been the core business from Jan 2005 to date.

The name CCM was decided upon from the outset as an abbreviation of Clews Competition Machines and although CCM has never been a world force to match the likes of Honda or Yamaha, the name is well respected and has a core of enthusiasts who like the idea of riding a machine that stands out as a 'one off' in a manner such as one would attribute to say, Morgan motor cars.

To further the brand name the directors of CCM have made a huge investment and developed (from the ground up) a racing bike that was first tested in 2007. The bike is a revolutionary design, showcasing the quality of CCM's engineering skills and features a chassis that is bonded together with glue rather than old fashioned welding.

After successful testing the CCM works racing team have entered the 2009 Moto Cross GP season with four bikes, one of the riders being a woman, and the team is managed by David Thorpe who himself won the world championship on 4 separate occasions. The team has so far competed in Britain, Holland, Belgium, Turkey, Spain and France with Brazil as the final round.

GP racing is an expensive business but as the CCM brand has been brought into the 21st century our products have gained a reputation for reliability and quality so much so that CCM have just received an order for over 1000 motorcycles from the USA Government with a corresponding parts order.

The motoring press have a healthy interest in CCM and we have attached some samples [to the Complaint].

CCM, when described in the same sentence as a motorcycle, can be and would be instantly recognizable throughout the motorcycle industry both here and across the world as an abbreviation for Clews Competition Machines.

CCM is one of the last remaining British manufacturers of motorcycles and our recent contracts to supply the United States of America military with CCM motorcycles along with the relevant spares confirm our status as a global supplier with a respected brand name."

2. The Domain Name is an Abusive Registration in the hands of the Respondent:

Relevant sections of the Complainant's submissions are reproduced below:

"The domain names <http://www.ccmspares.com> and <http://www.ccmspares.co.uk> accurately describe one of the CCM motorcycle company's core areas of trade and it does this by using our trading name.

Like all other motor vehicle manufacturers the supply of spare parts for our vehicles is a fundamental part of our business and one would expect that a website called ccmspares would be operated by CCM for the supply of genuine CCM spares direct from the factory.

Both the dot co.uk and the dot com sites for ccmspares use the official CCM logo on the opening page along with a statement that CCM do not supply spares direct to the public – this statement is not true. CCM have their own website registered for us by Alec Bancroft and our homepage is at www.sparesccm.com.

When a CCM customer requires a spare part for his CCM bike it is vital to us as a manufacturer that he buys a genuine part as a pattern part, a part that looks like a genuine part but is not so, will not have been built to the same standards, which is normally reflected by a reduced price.

In several areas scattered throughout the site it is clearly advertised that the spares for sale are CCM spares in other words the spares are genuine and not spares copied to meet the design specifications of a genuine CCM spare part.

Haines & Co are CCM official dealers and as such should not mix genuine spares with non genuine spares. These non genuine parts are sold over a website with the brand name CCM in its title and the use of CCM's official logo and brand name. The use of this site in this manner is an abusive registration and disruptive to the day to day running of the CCM business.

Anyone who owns a CCM motorcycle is likely to use the brand name to find CCM online, whether to read about the company's history, enquire about a motorcycle from the present CCM range, or buy spares for their CCM motorcycle and as such would expect only an authorised site to have CCM contained within the domain name. Furthermore, you would expect that the parts offered for sale on that site under the heading of CCM would have been supplied to the dealer from the CCM factory.

With regard to the parts this is not the case with [the Respondent].

Haines and Co are motorcycle dealers who operate several websites including:

*www.ccmspares.com
www.ccmspares.co.uk*

In 2000/1 Haines applied and were accepted as an authorised CCM dealer for new bikes and spares, [and entered into our standard] dealership agreement as document 1. [This was] then revised in May 2003.

In line with the dealership agreement Haines were entrusted with the after sales service including the supply of genuine CCM parts. The dealership agreement stipulates that all parts supplied i.e 'The Products' for a CCM by Haines will be genuine and sourced only from the CCM factory. This type of 'closed shop' agreement guarantees to the customer that when buying a spare for his motorcycle or having a repair done under warranty (see section 11 [of the 2003 dealership agreement]) the customer can be assured that the part is as good as the original part on his bike.

This obligation that the dealer undertakes is normal practice in the motor industry where a spurious part can have disastrous consequences if it fails under load and just as importantly adversely effect the brand's quality image if the bike seems to break down at frequent intervals.

A customer walking in to an authorised main dealer would expect that when he asks for a part for his machine that it would be an implied term that he would be given a genuine part.

All motor manufacturers rely on income from the sale of spares, it is a big percentage that affects the profit and loss account. All automotive manufacturers would not survive if the spare parts side of their business was not a core part of their profitability.

These are the 4 fundamental reasons as to why only a genuine CCM part is used.

Quality – A genuine part has a known quality and this reflects in the reliability of the bike which is obviously a key component when a motor cyclist is to make a buying decision.

Profit – Spares are a fundamental part of the profit and loss of any manufacturing company, the intense competition from overseas suppliers means that we have to protect our market. Sales of parts allow us to expand the business and carry on developing new products.

Safety – A genuine part is guaranteed to react in a certain manner and its build quality cannot be questioned. A pattern part has a dubious history and could fail causing an accident to occur. Pattern parts are generally sourced from Far Eastern markets using materials that have not been tested and made from the correct grade of alloy material as per O.E.M specification drawings.

Brand awareness – If the trade know that a CCM motorbike has a good record within the motorcycle community then CCM are more likely to attract more dealers which increases the production of new bikes and their spare parts.

Haines & Co registered on 15th October 2002 www.ccmspares.com and www.ccmspares.co.uk. The net result of this abusive registration was that Haines & Co misled CCM customers by using official CCM trade marks and names to promote their business of selling pattern parts which is and was a direct contravention of the dealer contracts (see [the 2001 dealership agreement], section 8h and [the 2003 dealership agreement], section 10) which expressly prohibited any dealer from selling anything other than CCM products (see [the 2003 dealership agreement], section 2.1).

Both of the above websites state that CCM do not supply direct to the public and as we have already outlined we have our own official parts website which Haines with their online advertising are saying does not exist.

Throughout the Haines website there are several headings used to depict that the parts offered for sale are genuine CCM Spares, whereas in truth they are pattern parts.

Examples would include (This is not a complete list):

On [one specified] page of the Haines website the front brake disc 260mm by TALON is not a genuine CCM part. A genuine CCM disc is manufactured by NG Disc.

On the same page the front brake pads by FERODO are not genuine CCM parts. CCM used BREMBO. Brembo pads are offered along with the pads by Ferodo but the genuine parts are significantly higher in price than the Ferodo non genuine pattern part.

The battery offered by Haines is by Varta and the genuine product is manufactured by Polar.

Under the 404 Accessories & Upgrades sub heading there are 4 categories and none of the components contained are supplied by CCM. If we take the Engine and Exhaust category as the example, the first part is for a big bore kit.

We use [this] as the final example as it involves the customer selecting non genuine parts for an engine modification. Any pattern part fitted be it a simple part such as air filter could place the CCM consumer in a position of having a void warranty, but to have a CCM dealer advertise a non genuine big bore kit without clearly stating the consequences of such an action clearly affects the CCM brand name.

[<http://web.archive.org> results attached to the Complaint] prove that the statement that CCM do not supply parts direct to the public is a long standing problem for us."

Respondent

The Respondent's submissions are set out below:

"We have been a CCM dealer since February 2000, and decided to offer an on-line spares service in 2002. We asked CCM first (which was owned by different people then), and as they no longer wished to deal direct with the public for bikes or spare parts, were happy for us to use the domain name which we found available, "ccmspares.co.uk". This has continued until now without any complaint from CCM, and this Nominet DRS is the first time we had any idea that CCM had an issue with us.

It has never been our intention to give people the impression that we are CCM, we are just a CCM dealer, and if you visit ccmspares.co.uk, at the top it is clear we are Haines & Co motorcycles. It does state on the front page that "CCM no longer deal with the public for spares" and we know that is not the case now. It has been there since we started the site when the statement was true, but it has been an oversight on our part to leave it there. We

have not removed it now for two reasons: a, Because we thought it best not to suddenly change anything while a dispute was on, and b, we have an all new website going live at the end of May, which does not have the statement in it. The new site also continues to make it crystal clear which parts are genuine CCM and which are not.

Our customers refer to us as Haines and Co, and it says Haines & Co on their invoice and credit card slip as well as on every page of our website old and new. Our reason for using the domain ccmspares.co.uk was so that customers could remember it easier than hainescm.co.uk which made no reference to spares or the make of bike the spares were for. Hainescm.co.uk domain name takes you to the same website.

We have always sold genuine CCM spares as well as non genuine, and we would have to supply some non genuine parts alongside genuine because of supply issues. For example when CCM were unable to supply indicator relays or give us a date when they would have any, we had to try and find an alternative, which we did. We have bought many other items elsewhere due to there being no stock at CCM, including clutch levers which we have even sold to CCM when they have had no stock for themselves. We signed a CCM dealer agreement in 2001 when CCM was run by the previous owners, but when they asked us to sign a revised agreement in 2003, we took advice from the Retail Motor Industry Federation (who we are still members of) and they advised us not to sign as there were terms in the agreement that they were not happy with. We have never been presented with, or signed a dealer agreement since the current owners took over CCM, which is why the documents provided by them are unsigned.

We note a reference to us selling non genuine air filters and big bore kits without warning the customer that as they are non genuine parts, the warranty could become void if they are used. CCM no longer produce the bikes that these parts fit, but our new site will warn existing owners on every parts page that these parts may affect their CCM warranty. [In relation to the Complainant's alleged examples of the Respondent's website having] several headings used to depict that the parts offered for sale are genuine CCM Spares, whereas in truth they are pattern parts, we make no claim to these items being genuine CCM Brake Discs or Brake Pads, instead we actually quote the manufacturers (Talon for the disc and Ferodo for the pads). There is nothing to suggest these items are genuine, and Talon as a U.K. company has provided many parts to CCM in the past including complete wheels. These are not poor quality items we are selling, they are quality items at a lower price than genuine CCM.

[The archived version of the Respondent's website dating from April 2005] is used to attempt to prove that us claiming "CCM no longer deal direct to the public" has been an ongoing problem. From when we created the site in 2002 this statement was true until well into 2005. We know it is an untrue statement now, and [if asked] would remove it without the need for DRS."

6. Discussions and Findings

General

Paragraph 2 of the Policy provides that, to be successful, the Complainant must prove on the balance of probabilities that:

- i it has Rights in respect of a name or mark which is identical or similar to the Domain Name; and
- ii the Domain Name, in the hands of the Respondent, is an Abusive Registration (as defined in paragraph 1 of the Policy).

Complainant's Rights

"Rights" are defined under paragraph 2 of the Policy as meaning:

"rights enforceable by the Complainant, whether under English law or otherwise"

Enforceable rights in a name or mark can be by way of a trade mark registration or registrations. However, it is also possible to have rights without a trade mark registration. If a person uses a name or mark for a period of time, he can build up unregistered rights in the nature of goodwill in that name which can then (depending on the facts) be enforced against another party using the same, or similar, name by way of a passing off claim. A person will have established such goodwill, and therefore rights, if people in the relevant field recognise the name as denoting that person's business or product.

As a result of having operated under the name "CCM" for many years, I find that the Complainant has established Rights in the nature of legally protectable goodwill in that name.

Disregarding the generic *.co.uk*, and taking into account that the word CCM is purely descriptive, the Domain Name is similar to the name CCM. I therefore find that the first limb of paragraph 2 of the Policy is satisfied.

Abusive Registration

Paragraph 1 of the Policy defines an "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 of or has been unfairly detrimental to the Complainant's Rights."*

Paragraph 3 of the Policy sets out a non-exhaustive list of factors which may be evidence that a Domain Name is an Abusive Registration. The factor under paragraph 3a on which the Complaint is based is as follows:

- "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"*

In relation to this factor, the key question is what message the Respondent's use of the Domain Name conveys to relevant members of the public. The Complainant submits that the public would expect a website called "ccmspares" to be operated by the Complainant itself for the supply of genuine CCM spares direct from the factory. The Respondent's position, on the other hand, is that it is clear from the homepage of the website at www.ccmspares.co.uk that the site is operated by the Respondent and not by the Complainant.

I agree with the Respondent that, once a potential customer arrives at the homepage of its website, he will quickly realise that the website is run by a CCM dealer and not by the Complainant. However, that is not the end of the matter. There is also the possibility that people looking for CCM spare parts will believe that they are heading to a website operated by the Complainant, will then realise when they get to the website that it is in fact not the Complainant's website, but nevertheless remain on the site and proceed in some cases with placing an order with the Respondent. This is what is often termed "initial interest confusion".

People interested in CCM spares may find their way to the Respondent's website in this way by simply typing www.ccmspares.co.uk on the assumption that this would take them to a website run by the Complainant itself. In my view this is not particularly likely in that, if someone was looking for a website belonging to the Complainant itself, and decided to guess at a probable website address, he is more likely to type www.ccm.co.uk or something along the lines of www.ccmotorcycles.co.uk .

In any case, much more likely generally is that such a person would enter "ccm spares" into a search engine like Google. In fact, if one does this, the first search result is the Respondent's website at www.ccmspares.co.uk , and the second the Complainant's own website at www.sparesccm.com .

When it comes to the possibility of so-called initial interest confusion, I do not think that potential customers heading to the Respondent's website would believe they were necessarily going to arrive at a website of the Complainant itself. Consumers are used to the fact that spare parts in the motor trade (amongst many others) are supplied not only by the manufacturer itself but also by authorised dealers. Similarly, I do not think that potential customers would believe, either before or after arriving at the Respondent's website, that the site would be operated by the authorised dealer in CCM spare parts, as opposed to one of a network of authorised dealers.

However, in my opinion many, probably most, people would be under the impression that a website at www.ccmspares.co.uk would, by reason of its name, be operated either by the Complainant itself or by one of its authorised dealers. In fact, the Respondent is an authorised dealer of the Complainant. As such, my conclusion is that this is not a case where the factor under paragraph 3a(ii) of the Policy (set out above) directly applies. The situation would have been different if the Respondent was not in fact an authorised dealer of the Complainant at all (as has been the position in several other Nominet DRS cases- see, for example, the Appeal Panel decision in EPSON Europe BV v Cybercorp Enterprises- DRS 03027).

Nevertheless, paragraph 3 of the Policy is expressly worded as providing only a non-exhaustive list of factors which may be evidence of an Abusive Registration. In other words, other factors can also be taken into account, depending on the case in question. In my view, in this case there are two other pertinent factors. The first is that, as the Respondent itself admits, its website at www.ccmspares.co.uk sells not only genuine CCM parts but also non-genuine or "pattern" parts. As I have concluded, many and probably most people who access the website will believe from its name that it is run by the Complainant itself or one of its network of authorised dealers. In my opinion, many such people, again because of its name, will enter the website looking for, and expecting, genuine CCM spare parts. Since the website also sells non-genuine products, some of these people will end up purchasing non-genuine products.

If the Respondent is correct, the purchaser of a non-genuine part would always be aware of this. However, even if that is right, the customer will then have been "baited" by the use of the CCM name within the Domain Name and then "switched" to a non-genuine part.

If the Respondent is not correct, in other words if some customers purchasing non-genuine parts on the Respondent's website do not realise this but mistakenly believe that they are purchasing genuine parts, then such customers will have been misled.

The fact that the Respondent is selling a mix of genuine and non-genuine spare parts via its website takes unfair advantage of the Complainant's rights in the CCM name by riding on its coat-tails (as, for example, found in the Appeal Panel decision in Toshiba Corporation v Power Battery Inc- DRS 07991). Additionally or alternatively, it is detrimental to the Complainant's rights, either by depriving the Complainant of sales of genuine parts or by

jeopardising its control of its own business reputation. By the latter, I mean that, if people purchase spare parts believing them to be genuine approved CCM parts when this is not the case then, if those non-genuine parts turn out to cause problems, that will clearly impact negatively on the Complainant.

The second additional factor in this case is the fact that the Respondent has retained on the homepage of its website a statement that CCM does not supply spare parts direct to the public. This statement has, on the Respondent's own admission, been present on the website from 2002 through to when the Complaint was filed. This is in spite of the fact that this has been untrue since at least 2005. The Respondent expressly admits that it now knows this to be the case. Whilst it does not actually say at what point it became aware of the fact, given that the Respondent was an authorised dealer of the Complainant throughout the period, it is reasonable to conclude on the balance of probabilities that it must have become aware of the Complainant selling spares direct to the public reasonably soon after 2005. In light of this conclusion, the Respondent has retained the statement on its website for a number of years after the point when it knew that it was not true.

The Respondent's excuses for having retained the statement are, in my opinion, not good reasons.

The effect of the Respondent having retained the statement on its website is likely to have been that some people accessing the Respondent's website will have purchased spare parts from the Respondent when they would otherwise have preferred to purchase them direct from the Complainant. The Respondent's use of the Domain Name in this way has clearly been detrimental to the Complainant.

In light of the above, I conclude that the Domain Name is an Abusive Registration.

7. **Decision**

Having found that the Complainant has rights in respect 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 directs that the Domain Name, ccmspares.co.uk, be transferred to the Complainant.

Signed

Dated: 4 October 2010

(Jason Rawkins)