

DISPUTE RESOLUTION SERVICE

D00008557

Decision of Independent Expert

Leister Process Technologies

and

J&B Electric Power Tool Co Ltd

1. The Parties:

Lead Complainant: Leister Process Technologies
Galileo-Strasse 10
Kaegiswil
CH-6065
Switzerland

Respondent: J&B Electric Power Tool Co Ltd
65A Manchester Road
Bolton
BL2 1ES
United Kingdom

2. The Domain Name(s):

leister.co.uk

3. Procedural History:

27 April 2010 Dispute received
28 April 2010 Complaint validated
19 May 2010 Response received
26 May 2010 Reply received
26 May 2010 Mediator appointed
4 June 2010 Mediation failed
21 June 2010 Expert decision payment received
29 June 2010 Michael Silverleaf appointed as expert

4. Factual Background

4.1 The complainant is a long-established Swiss company. It was founded in 1949. It is a manufacturer of hand tools, welding machines, plastic welding tools, hot air blowers and a variety of other industrial equipment. It operates in over 60 countries around the world including the UK. It has sales and service centres throughout its area of operation. It carries on business under the name Leister Process Technologies and has done so for more than 50 years. The complainant's products are marked with the trade mark LEISTER and that mark is extensively used in the complainant's promotional material in the exhibits to the complaint.

4.2 The complainant is the exclusive licensee under Community Registered Trade Marks numbers 378018 and 953042 covering its products. Both these registrations are for stylised depictions of the word LEISTER in which the word itself is prominent and of which it is clearly the key distinctive element.

4.3 The complainant has an exclusive UK distributor, Welwyn Tool Group Limited. The respondent is a retailer of power tools in the UK. Amongst the products supplied by the respondent are products made by the complainant. Until August 2008, the respondent was an exclusive regional distributor of the complainant's products under Welwyn Tool Group. That distributorship was terminated in August 2008. There is an irrelevant dispute between the parties whether the termination was for failure to meet sales targets or unspecified misconduct. It is not disputed that the respondent is no longer an authorised distributor of the complainant's products. Nor is it disputed that the respondent continues to act as a reseller of the complainant's products.

4.4 The respondent has been the registrant of the Disputed Domain, leister.co.uk, since 2000. This is the date of registration in the WHOIS search on the domain name. The respondent claims to have registered the domain in 1990 but this cannot be correct (and is inconsistent with the respondent's later claim that it "acquired the domain name 10 years ago"). The respondent also claims that it was supported by Welwyn Tool Group when it set up the website on the Disputed Domain. The respondent's claim is unsupported by any evidence and is denied by the complainant. The complainant asserts that the respondent must have known of the complainant and its business when it registered the Disputed Domain. There is no answer to this claim in the response. Given that the

respondent was a distributor of the complainant's products when the Disputed Domain was registered, it seems to me to be plain that the claim is accurate.

4.5 The respondent operates a website on the Disputed Domain which presents the complainant's products. Whilst the products cannot be purchased online, a telephone number "for free advice" appears on the homepage and the conditions of use page is headed "Terms and conditions of sale". It then gives detailed contractual sale conditions. It is apparent that the respondent is offering the complainant's products on the website and will sell them if contacted. The homepage has a link "Leister contact details". This leads to the same page as the "contact us" link. The contact us page starts with the following question "Do you have a question, comment or suggestion to pass along to Leister?". It then gives contact details for such an enquiry which are the respondent and three e-mail addresses, sales, spares and web, all @leister.co.uk. This confirms that the website is offering the complainant's products for sale, even if not online, and that it is doing so through an address sales@leister.co.uk. Later in its submissions, the respondent says that it has used the domain name "for the sole purpose of promoting the sales of Leister [i.e. the complainant's] products in the UK for the benefit of ourselves Leister Process Technologies and other UK distributors we pass leads to". It is quite clear that the website on the Disputed Domain is at the very least being used as a promotion and sales aid.

4.6 The respondent is the registrant of a number of domain names which include the names of well-known manufacturers of power tools and other industrial products. These include panasonicpowertools.co.uk, dewaltsafetyboots.co.uk, hitachi-online.co.uk, karcher-online.co.uk, makita-online.co.uk and others. The respondent suggests that "most of these sites were registered at the request of the named manufacturers to prevent them from being used by companies who were importing their products from the USA and selling them illegally in the UK, as many manufacturers have no internet knowledge or the where with all to make the registrations." The respondent gives as an example cat-workwear-direct.co.uk, which it says is hosted by Cat's servers and must therefore be with Cat's consent.

4.7 The respondent has previously been the subject of DRS proceedings in Dispute 0489 in 2007 over the domain record-power.co.uk. The complainant in that case was the well-known manufacturer of woodworking tools. The present complainant alleges that the respondent was held to have registered that domain in bad faith. The contention is not supported by the terms of the decision in that case. The decision turned on the fact that the domain had been used in a way which represented it to be a website run by the complainant which was accordingly confusing.

5. Parties' Contentions

5.1 The complainant first contends that the manner in which the respondent is selling the complainant's products on the website on the Disputed Domain is such as to represent that the website is the complainant's or is authorised by the complainant. It relies on the contact page on the website and the e-mail sales

address. The respondent says that the website is not a sales site and offers to change the e-mail contacts to @powertooldirect.co.uk. It says that the Disputed Domain was used for e-mail contacts as it was the first site that the respondent published. No evidence is offered in support of this rather unlikely contention. The respondent asserts that the site does not look like www.leister.com. It also points out that the site gives the full name and trading address of the respondent.

5.2 The respondent also asserts that the complainant does not have LEISTER registered as a trade mark. Whilst this may be strictly accurate as the registrations are for stylised forms of the word LEISTER, as I have noted above the word is a distinctive part of the registered marks and is clearly the key to recognition of the registered mark. The respondent argues that many other companies use the name Leister, and thus have equal rights to the name. It ignores the fact that the other businesses using the Leister name are in different commercial fields from the complainant. It also ignores the fact, relied upon by the complainant, that the respondent is clearly using the Disputed Domain to refer to the complainant's trade mark: this is obviously so in the light of the promotion of the complainant's products on the respondent's website.

5.3 The respondent says that it has built up a substantial web presence through the website. The complainant agrees and specifically relies upon the fact that the respondent's website on the Disputed Domain appears high in the Google search result for the name Leister.

5.4 The complainant contends that the respondent has registered the Disputed Domain primarily as a blocking registration against the complainant. It says this on the basis that the respondent had no prior rights, registered the Disputed Domain in the knowledge of the complainant's rights and is clearly referring to the complainant's trade mark in the name of the Disputed Domain. As noted above, the respondent argues that other businesses also use the name. So, it says, its registration cannot be regarded as a blocking registration.

5.5 Next, the complainant contends that the respondent registered the Disputed Domain to disrupt the business of the complainant. In support of this claim the complainant relies upon the facts summarised in 5.1 above and that the way in which the website on the Disputed Domain operates is likely to deceive consumers and businesses into believing that the respondent is in some way affiliated with the complainant. The complainant also points out that, because the Disputed Domain name is confusingly similar to its own, leister.com, web users are likely to enter the Disputed Domain name when seeking the complainant's website, causing further confusion. This, it is said, will deceive people into purchasing goods from the respondent (presumably in place of another distributor of the complainant's products).

6. Discussion and Findings

6.1 The version of the DRS Policy relevant to the present dispute is version 3 which relates to complaints lodged after 29 July 2008. Clause 1 of that 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”

6.2 Clause 1 of the DRS Policy also defines “Rights” for the purposes of this procedure as including but not limited to those enforceable under English law. Under Clause 2 of the DRS Policy a complainant must show on the balance of probabilities

- (a) that it has Rights in a name or mark identical or similar to the Domain Name; **and**
- (b) that the Domain Name in the hands of the Respondent is an Abusive Registration.

6.3 Clause 2 of the DRS Policy states that a complainant must establish that (i) it has Rights in respect of a name or mark which is identical or similar to the Domain Name and (ii) that the Domain Name in the hands of the respondent is an Abusive Registration.

6.4 Clause 3 of the DRS Policy identifies a non-exhaustive list of factors which may be evidence that the domain name is an Abusive Registration. I have accordingly taken these into account in reaching my conclusions.

6.5 Clause 3(a) sets out a non-exhaustive list of factors which may be evidence that a domain name is an Abusive Registration. Sub-Clause (i) provides that such factors include that the Disputed Domain was registered or acquired (B) as a blocking registration against a mark in which the complainant has rights and (C) for the purposes of unfairly disrupting the business of the complainant. Sub-clause 3(a)(ii) provides that the factors also include circumstances indicating that the Respondent is “using the disputed 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 to the Complainant”.

6.6 The Dispute Resolution Service procedure is one in which the parties provide written evidence and submissions. There are no oral proceedings and no testing of the evidence. The expert accordingly has to evaluate the written material and give it such weight as is appropriate in order to reach a conclusion on the balance of probabilities.

6.7 According to the Appeal Panel decision in the Seiko case (DRS 00248) whether a registration is an abusive registration under the DRS Policy is independent of whether a Domain Registration is an infringement of trade mark and should be decided under the terms of the DRS Policy alone. The same decision also makes clear, however, that the relevant principles of English law should be applied in determining whether the Complainant has Rights under the Policy and that the Policy is founded on the principle of intellectual property rights which should be taken into account.

6.8 The complainant has a long-established business in a range of industrial tools and equipment under the name LEISTER and is the exclusive licensee under registered trade marks of which the name LEISTER is the key distinctive element covering its products. Accordingly, I have no hesitation in concluding that the complainant has Rights for the purposes of the DRS Policy. I am equally clear that the respondent was well aware of the complainant's Rights as a long-standing reseller of the complainant's products in the UK. The requirements of Clause 2(a)(i) of the DRS Policy are accordingly satisfied.

6.9 I turn therefore to whether the Disputed Domain is an Abusive Registration in the hands of the Respondent. First, there is no doubt that the Disputed Domain blocks the registration by the complainant of a domain in the complainant's name. It is equally clear that the respondent has no independent right to the name. That others might legitimately have registered the Disputed Domain for their businesses is irrelevant. What matters is the respondent's position. The respondent's only possible claim to the Disputed Domain must derive from its position as a reseller of the complainant's products. The respondent implicitly recognises this in its assertion that it uses the Disputed Domain to the benefit the complainant and its distributors.

6.10 I have no hesitation in rejecting the respondent's claim that it registered the Disputed Domain with the consent and encouragement of the complainant's UK distributor. There is no evidence to support the claim and it is intrinsically unlikely: had the complainant wanted to register the Disputed Domain, it would have done so itself, as it did with leister.com. The respondent has a history of registering domains containing the brands of well-known power tool and industrial equipment manufacturers. It says that this was with their consent but its reasons are not credible. The suggestion that organisations like Panasonic and Hitachi are insufficiently resourced or familiar with the internet to register the relevant domains themselves is beyond belief. I do not know the position in relation to Cat, the registration of which is specifically relied upon by the respondent. Whilst I doubt the respondent's claims, I am prepared to assume they are true. They cannot affect the position in relation to the other domains I have mentioned above which were plainly registered without the consent of the brand owners. It seems to me that there is a pattern here: the respondent does seek to register domains containing the brand names of the manufacturers of equipment which it is interested in reselling. It can only be doing this to obtain a commercial advantage for itself by preventing those manufacturers from registering the domains themselves. It follows that the Disputed Domain is a blocking registration under clause 3(a)(i)(B) of the DRS Policy.

6.12 Next I consider whether the Disputed Domain has been used in a way which has confused or is likely to confuse people or businesses into believing that it is operated or authorised by the complainant. In view of the facts I have set out above, it seems to me that this complaint is made out. Whilst I accept that the respondent's website operates under its own name, it also promotes itself as representing Leister, purporting to give contact details for Leister and being able to receive queries and comments for them. The respondent's admission that it has passed purchase enquiries on to the complainant's distributors confirms that the website has attracted enquiries from people who think that it is connected with or

authorised by the complainant. The fact that the respondent's website does not look like the genuine website operated by the claimant at www.leister.com is entirely irrelevant: this fact could only be known to those who are familiar with both websites. In any event, it would not deter anyone from thinking that the respondent's website was that of an authorised distributor. Accordingly, it seems to me that the submissions of both parties support the conclusion that the Disputed Domain has been used as envisaged in Clause 3(a)(ii) of the DRS Policy and is accordingly abusive on this ground also.

6.13 Finally, the complainant has argued that the Disputed Domain was registered for the purpose of unfairly disrupting the complainant's business. This is always a difficult claim to determine unless the respondent is using a domain deliberately to divert business from the complainant. In the present case it seems to me that the facts set out above and relied upon by the complainant in support of the allegation that the Disputed Domain has been used so as to confuse people or businesses also support this allegation. If the respondent uses the Disputed Domain in a way which represents that it is authorised by the complainant, it will necessarily disrupt the complainant's contact with its actual and potential customer base. That must inevitably disrupt the complainant's business. Accordingly, I find that the Disputed Domain is an Abusive Registration under Clause 3(a)i)(C) of the DRS Policy.

7. Decision

I direct that the domain leister.co.uk be transferred to the complainant.

Signed: Michael Silverlead

Dated: 13 July 2010