

DISPUTE RESOLUTION SERVICE

D00009662

Decision of Independent Expert

Broadwood International

and

Mr Mark Page

1. The Parties:

Complainant: Broadwood International
Old Station Way
Bordon Trading Estate
Bordon
Hampshire
GU35 9HH
United Kingdom

Respondent: Mr Mark Page
8 Winchester Road
Frinton On Sea
Essex
CO13 9JB
United Kingdom

2. The Domain Name:

<snowex.co.uk> (“the Domain Name”)

3. Procedural History:

08 April 2011 16:22 Dispute received
11 April 2011 09:42 Complaint validated
11 April 2011 09:47 Notification of complaint sent to parties

26 April 2011 08:44 Response received
26 April 2011 08:44 Notification of response sent to parties
03 May 2011 02:30 Reply reminder sent
05 May 2011 15:42 Reply received
05 May 2011 15:43 Notification of reply sent to parties
05 May 2011 15:43 Mediator appointed
12 May 2011 10:43 Mediation started
20 May 2011 16:12 Mediation failed
20 May 2011 16:13 Close of mediation documents sent
25 May 2011 09:45 Expert decision payment received
26 May 2011 10:05 Expert appointed with effective date of 1 June 2011

4. Factual Background

The Complainant is a UK registered private unlimited company. It is an importer and distributor of mechanical equipment and machinery. It sells a range of winter maintenance products branded “Snowex” including salt and grit spreaders and de-icing and snow-control equipment.

The Complainant is the proprietor of Community Trade Mark number 3984176 for the figurative mark SNOWEX, registered on 18 November 2005 for spreaders for handling sand and salt and related goods under International Class 07.

The Respondent is the proprietor of a company named Loadlift Limited (“Loadlift”). Loadlift was an authorised dealer in the Complainant’s products from late 2003 until 22 February 2011.

The Respondent registered the Domain Name on 15 June 2004.

5. Parties’ Contentions

The Complaint

The Complainant asserts that it had used the name “Snowex” for at least two years prior to the registration of its Community Trade Mark.

The Complainant states that Loadlift became a dealer of the Complainant’s products in late 2003. The Respondent registered the Domain Name without the Complainant’s permission in June 2004. The Respondent has never had any association with the name or mark that is independent of his relationship with the Complainant.

In November 2005 the Complainant sent the Respondent a letter concerning the use of its registered trade marks including SNOWEX. The letter made clear that while the Complainant welcomed the use of its marks for marketing purposes, this was subject to adherence to a trade mark licence agreement. The letter also stated

that the use of the Complainant's trade marks "to form part or all of a web site or email address" was strictly prohibited.

The Complainant also exhibits an (unsigned) trade mark licence agreement which states that the licensee is entitled to use the trade marks only in connection with the Complainant's goods and only for the period of the licence agreement.

The Complainant requested a transfer of the Domain Name from the Respondent in July 2006. By a letter dated 25 July 2006 the Respondent offered to transfer the Domain Name for £38,000 or alternatively "to continue our current arrangement." As the Complainant was unwilling to pay a "ransom" to the Respondent it did not accept the Respondent's offer.

On 20 April 2010, Loadlift signed the Complainant's "Dealer Registration Form" in the capacity of "Continuing Dealer". The form confirmed (among other matters) that Loadlift had signed a current Trade Mark Licence Agreement and agreed to abide by the terms thereof.

By a letter dated 31 January 2011 the Complainant gave Loadlift notice of termination of its "Broadwood Dealer Status" as of 22 February 2011. The letter stated that "after this date you will no longer be able to source products or parts from Broadwood." The letter went on to give notice of the Trade Mark Licence Agreement on 22 February 2011 and to demand that Loadlift cease to use the Complainant's trade marks including SNOWEX by that date. The letter also demanded the transfer of three domain names relating to the Complainant's trade marks including the Domain Name.

The Respondent failed to respond to the Complainant's letter, but in response to a subsequent letter from its solicitors he offered in a letter dated 21 February 2011 to transfer the Domain Name for £10,000, or £35,000 for all three names that the Complainant was seeking. His letter stated: "This offer is valid until the 28th of February 2011, after which time my solicitor will be reopening negotiations with parties in Europe and America who have already expressed an interest in obtaining these."

At the same time, the Respondent updated the website linked to the Domain Name to offer the products of "Saltdogg" a competitor of the Complainant. The website was also updated to refer to "Gritex" products, bearing a trade mark which was visually similar to the Complainant's SNOWEX mark. As at 23 February 2011 the Domain Name was set to resolve to a website controlled by the Respondent at www.gritex.co.uk.

Following a further approach from the Complainant's solicitors the Domain Name was set to resolve to a "parking page".

The Complainant asserts that in the circumstances the Domain Name was registered, or has subsequently been used, in a manner that takes unfair advantage of and is unfairly detrimental to the Complainant's Rights for the purposes of the Nominet Dispute Resolution Service Policy ("the Policy"). In particular, the Complainant submits that:

- (a) The Respondent registered the Domain Name primarily for the purpose of selling it to the Complainant or a competitor for valuable consideration in excess of the Respondent's out-of-pocket costs (paragraph 3.a.i.A of the Policy). This is evident from the Respondent's offers to sell the Domain Name to the Complainant for (most recently) £10,000 and his threats to sell it to a third party.
- (b) The Respondent registered the Domain Name primarily as a blocking registration (paragraph 3.a.1.B of the Policy). The Respondent realised that the Domain Name would be of interest to the Complainant and registered a name that the Complainant and only the Complainant was entitled to register.
- (c) The Respondent registered the Domain Name primarily for the purpose of unfairly disrupting the business of the Complainant (paragraph 3.a.i.C of the Policy). This is evident from the Respondent's offering of competing goods from a website linked to the Domain Name.
- (d) The Respondent is using or threatening to use the Domain Name in a way that 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 (paragraph 3.a.ii of the Policy). This is evident from the Respondent's activities. The fact that the Domain Name now resolves to a "parking page" still constitutes a "threat".

The Complainant adds that any legitimate use that the Respondent might have made of the Domain Name in the past has now comprehensively ended. Further, the Domain Name is neither generic nor descriptive and the Respondent is not making fair use of it.

The Complainant seeks a transfer of the Domain Name.

The Response

The Respondent states that in June 2004 he raised with Lloyd Clewer, the Complainant's account manager for Loadlift, the fact that the Complainant did not have an internet presence for "Snowex". Mr Clewer replied that the Complainant did not wish to make use of the internet for religious or ethical reasons. However he had no objection to the Respondent registering the Domain Name in order to promote the Complainant's products. The Respondent exhibits a letter from Mr Clewer dated 20 April 2011 confirming the same.

The website established by the Respondent was very successful. It generated not only a significant volume of sales but also a strong internet presence for "Snowex". The price requested for the Domain Name by Loadlift in 2006 reflected the amount spent by Loadlift on Google advertising and the value of goodwill generated by Loadlift's promotion of the "Snowex" name.

When the Complainant declined Loadlift's offer in 2006 it was agreed that Loadlift would continue to operate the Domain Name and that the Complainant would register another name of its own.

In March 2008 Loadlift received a letter from Roy Wolfenden of the Complainant. While the letter objected to the Respondent offering discounted prices, it acknowledged that the Respondent was successfully promoting the Complainant's products on its website and stated that the Complainant wanted to assist the Respondent in so doing.

The Complainant terminated its trading relationship with Loadlift abruptly and without reason. Upon the Complainant again demanding a transfer of the Domain Name, the Respondent offered to transfer it for £10,000. This was a fair price which reflected the value of sales achieved (Loadlift had done around £1m worth of business with the Complainant), the cost of Google AdWords (£67,000 over seven years) and other costs of promoting the domain.

Upon the Complainant's refusal of the above offer, the Domain Name was redirected to a UK2 holding page.

In summary:

- (a) the Domain Name was registered in good faith with the prior agreement of the Complainant;
- (b) Loadlift has used the Domain Name for seven years with the knowledge, consent and approval of the Complainant; and
- (c) the price that the Respondent has offered to accept for the Domain Name and associated goodwill is fair.

The Reply

In its Reply, the Complainant states that Mr Lloyd Clewer was a salesman employed by the Complainant and did not have authority to bind the company as suggested by the Respondent.

It further states that the letter from Roy Wolfenden referred to pricing issues and could not be taken as an endorsement of the Respondent's use of the Domain Name.

Although the Complainant has offered to pay the Respondent's documented out-of-pocket costs associated with the Domain Name, the Respondent has declined to provide details of those costs.

The Complainant reiterates that, following its proper termination of the relationship with Loadlift, the Respondent used the Domain Name to advertise the products of the Complainant's competitors and threatened to sell the Domain Name to third parties.

6. Discussion and Findings

This matters falls to be determined under the Policy and the Nominet Dispute Resolution Service Procedure (“the Procedure”). Under paragraph 2 of the Policy:

- (a) *A Respondent must submit to proceedings under the Dispute Resolution Service if a Complainant asserts to [Nominet], according to the Procedure, that:*
 - (i) *the Complainant 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.*
- (b) *The Complainant is required to prove to the Expert that both elements are present on the balance of probabilities.”*

Under paragraph 1 of the Policy the term “Rights”:

“includes, but is not limited to, rights enforceable under English law...”

Also under paragraph 1 of the Policy, the term “Abusive Registration” means a domain name which either:

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

Paragraph 3 of the Policy sets out a non-exhaustive list of factors that may be evidence that a domain name is an Abusive Registration. Paragraph 4 sets out a non-exhaustive list of factors that may be evidence that it is not. However, all these factors are merely indicative of, and subject to, the overriding test of an Abusive Registration as set out above.

Rights

The Complainant has established that it is the owner of Community Trade Mark number 3984176 for the figurative mark SNOWEX, registered on 18 November 2005 for spreaders and other cold-weather equipment.

The Complainant’s mark SNOWEX is identical to the Domain Name, ignoring the formal suffix “.co.uk”.

In the circumstances, it is clear that the Complainant has Rights in respect of a name or mark which is identical or similar to the Domain Name and the first limb of the test under paragraph 2 of the Policy has been met.

Abusive Registration

In this case, I am satisfied that the Respondent both registered the Domain Name and used it for a number of years in circumstances that were not abusive.

Although the Complainant asserts that Mr Lloyd Clewer had no authority to authorise the Respondent to register and use the Domain Name, I find this argument neither persuasive nor particularly relevant in view of the Respondent's open use of the Domain Name for several years to promote the Complainant's products. While it is clear that the Complainant sought to obtain the Domain Name by agreement in 2006, when no agreement was reached, it continued to at least tolerate the Respondent's use of the Domain Name until February 2011.

In the circumstances, I reject the Complainant's submissions that the Respondent registered the Domain Name primarily for the purpose of selling it for a sum in excess of its out-of-pocket expenses, as a blocking registration or in order to disrupt the business of the Complainant.

Since February 2011, however, different considerations apply. The Complainant has terminated its supplier agreement with the Respondent and the attendant trade mark licence and has indicated that the Respondent will no longer be able to access the Complainant's products. While I express no view on the propriety of these actions, it is clear that the Respondent has ceased *de facto* to offer the Complainant's goods for sale or to have any authority, whether express or implied, to use the Complainant's trade mark SNOWEX for that purpose.

The Domain Name in this case consists of the name and registered trade mark SNOWEX without any addition or adornment (other than the formal suffix ".co.uk").

There is no evidence that the name SNOWEX is generic or descriptive or that it has any meaning in the UK other than to refer to the Complainant's products. Indeed, it is common ground in this case that the Domain Name was registered specifically for the purpose of referring to and promoting those products.

In these circumstances, I infer that an internet user who types a URL comprising the Domain Name, or finds it as the result of a search, is likely to do so in the expectation that it will lead to the Complainant's own, or authorised, website. Where a domain name of this kind does not resolve to the trade mark owner's own or authorised website, the registration is liable to be abusive, as causing "initial interest confusion" which takes unfair advantage of a complainant's Rights (see e.g. the decision of the appeal panel in *Emirates -v- Michael Toth* DRS 8634). This arises from the inherent nature of the domain name and is not dependent upon any particular conduct of the respondent, other than the use of the domain name itself.

I find, therefore, that since the termination of the supplier relationship and trade mark licence, and with it any licence or permission to use the Complainant's trade mark, the Respondent's continuing use of the Domain Name amounts to use, or threatened use, 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. This likelihood follows from the inherent nature of the Domain Name, as an “unadorned” use of the Complainant’s trade mark.

While that is sufficient to establish an Abusive Registration in this case, it is also relevant that the Respondent took certain actions in response to the Complainant’s termination of the business relationship with Loadlift and demand for a transfer of the Domain Name. It is not disputed that, for a period of time, he used the Domain Name to resolve to a website offering products that competed with those of the Complainant. Nor is it disputed that he threatened to negotiate a sale of the Domain Name to third parties abroad if the Complainant did not agree to his price for a sale. While I express no view on the value that the Respondent places upon the Domain Name, it is clear that his demand for £10,000 exceeds the Respondent’s “documented out-of-pocket costs directly associated with acquiring or using the Domain Name.” While the Respondent did not register the Domain Name primarily for this purpose, I find that both the matters referred to above amount to use of the Domain Name in a manner that took unfair advantage of, or was unfairly detrimental to, the Complainant’s Rights.

Accordingly, in the light of my conclusions as set out above, I find that the registration is an Abusive Registration in the hands of the Respondent and that the second limb of the test under paragraph 2 of the Policy is satisfied.

7. Decision

The Complainant has established for the purposes of the Policy that it has Rights in respect of a name or mark which is identical or similar to the Domain Name and that the Domain Name, in the hands of the Respondent, is an Abusive Registration. The Complaint therefore succeeds and I direct that the Domain Name be transferred to the Complainant.

Signed: Steven A. Maier

2 June 2011