

DISPUTE RESOLUTION SERVICE

D00011097

Decision of Independent Expert

Elite Machine Knives Ltd

and

Mr Paul Harris

1. The Parties:

Lead Complainant: Elite Machine Knives Ltd
Unit 220E Newhall Road
Attercliffe
Sheffield
South Yorkshire
S9 2QL
United Kingdom

Complainant: Miss Susan Clarke
Unit 220E Newhall Road
Attercliffe
Sheffield
South Yorkshire
S9 2QL
United Kingdom

Respondent: Mr Paul Harris
34 Thornbridge Drive
Sheffield
South Yorkshire
S12 4YF
United Kingdom

2. The Domain Name(s):

elitemachineknives.co.uk ("the Domain Name").

3. Procedural History:

The Complaint was submitted to Nominet on 23 March 2012. On the same date, Nominet validated the Complaint and notified it to the Respondent. The Respondent was informed in the notification that he had 15 working days, that is, until 17 April 2012 to file a response to the Complaint.

On 13 April 2012 the Respondent filed a Response. The Complainant did not file a Reply to the Response and the case proceeded to the mediation stage on 23 April 2012. On 11 May 2012, Nominet notified the parties that mediation had been unsuccessful and invited the Complainant to pay the fee for referral of the matter for an expert decision pursuant to paragraph 8 of Nominet's Dispute Resolution Service Procedure Version 3 ("the Procedure") and paragraph 7 of the corresponding Dispute Resolution Service Policy Version 3 ("the Policy"). On 24 May 2012, the Complainant paid the fee for an expert decision. On 25 May 2012, Andrew D S Lothian, the undersigned, ("the Expert") confirmed to Nominet that he was not aware of any reason why he could not act as an independent expert in this case. Nominet duly appointed the Expert with effect from 31 May 2012.

4. Factual Background

The Complainant is a limited company based in Sheffield, UK which is a manufacturer of machine knives used in the paper, plastic, packaging and food processing industry. A director of the Complainant began trading as a sole trader under the name Elite Machine Knives in December 2003 and subsequently incorporated the company Elite Machine Knives Limited in March 2008. The Complainant began trading as the limited company from June 2008.

The Respondent registered the Domain Name on 11 February 2011. The registrant type on the WHOIS is specified as "UK Individual". As at the date of this Decision, the website at the Domain Name redirected to the website of WDA Machine Knives Limited at the domain name <wdaknives.co.uk>. WDA Machine Knives Limited is a competitor of the Complainant.

5. Parties' Contentions

Complainant

The Complainant asserts that the Domain Name is the same as its trading

name for which it is recognised. The Complainant claims to have used its trading name for the past fourteen years and notes that it is reproduced on its letterhead which features on all of its paperwork including purchase orders, quotations, invoices and company accounts. The Complainant also notes that its trading name is etched on to some of its components.

The Complainant states that its components are used in machinery worldwide and that it also sells direct from its factory premises. The Complainant sets out its history as noted in the Factual Background section above and explains that it has seen steady growth which enabled it to expand with new machinery and larger premises while creating jobs for two new employees and an apprentice.

The Complainant notes that the Respondent is known to the directors of the Complainant. The Complainant states that Darren Phillips (a director of the Complainant) and his brother Wayne Phillips worked with Andrew Harris (brother of the Respondent) and the Respondent for around 19 years at a company named Wolstenholme Machine Knives Limited and that these individuals socialised together out of work hours.

The Complainant states that W D A Machine Knives Limited was founded by Andrew Harris and Darren and Wayne Phillips. The Complainant says that Darren and Wayne Phillips left W D A Machine Knives Limited in 2003 when Darren Phillips and Susan Clarke set up the Complainant. The Complainant also notes that Darren Phillips and Susan Clarke continued to do work for W D A Machine Knives Limited between 1 December 2003 and 9 April 2005.

The Complainant states that in February 2011 it notified its customers that it was relocating to larger premises and was installing new machinery and that it believes that the registration of the Domain Name coincided with this activity. The Complainant notes that the Respondent is one of the directors of W D A Machine Knives Limited and states that this company is one of the Complainant's competitors. The Complainant states that the Respondent is listed on the WhoIs for the Domain Name as a non-trading individual.

The Complainant notes that it is in the process of having a web site designed and that the Domain Name was brought to its attention by its web designer. The Complainant states that one of its customers was looking for the Complainant's new site and telephoned the Complainant to advise that he had been forwarded to the website of W D A Machine Knives Limited. The Complainant submits that the Domain Name is an Abusive Registration because of the said automatic forwarding of traffic to its competitor. The Complainant claims that it is able to obtain evidence or statements from its customers regarding their having logged on to the site at the Domain Name.

The Complainant submits that the Respondent registered the Domain Name solely to cause damage to the Complainant's business and to cause confusion among the Complainant's customers, by automatically forwarding potential and existing customers to a competing website. The Complainant also

submits that the Respondent registered the Domain Name to prevent the Complainant from registering it as an aid to expanding its customer base.

Respondent

The Respondent notes his shock and surprise at receiving the Complaint. The Respondent confirms that he has known Darren Phillips and Susan Clarke for more than thirty years and states that he cannot understand why the Complainant required to bring the Complaint.

The Respondent notes that when the Complainant incorporated in 2008 it registered the domain names <eliteknives.info> and <elitemachineknives.com> and did not attempt to register the Domain Name. The Respondent states that in February 2011, some four years after the Complainant's incorporation and three years after the Complainant's registration of its own domain names, W D A Machine Knives Limited was looking to purchase domain names with the words "MachineKnives" in the title for their marketing strategy. The Respondent believes that the reason for the Complaint is that the Complainant has seen the marketing strategy and wishes to stop W D A Machine Knives Limited from using the Domain Name.

The Respondent notes that the Domain Name was purchased for a marketing strategy to exclusively advertise and promote W D A Machine Knives Limited and for no other purpose because it contains the term "MachineKnives" which is the business of W D A Machine Knives Limited.

The Respondent notes that the term "MachineKnives" denotes the product which W D A Machine Knives Limited designs, promotes, manufactures and sells. The Respondent states that the company mission of W D A Machine Knives Limited is to promote, manufacture and sell outstanding machine knives which it produces from its factory in Sheffield where it proudly employs a number of local staff, including a former apprentice of three years' service and a second apprentice of two years' standing.

The Respondent notes that when the Domain Name is entered it does not say, imply or hint of anything detrimental to the Complainant and causes no damage to the Complainant's name or reputation. The Respondent submits that what the Domain Name does do is advertise the Respondent's business as it was intended to do.

The Respondent denies that there is any likelihood of confusion being caused to the Complainant because the Domain Name redirects to the home page of W D A Machine Knives Limited which clearly states that W D A Machine Knives Limited is the owner of the site in five different places thus leaving visitors in no doubt.

The Respondent denies that the Domain Name was registered to prevent the Complainant from registering it as an aid to expanding the Complainant's customer base because the Complainant had three years to register the Domain Name and chose not to do so, instead registering two other domain names. The Respondent adds that it has also take the Complainant a further year to complain. The Respondent notes that until recently the Complainant was hosting its website at <www.eliteknives.info> while <elitemachineknives.com> redirected to <www.eliteknives.info>.

The Respondent also notes that until a change on 2 April 2012, the URL at <http://www.applegate.co.uk/engineering/elite-machine-knives-2260380.htm> showed a different website link which pointed to a third party website, namely <www.eliteknives.com>. The Respondent speculates that this may be the cause of the Complainant's confused customer's problems.

6. Discussions and Findings

General

In terms of paragraph 2(b) of the Policy the onus is on the Complainant to prove to the Expert on the balance of probabilities each of the two elements set out in paragraph 2(a) of the Policy, namely 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.

Complainant's Rights

Paragraph 1 of the Policy provides that Rights means "rights enforceable by the Complainant, whether under English law or otherwise, and may include rights in descriptive terms which have acquired a secondary meaning".

The requirement to demonstrate Rights under the Policy is not a particularly high threshold test. Rights may be established in a name or mark by way of a trade mark registered in an appropriate territory, or by a demonstration of unregistered so-called 'common law rights'.

In the present case, the Complainant focuses on the fact that it has been using the name Elite Machine Knives as its trading name since 2003. The Complainant also states that the name has been in use for some fourteen years, which would take the commencement of such use back to 1998, although the 1998/2003 discrepancy is not adequately explained. It may be that the Complainant means four years rather than fourteen and has simply made a typographical error here; four years would make sense in the context

that, although the Complainant has a longer trading history pre-incorporation, it incorporated in 2008 and thus has used the name as a limited company for four years.

The Expert notes that in claiming rights in its trading name the Complainant is effectively claiming an unregistered trade mark in the term Elite Machine Knives. Unfortunately, however, the Complainant tells the Expert very little as to the nature or extent of the Complainant's business to assist the Expert in considering whether such a right exists.

Paragraph 2.2 of the Expert's Overview document provides a guide as to what is required for a complainant to prove that it has rights in an unregistered trade mark:

If the right is an unregistered trade mark right, evidence needs to be put before the Expert to demonstrate the existence of the right. This will ordinarily include evidence to show that (a) the Complainant has used the name or mark in question for a not insignificant period and to a not insignificant degree (e.g. by way of sales figures, company accounts etc) and (b) the name or mark in question is recognised by the purchasing trade/public as indicating the goods or services of the Complainant (e.g. by way of advertisements and advertising and promotional expenditure, correspondence/orders/invoices from third parties and third party editorial matter such as press cuttings and search engine results).

In the present case, the Complainant has clearly used its trading name for a not insignificant period, whether the commencement of such use is taken to be 2003 or 1998. However, the degree to which it has used the name is not described in much detail. The Expert is conscious of the fact that the name Elite Machine Knives is itself somewhat descriptive of the goods sold by the Complainant given that "Machine Knives" refers to the goods themselves while the word "Elite" may be argued to be merely laudatory and itself non-distinctive, and perhaps merely suggestive that the Complainant's products are of superior quality. As noted above, however, the Policy's definition of Rights includes rights in descriptive terms which have acquired a secondary meaning, such that it is possible for the Complainant to show rights in the name Elite Machine Knives if it is also able to show that, through the Complainant's use of the term, it has developed an additional meaning which is associated with the Complainant.

The Expert notes that the Complainant has used its name on purchase orders, quotations, invoices and company accounts, together with online media, for the entire period of its existence. Furthermore, and of perhaps greater importance, the Complainant avers that its trading name is etched on to certain components which are used in machinery worldwide, presumably with a view to securing repeat business and more generally to advertise the company's name and products. The Complainant also notes that it sells direct from factory premises and has seen steady growth allowing it to expand and create jobs, thus indicating to the Expert that the name has been associated

with a business which is likely to be of some substance. The Respondent does not take issue with any of the Complainant's averments on this topic. In the Expert's view, the evidence is sufficient, albeit barely, for the Expert to find that the Complainant's use of the name Elite Machine Knives has caused the term to acquire a secondary meaning which is associated with the Complainant and its business.

As noted above, the threshold for a demonstration of Rights under the Policy is relatively low and the Expert is of the view that the Complainant has just managed to cross this due to the evidence provided as to the Complainant's length of trading under the name Elite Machine Knives and the substance of the Complainant's business, together with the submission that the name has been etched into components which have been installed into packaging machinery on a worldwide basis.

Having found that the Complainant has Rights in the name Elite Machine Knives the Expert must compare this to the Domain Name in order to assess whether it is identical or similar to the Domain Name. The Expert first disregards the top and second levels of the Domain Name, namely .uk and .co respectively, on the grounds that these are required for technical reasons only and are wholly generic. The Expert notes that the only difference between the Domain Name and the name in which the Complainant has Rights is the spaces between the three words in the Complainant's name. The Expert finds that this difference is also of no significance, given that spaces are not permissible in a domain name, again for technical reasons.

In all of these circumstances, the Expert finds that the Complainant has proved on the balance of probabilities that it has Rights in a name which is identical to the Domain Name.

Abusive Registration

Paragraph 1 of the Policy defines "Abusive Registration" as a domain name which either:

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

This general definition is supplemented by paragraph 3 of the Policy which provides a non-exhaustive list of factors which may be evidence that the Domain Name is an Abusive Registration. Paragraph 4 of the Policy provides a similar non-exhaustive list of factors which may be evidence that the Domain Name is not an Abusive Registration.

In the present case, the Complainant asserts that the Domain Name was registered either primarily as a blocking registration against a name or mark in which the Complainant has Rights in terms of paragraph 3(a)(i)(B) of the Policy, or primarily for the purpose of unfairly disrupting the business of the Complainant in terms of paragraph 3(a)(i)(C) of the Policy. The Complainant also contends that the Respondent has used 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 terms of paragraph 3(a)(ii) of the Policy.

For his part, the Respondent asserts that the Domain Name was registered on a first-come-first-served basis for the Respondent's company's own marketing strategy and that it was selected purely because it contains the words "MachineKnives". The Respondent says that these words are descriptive of the Respondent's business and that there is no likelihood of confusion, effectively in part a submission in terms of paragraph 4(a)(ii) of the Policy.

The general thrust of the Complainant's submissions is that the Respondent registered and used the Domain Name in order to target the Complainant's Rights in its trading name, of which the Respondent was well aware. The Respondent however would have the Expert believe that the past relationship between the Parties and the fact that they are clearly competitors based in the same location is of no significance whatsoever. The Respondent likewise asks the Expert to believe that his selection of the Domain Name was entirely independent of any connection which the name Elite Machine Knives might have to the entity founded by his former business associates and that he chose the Domain Name simply because it contained a term descriptive of his company's business.

It is plain to the Expert that this is a case in which both of the Parties know one another well and indeed their respective businesses trade in the same or similar goods and are based in the same city. This is true today and it was true as at the date of registration of the Domain Name. Both the Complainant and the Respondent acknowledge their mutual past history in their submissions and the Expert has no doubt that as a consequence the Respondent was well aware of the Complainant's trading name before he registered the Domain Name. As the Respondent had the requisite knowledge of the Complainant's Rights, it is not beyond the bounds of probability that he registered the Domain Name with intent to target these.

Having considered all the circumstances of the case, the Expert has reached the conclusion that the Complainant's submissions on Abusive Registration are to be preferred to those of the Respondent. In the opinion of the Expert, the Domain Name is highly unlikely to have been selected by the Respondent for any reason other than that it is the trading name of the Complainant. The Respondent's assertion that his registration of the Domain Name was an entirely unconnected event which arose from an independent marketing

campaign strains credulity particularly when set against the Respondent's evident knowledge of the Complainant and his past history with the Complainant's founders.

In reaching the above conclusion, the Expert has considered but is unable to attach significant weight to two arguments put forward by the Respondent. First, with regard to the Respondent's assertion that the Domain Name is generic or descriptive, the Expert considers that the name Elite Machine Knives, while somewhat descriptive, has acquired a secondary meaning relative to the Complainant and its business, as discussed in the preceding section. The Expert is of the view that the combination of the words in the order in which they appear in the Domain Name denotes the Complainant's trading name and furthermore that the Respondent was well aware of this when he registered the Domain Name.

Secondly, turning to the Respondent's use of the Domain Name, the Respondent's contention is that no confusion could be caused to people or businesses because the website to which the Domain Name forwards clearly indicates that it is the Respondent's business rather than that of the Complainant. The Expert considers that the Respondent's approach does not take account of confusion which may occur before the website is reached. The Expert Overview provides a useful explanation on this topic in paragraph 3.3:

Commonly, Internet users will visit web sites either by way of search engines or by guessing the relevant URL. If the domain name in dispute is identical to the name of the Complainant and that name cannot sensibly refer to anyone else, there is bound to be a severe risk that a search engine, which is being asked for the Complainant, will produce high up on its list the URL for the web site connected to the domain name in issue. Similarly, there is bound to be a severe risk that an Internet user guessing the URL for the Complainant's web site will use the domain name for that purpose.

In such cases, the speculative visitor to the registrant's web site will be visiting it in the hope and expectation that the web site is a web site "operated or authorised by, or otherwise connected with the Complainant." This is what is known as 'initial interest confusion' and the overwhelming majority of Experts view it as a possible basis for a finding of Abusive Registration, the vice being that even if it is immediately apparent to the visitor to the web site that the site is not in any way connected with the Complainant, the visitor has been deceived. Having drawn the visitor to the site, the visitor may well be faced with an unauthorised tribute or criticism site (usually the latter) devoted to the Complainant; or a commercial web site, which may or may not advertise goods or services similar to those produced by the Complainant. Either way, the visitor will have been sucked in/deceived by the domain name.

Findings of Abusive Registration in this context are most likely to be made where the domain name in issue is identical to the name or mark of the Complainant and without any adornment (other than the generic domain suffix).

In the view of the Expert, this passage aptly describes the circumstances in the present case. The domain name in issue is identical to the name of the Complainant and is without any adornment. Furthermore, when visitors reach the associated website, they are presented with a commercial site which advertises goods or services similar to those produced by the Complainant. Thus, visitors expecting to find the Complainant's website have already been deceived by the Domain Name when they arrive at the website of the Respondent's company.

In all of these circumstances, the Expert finds both that the Domain Name was registered in a manner which, at the time when the registration took place, was unfairly detrimental to the Complainant's Rights and that it has been used in a manner which has taken unfair advantage of the Complainant's Rights. Accordingly the Expert finds that the Domain Name, in the hands of the Respondent, is an Abusive Registration.

7. Decision

The Expert finds that the Complainant has proved that it has Rights in a name or mark which is identical to the Domain Name and that the Domain Name, in the hands of the Respondent, is an Abusive Registration. The Expert therefore directs that the Domain Name be transferred to the Complainant.

Signed
Andrew D S Lothian

Dated 21 June, 2012