

DISPUTE RESOLUTION SERVICE

DRS 07195

**Decision of Independent Expert
(Summary Decision)**

Machine Building Systems Ltd

and

Thomas Murphy

1. The Parties:

Complainant: Machine Building Systems Ltd
Heage Road Industrial Estate
Ripley
Derbyshire
Postcode DE5 3GH
Country: GB

Respondent: Thomas Murphy
Address: 5 Oak Lane
Preston
Postcode: PR4 3RR
Country: GB

2. The Domain Name(s):

machine-building-systems.co.uk and machinebuildingsystems.co.uk
("the Domain Names").

3. Procedural Background

This dispute was entered into the Nominet system on April 29, 2009. A hard copy of the Complaint was received in full by Nominet on April 30, 2009. On May 5, 2009, Nominet validated the Complaint and took appropriate steps to notify the Respondent of the Complaint. On May 26, 2009 a Response was received from the Respondent. On June 1, 2009 a Reply was received from the Complainant and a mediator was appointed.

Informal mediation having failed to resolve the dispute, on June 26, 2009, the Complainant paid the fee to obtain the expert decision pursuant to paragraph 21 of the procedure for the conduct of proceedings under the Nominet Dispute Resolution Service (“the Procedure”).

On June 26, 2009, Alan L. Limbury, the undersigned, was selected as the Expert. On July 4, 2009, I confirmed to Nominet that I knew of no reason why I could not properly accept the invitation to act as Expert in this case and further confirmed that I knew of no matters which ought to be drawn to the attention of the parties, which might appear to call into question my independence and/or impartiality.

4. Outstanding Formal/procedural Issues

There are no outstanding formal or procedural issues.

5. The Facts

Companies House records show that the Complainant was incorporated in the United Kingdom under the name Mitchell Profile Systems Limited on August 22, 1989 and changed its name to Machine Building Systems Limited on October 20, 1989. It is in the business of general mechanical engineering.

The Domain Names were registered in the name of the Respondent on April 22, 2009. They both lead to the same web site headed, following some pictures, “Aluminium machine building systems”.

6. The Parties’ Contentions

Complainant

The Complainant says the Domain Names are a use of the company name Machine Building Systems Ltd. and are abusive registrations.

The Complainant was established in 1989 as sole distributor in the UK and Ireland for the Item MB Building Kit System, a modular industrial frame building system comprising extruded aluminium profiles and accessories for building special purpose machines. In 2004 the Complainant started

distributing Elcom flat belt conveyors, aimed at the same market of machine builders. The Complainant has spent nearly twenty years trading successfully and building substantial goodwill. It has operated a web site at www.mbsitem.co.uk since 1997.

The Respondent represents Automation Supplies Ltd (ASL), since 2006 a direct competitor of the Complainant, selling a rival aluminium profile system (Valuframe) and conveyor systems, and operating a web site at www.automation-supplies.com.

The use of the Domain Names is likely to dilute the chances of the Complainant's name appearing in Internet search results. Prospective customers happening upon the two web sites might wrongly assume (due to the similarity of the products on offer) that they are visiting the genuine web site of the Complainant, which may result in a diversion of trade.

The registration of the Domain Names prevents the Complainant from using them. It is possible that customers may send email to either of these domains expecting them to reach the Complainant, causing a possible diversion of trade.

The Complainant refers to the following web sites:

<http://www.mbsitem.co.uk>, <http://automation-supplies.com>,

<http://machinebuildingsystems.co.uk> and

<http://machine-building-systems.co.uk>.

Respondent

The Respondent, who appears to be speaking for himself and for ASL, often using the term "we", denies that the Domain Names are abusive registrations, saying the term "Machine building systems" is not a registered trademark and is actually descriptive of the products that ASL and other competitors of the Complainant sell openly in the UK industrial market. The product sold by the Complainant is trademarked "Item". The popular phrase "Machine building system/s", as used in the industry, is a legitimate target phrase for ASL.

A Google search of the phrase "Machine building systems" currently returns 5080 results including competitors of both the Complainant and ASL. The Respondent gives examples of competitors' web sites where the phrase is used descriptively. This is said to be in line with other domains owned by ASL, which uses descriptive phrases for other products it sells.

The Respondent says the allegation that we intend to "Hijack" e-mail intended for the Complainant is unfounded and the supposition on its part that we will make a web site to mislead customers feels also somewhat paranoid. The Complainant has failed to discharge its burden of proof that the registration is abusive so we should be allowed to retain these domain names. The Complainant does not have the rights to the phrase "Machine building system" as it is a commonly used descriptive phrase in the industry. We have to ask ourselves why the Complainant, if motivated to defend its

position now, did not think to register these domains until someone else took the initiative to register URL's containing commonly used key phrases. In attempting to prevent us from using what is a generic industry term as a URL, the Complainant is actually attempting to disrupt our ability and that of others to sell our product in competition with each other.

Reply

The Complainant says the Nominet Dispute Resolution Service does not require a trade mark to be registered. As a descriptive phrase, "machine building systems" is largely meaningless. Many companies supply various niche products to machine builders but none appear to target the phrase "machine building systems" in their marketing strategy.

"Machine Building Systems" is a popular phrase due only to the reputation and goodwill generated by the Complainant in 20 years of trading. The Complainant and ASL compete in the market for modular aluminium extrusions and unless specifically referring to the company "Machine Building Systems Ltd.", it is usual for customers and prospects to refer to "aluminium framework systems", "aluminium profile systems", "machinery frameworks", "modular aluminium extrusions", etc.

In 2004 the Respondent, then a representative of MK Profile Systems, another competitor of the Complainant, wrote an article for Industrial Technology magazine. Although he already had many years of experience working in this niche market he didn't once use the phrase "machine building systems" in his article but did refer to "aluminium frameworks" and "aluminium framework systems" a number of times.

ASL's product "Valuframe" may be a system for building machines but it is sold as being similar to but cheaper than the Item system, hence the emphasis on compatibility with "Item machine building systems" in the meta description tag "Aluminium profile system. Valuframe: Economical aluminium profile systems compatible with Item machine building systems. Call us for a quote." on the Automation Supplies web site <http://aluminium-extrusions-profiles-systems.co.uk>.

The Complainant does not dispute that "machine building systems" is a legitimate target phrase. There is no law against effective keyword placement, use of Google Adwords, etc. The use of the phrase as a domain name however, could be construed as passing off as in the well known "One In A Million" and "Citigroup" cases, amongst others.

The Respondent gives examples of 11 web pages where such phrases are used. Of these, 6 do not use the words "machine building systems" but "machine building system". The remaining 5 are from 3 companies competing in the same niche market as the Complainant and ASL, and clearly targeting the Complainant's customers in their use of keywords.

The Complainant does not dispute the rights to any of the other domains listed as already owned by ASL.

The word “Hijack” is not used in the Complaint. It is clear from the One In A Million judgement that the misrepresentation does not have to be intentional.

As to why the Complainant did not register these domains earlier, it is not obliged to register every permutation of its name as a domain. It has a perfectly well established functioning web site already. However, it already ranks very highly for “Machine Building Systems” through its H1 tags and it was considering using these tags to improve rankings for other important phrases, hence the search for alternative domains

7. Discussions and Findings

GENERAL

Under paragraph 2 of the Dispute Resolution Service Policy (“the Policy”) the Complainant is required to show, on the balance of probabilities, that;

- (1) it has rights in respect of a name or mark which is identical or similar to the Domain Names; and
- (2) the Domain Names in the hands of the Respondent are Abusive Registrations.

Complainant’s Rights

“Rights” are defined in the Policy as “rights enforceable by the Complainant, whether under English law or otherwise, and may include rights in descriptive terms which have acquired a secondary meaning”.

I take the view, contrary to that expressed in Case DRS 4001, that the incorporation of a company under a particular name does not of itself give rise to an enforceable right to prevent others using that name. As was said in Case DRS 0228, the most that can be achieved by that registration alone is that it will block anybody else attempting to register exactly the same name with Companies House. Use of the name in the course of business however, which is what the Complainant appears to allege, may be sufficient to establish rights in passing off.

In order to establish rights in passing off, the Complainant must produce evidence proving that, prior to the filing of the Complaint, it has provided goods or services under an unregistered mark and thereby acquired a reputation such that members of the public would associate those goods or services with the Complainant and not with others not authorized by the Complainant to use the mark.

The Respondent has pointed to descriptive uses of the expressions “machine building system” and “machine building systems” by some competitors in the industry, examples being http://www.applegate.co.uk/engineering/company/co_1095563.htm and <http://www.hotfroguk.co.uk/Companies/Boldman>:

“Boldman is one of the UK’s biggest suppliers of aluminium profile systems. Boldman’s innovative approach to design, manufacture and super fast delivery makes us the complete supplier for all your machine building system requirements”,

“Boldman Ltd and Paletti aluminium profile system for machine building systems...”

However, there is also evidence that the Complainant has traded under the name “Machine Building Systems”, and that that name has been used by trade publications and directories to identify the Complainant as a supplier of products. For example, the May, 2009 issue of Design Solutions includes in a “Website Locator” directory, under the heading “Aluminium Framework Systems”, the entry:

“Machine Building Systems - www.mbsitem.co.uk”.

In the March, 2004 issue of Industrial Technology there appears, on the same page as the article in which the Respondent gives his “*top ten tips for working with aluminium frameworks*”, an article saying:

“With Item’s System 8 modular hinge from Machine Building Systems (MBS) you can configure exactly the hinge you need for your particular application...”

The Respondent relies on a Google search of the expression “machine building systems”. Paragraph 16(a) of the Procedure provides, in part:

“The Expert will decide a complaint on the basis of the Parties’ submissions, the Policy and this Procedure. The Expert may (but will have no obligation to) look at any web sites referred to in the Parties’ submissions”.

I take this as permitting me also to conduct a Google search of that exact phrase. Such a search, conducted on July 6, 2009, produced over 13,000 results. The Complainant’s web site featured in the first 2 results and the Complainant appeared in 8 of the first 10.

The 3rd result, a publication, includes the statement:

“Machine Building Systems is offering Item ESD standard fastening sets for the Line 5 20x20 module, the Line 6 30x30 module and the Line 8 40x40 module” : <http://www.engineeringtalk.com/news/mbs/mbs157.html>.

I conclude that the Complainant has established a reputation in the name “Machine Building Systems” as a source of products used by machine

builders and that it has common law trademark rights in that name despite the fact that that expression (without the capital initial letters) is used by some of its competitors to describe such products. Those rights could, in principle, enable the Complainant to restrain use by others of that name to pass themselves off as the Complainant but not to restrain use by others of those words merely to describe products used by machine builders.

Since the Domain Names wholly incorporate the Complainant's mark, with inconsequential additions, I conclude that the Domain Names are identical or similar to the Complainant's mark.

Abusive Registration

Abusive registration is defined in the Policy as:

"...a domain name which either;

- (i) was registered or otherwise acquired in the 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(a) of the Policy provides a non-exhaustive list of factors that may be evidence that a domain name is an Abusive Registration. Paragraph 4(a) of the Policy sets out a similar list of factors that may be evidence that a domain name is not an Abusive Registration.

The Respondent has been involved for some years in the UK machine building market in competition with the Complainant. Although the words "machine building systems" may be used descriptively, as they are on many of the competitors' web sites to which the Respondent refers, and indeed on the Respondent's own web site to which the Domain Names lead, the Respondent cannot have been unaware, when he registered the Domain Names, of the Complainant and of the name "Machine Building Systems" as an identifier of the source of the Complainant's products.

As stated in Appeal DRS 4884:

"...knowledge of the Complainant's trade mark only gets the Complainant part of the way. When the trade mark in question is a dictionary word, there has to be something more than knowledge of the trade mark to justify a finding of Abusive Registration. Were it otherwise, owners of trade marks which are dictionary words would effectively be able to monopolise the use of such words for domain names".

As mentioned, the home page of the web site to which the Domain Names lead is headed, beneath some pictures, "Aluminium machine building systems" (an unexceptional descriptive use). However, there is no identification of the entity responsible for that site. A click on "Contact Us"

leads to the message: “Click the link here to find out about our aluminium profile system”. This, in turn, leads to a web site clearly identified as belonging to ASL (the Respondent’s company) featuring its Valuframe aluminium profile system, which competes with the Complainant’s Item system.

Some traffic will be attracted to the Respondent’s web site from visitors who enter “machine building systems” into a search engine as a descriptive term and then choose the Respondent’s site from the list produced by the search. Such visitors, not expecting a site associated with the Complainant, will not be confused or deceived by the Domain Names. It is unnecessary to decide whether the Respondent registered the Domain Names in order to gain a higher listing from search engines in light of the high recognition afforded to the Complainant.

However, since those words, when used as an identifier, also constitute the Complainant’s unregistered trademark, the Respondent’s web site is also likely to attract traffic from visitors knowing of and expecting to find the Complainant or its products and who guess that the Complainant’s domain name is one or other of the Domain Names. The absence from the home page of any identification of the entity responsible for the web site and the connection from that web site to ASL and its rival product Valuframe are circumstances indicating that the Respondent is using the Domain Names in a way which is likely to mislead such visitors into believing that the Domain Names are registered to, operated or authorised by, or are otherwise connected with the Complainant.

Under paragraph 3(a)(ii) of the Policy, such circumstances may be evidence that the registrations are Abusive Registrations. For such a conclusion to be drawn it is not necessary to find that the Respondent intended this result so long as he had, as I have found, some knowledge of the Complainant or its name/brand. The test is more objective than that: Appeal DRS 4331. Nevertheless, the absence of any identification of the entity behind the Respondent’s web site (in contrast to the clear identification of the ASL site to which visitors to the Respondent’s web site are encouraged to find their way) leads me to conclude that the Respondent did intend this result, ie. misleadingly to attract to his site visitors expecting to find a site associated with the Complainant.

One of the factors which may be evidence that a domain name is not an Abusive Registration is that the domain name is generic or descriptive and the respondent is making fair use of it. Although the words “machine building systems” may be used descriptively, I find that because the Respondent intended to mislead visitors expecting to find the Complainant into believing that they had reached a site associated with the Complainant, the use by the Respondent of those words as domain names to lead to a web site through which products of the Complainant’s competitor ASL may be obtained, does not amount to fair use by the Respondent.

I therefore conclude that the Domain Names are Abusive Registrations in that they have been used in a manner which took unfair advantage of or was unfairly detrimental to the Complainant's Rights.

8. Decision

I find that the Complainant has proved, on the balance of probabilities, that it has rights in a name which is identical or similar to the Domain Names and that the Domain Names are Abusive Registrations in the hands of the Respondent. I therefore direct that the Domain Names be transferred to the Complainant.

Signed: Alan Limbury

Date: July 7th, 2009