

DISPUTE RESOLUTION SERVICE

DRS 7556

Decision of Independent Expert

1. The Parties:

Complainant: Haddonstone Ltd

Address: The Forge House
East Haddon
Northampton
Northamptonshire
NN6 8DB

Respondent: SM

Address: 33 Grosvenor Gardens
Golders Green
London
NE11 0HE

2. The Domain Name(s):

Technistone.co.uk

3. Procedural History:

- 3.1 On 28 July 2009 the Complaint was filed with Nominet in accordance with the Nominet UK Dispute Resolution Service Policy ("the Policy"). Nominet validated the Complaint and sent a copy of the Complaint to the Respondent, advising the Respondent that the Complainant was using Nominet's Dispute Resolution Service to complain about the registration or use of the Domain Name, and allowing the Respondent fifteen working days within which to respond to the Complaint.
- 3.2 A Response was received on 18 August 2009. The Complainant submitted a Reply, which was received by Nominet on 25 August 2009. The dispute then entered Nominet's mediation stage. Nominet was unable to resolve the issue through mediation.
- 3.3 On 3 November 2009 the Complainant paid the relevant fee to Nominet in order for the matter to be referred to an independent Expert for a full Decision. On 6 November 2009 Bob Elliott was duly appointed as Expert.

- 3.4 Having undertaken an initial review of the Complaint and associated documentation, on 4 November 2009 the Expert asked Nominet to request further documentation from the Complainant (as referred to below), pursuant to paragraph 13.a of the DRS Procedure. After apparently initially being absent on holiday, the Complainant provided that documentation on 18 November 2009.

4. Factual Background

- 4.1 The Complainant is a company which was established in 1971. It is a leading manufacturer and distributor of stonework in the United Kingdom as well as many other countries around the world. Among the products which the Complainant currently distributes are tiles produced by a company based in the Czech Republic called Technistone AS. The terms of the distributorship are governed by an agreement between the Complainant and Technistone AS dated 12 December 2008.
- 4.2 The registrant's details held by Nominet consist of the initials "SM". Nominet's Whois service lists "SM" as a UK individual, and as a non-trading individual who has opted to have their address omitted from the Whois service. It appears to be common ground that the "SM" in question is one Simmy More, the proprietor of a business known as Simmy Ceramics (its current trading status is unclear, although it appears at one stage to have been a UK registered company). Simmy More therefore appears to be the effective Respondent to this Complaint. Simmy Ceramics is a business based in London, importing, stocking and distributing tiles, marble, bathrooms and associated products. Amongst the products which it advertises are a Mirror Diamond range of man-made stone tiles.
- 4.3 The Domain Name was registered by the Respondent on 28 July 2003.

5. Parties Contentions

Complainant's Submissions

Rights

- 5.1 The Complainant relies upon three documents to establish that it has Rights under the Policy.
- 5.2 Firstly, the Complainant says that it "has had a relationship" with Technistone AS since April 2002, which appears to stem from a Consent Order dated 18 April 2002 settling Court proceedings which the Complainant had brought against Southville Associates Ltd, trading as Capital Marble Design, and Technistone AS. The Complainant had brought proceedings for infringement of its registered trade mark TECSTONE, and opposed Technistone AS's application to register the mark TECHNISTONE in the United Kingdom. The full document has not been supplied by the Complainant, but the Complainant says that the terms of settlement provide that the Defendants "shall not carry on business in the United Kingdom under the trading styles TECSTONE or TECHNISTONE...the Defendants shall not in the UK register or use any company or corporate name including the words TECSTONE or TECHNISTONE".

- 5.3 Secondly, the Complainant provided with its Complaint an extract from a trade mark licence dated 1 January 2008 between itself and Technistone AS. The Expert asked the Complainant (through Nominet) for a full copy of this document in view of the limited extent of the extract provided, which has subsequently been forthcoming. The Complainant says that, under the terms of that licence, Technistone AS acknowledged that the Complainant is the owner of the mark TECHNISTONE in the United Kingdom.
- 5.4 Thirdly, the Complainant relies upon the distribution agreement of 12 December 2008 between it and Technistone AS, which it summarised briefly in its Complaint. The Expert also asked for a copy of this document, as it was not initially supplied, and this has also been forthcoming. The Complainant says that the agreement appoints it as the UK distributor of tiles manufactured by Technistone AS, and in its Reply suggests that the appointment is on a basis of some sort of exclusivity, as the Respondent “is currently unable to legitimately supply tiles from Technistone AS”. Following the signing of the distribution agreement, the Complainant has undertaken a number of activities during 2009 to promote the Technistone products, including the inclusion of the products in its catalogue, on its website and in separate showrooms, with associated news releases and mail shots, leading to a formal launch of the Technistone range at the Decorex Exhibition on September 27-30 2009.

Abusive Registration

- 5.5 The Respondent says that Simmy Ceramics has no association to Technistone or itself, and offers products called “Mirror Diamond” which bear a strong resemblance to the “Starlight” range which is manufactured by Technistone AS, and sold by itself in the United Kingdom. The Domain Name is the obvious choice for anyone searching for what the Complainant describes as a well recognised international brand in the United Kingdom. The Respondent uses the Domain Name via deep linking to its own website, to a page which omits all information about Technistone or the Complainant, promoting the “Mirror Diamond” range, and thereby misleads consumers, takes unfair advantage and is unfairly detrimental to the Complainant.
- 5.6 As the commercial origin of the Mirror Diamond product has not been indicated, a false connection is created with the Complainant, so that consumers will believe that they are reading information about “Technistone” products. Such use cannot be conceived of as a genuine offering of goods and services, instead it is likely to lead to a substantial number of such customers wrongly assuming or believing that those products are made by or otherwise connected to the Complainant.
- 5.7 As a company in the business of selling tiles, marble, bathrooms and associated products, the Respondent must have been aware of the Technistone name when registering the Domain Name. The Complainant has never given any authority to the Respondent to register any domain name incorporating the Technistone name. Registering the Domain Name clearly acts as a block to anyone else intending to do so, including the Complainant.
- 5.8 The Complainant also relies upon extracts from the decision of the Expert in DRS 5427 between Silicalia SL and Simmy Ceramics dated 8 April 2008, concerning the domain name compacmq.co.uk. In that case the complainant

tried to argue (unsuccessfully) that, because of similarities between its use of a similar automatic redirection relating to products of a competing company on two occasions, there was a pattern of abusive registration by the respondent. However, the Complainant in this case does not appear to rely upon a pattern of abusive registration. Its purpose in referring to the compacmq.co.uk decision is unclear, but its reliance upon that decision may be related to what it says is the Respondent's intention to use the Domain Name to mislead consumers, and taking unfair advantage of and being unfairly detrimental to the Complainant.

- 5.9 The Complainant seeks the transfer of the Domain Name to itself.

Respondent's Submissions

Rights

- 5.10 The Respondent does not directly dispute the Complainant's claim to have Rights in a mark which is similar to or identical to the Domain Name.

Abusive Registration

- 5.11 The Respondent's case is that, at the time she acquired the Domain Name, her company was selling Technistone AS products (and continues to do so). She explains that Technistone AS is one of a dozen or so manufacturers who produce a line of tiles and slabs using equipment and technology supplied by Breton Manufacturing of Italy. In common with the other producers, the plant and raw materials are acquired from Breton, and the end product is an engineered stone, also referred to as "quartzite" or "man made granite" in tile and slab forms for surfaces.
- 5.12 The Respondent says that the ensuing products look identical, but that the products are named differently, depending upon the manufacturers in question, with brand names such as "Stella", "Mirror Diamond", and "Starlight".
- 5.13 The Respondent says that she had successfully negotiated exclusivity rights for the Technistone AS products, through an intermediate company called "Capitol Marble" (presumably the same company as one of the Defendants to the proceedings brought by the Complainant in 2002 – see 5.2 above), which gave her the sole right to sell and distribute the Technistone AS products in the United Kingdom. As such, her company was the first to introduce this line of products into the United Kingdom, and she says that she spent a considerable amount of time, energy, effort and money in "countless ways" in order to market this new line. She also says she exported the tiles for overseas projects.
- 5.14 The Respondent produces some limited marketing material, referring to the "Mirror Diamond" product and an example of an editorial from Tile-UK magazine. She claims to have spent in the region of £1 million over a 4-5 year period, including displays in exhibitions, and distribution of its "Mirror Diamond" product in over 150 shops, with a full time sales representative, and three vans on the road. The Respondent says that she spent time and effort doing up her showroom, with a significant investment in stock of the Mirror Diamond range.

- 5.15 In more recent years, however, the Respondent says that “trading policies and agents has changed for many of the manufacturers”. Capitol Marble is no longer the sole source of Technistone AS’s tiles, which became available through an ever increasing number of suppliers and stockists. As a result, the Respondent says that she dealt with other suppliers, and indeed, it appears to be the Respondent’s position that, although she still sells tiles which are produced ultimately by Technistone AS, she sells tiles under the Mirror Diamond name which are in fact produced by other suppliers, “for the same and/or similar materials in shades and formats that are not available from Technistone”. By doing so, she says she keeps her options open, and allows the consumer to buy from a variety of suppliers. She nevertheless maintains that at least some of the tiles supplied in this way originate from Technistone AS.
- 5.16 The Respondent says that she had never heard of the Complainant until this issue came to her attention. She acquired the Domain Name because of her company selling tiles which were manufactured by Technistone and notes that it has taken almost eight years for the Complainant to object, which she suggests is noteworthy given that the Complainant says that it has been associated with Technistone AS since 2002.
- 5.17 The Respondent claims that she was perfectly entitled to register the Domain Name on the “first come, first serve” (sic) basis, and that the Complaint is an attempt to brow-beat the Respondent into giving up a domain name on which she has rights “fairly and squarely”. “Bullying is not a tactic I respond to very kindly and I think their complaint should be chucked out by the DRS as this feels very much like a “Reverse Domain name Hijacking” case”.
- 5.18 However, the Respondent does go on to say that, should the Complainant wish to buy the Domain Name from her, she feels “that £72,000 would be but a small price for a domain name promoting a line of products cultivated by me and my company over a great number of years at an absolutely huge expense”.

Complainant’s Reply

- 5.19 The Complainant says that it has now communicated with Technistone AS, “who confirm that they have no knowledge of Simmy Ceramics and have never had any agreement with Simmy Ceramics”. As the Complainant is the UK distributor for tiles manufactured by Technistone AS, “Simmy cannot currently legitimately supply tiles from Technistone even if they have done so at some point in the past”. The Complainant also doubts whether the Respondent would have been able to export tiles, given that Technistone AS does not allow exports which conflict with other distributors.
- 5.20 The Complainant notes that none of the materials supplied by Simmy Ceramics refers to the brand name TECHNISTONE, suggesting that Simmy Ceramics are suppliers of “generic, unbranded, tiles rather than Technistone tiles”, and casts doubt upon the Respondent’s claims of extensive promotional expenditure, based upon filed accounts from 1997.
- 5.21 The Complainant also disputes the Respondent’s claim that all tiles manufactured by the Breton technique look identical, claiming that each manufacturer creates its own distinctive look and uses different raw materials, therefore Technistone tiles “are simply not interchangeable with tiles from

other manufacturers. To use the Technistone name to promote other manufacturer's tiles would constitute passing off".

- 5.22 The Complainant explains the timing of its Complaint (in response to the Respondent's noting the apparent delay involved since 2003), by saying that it has only recently become aware of the Domain Name, since it began actively to sell tiles manufactured by Technistone AS in early 2009. Technistone AS itself apparently use the .com and .eu domains.
- 5.23 The Complainant denies Reverse Domain Name Hijacking, instead asserting that it is merely adopting a legitimate way of resolving the issue of its trying to obtain what should legally be the Complainant's.
- 5.24 Finally, the Complainant suggests that the offer to sell the Domain Name for £72,000 "gives another indication of the true reason for [the Respondent's] abusive registration".

6. Discussion and findings.

- 6.1 In order to succeed in these proceedings, paragraph 2.6 of the Policy requires the Complainant to prove on the balance of probabilities that both elements of the test set out in paragraph 2.a are present, 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

- 6.2 Although the Respondent has not formally taken issue with the Complainant's assertions in respect of Rights, it is nevertheless for the Complainant to prove its case on the balance of probabilities. "Rights" under the DRS Procedure 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".
- 6.3 The hurdle which the Complainant has to clear in order to establish Rights is not a high one – in the decision of the Appeal Panel in the Seiko-shop.co.uk case, DRS 248, it was put in the following terms: "The requirement to demonstrate 'rights' is not a particularly high threshold test. It is satisfied in our view by the assertion of Seiko UK Limited that it is duly authorised by the trade mark owner to use the mark and to bring the Complaint. Where a complainant is a subsidiary or associated company of the trade mark proprietor, such an assertion will in our view generally be sufficient to demonstrate 'rights' in the absence of any good reason to doubt the veracity of that assertion. Wanderweb have not made out any such reason".
- 6.4 The three documents to which the Complainant has referred in support of its claim to have relevant Rights for the purposes of the Policy are not easy to reconcile with each other, and the extracts, or paraphrases of parts of those documents initially provided with the Complaint were unsatisfactory in a number of respects. However, the documents requested by the Expert have been forthcoming from the Complainant, and provide a degree of clarification.

- 6.5 It is clear from the Complaint itself that any use which the Complainant may have made of the TECHNISTONE mark in the United Kingdom can only have commenced shortly prior to the filing of the Complaint in July 2009, and the Complainant accepts in its Reply that “it is only since early 2009 that Haddonstone has been actively selling tiles manufactured by Technistone in the UK”. The Complainant refers to its new catalogue having been published in June 2009, and to a formal launch of the Technistone range at an exhibition at the end of September 2009. Therefore, it is extremely unlikely that such very recent use, even if had been supported by some evidence of third party recognition or details of sales made (which it is not), would on its own have given the Complainant the necessary standing to have established Rights under the Policy at the time of its Complaint. Therefore, the documents upon which the Complainant relies are important to its case.
- 6.6 The settlement agreement from April 2002, which is summarised in the Complaint, is said to have established “a relationship” between the Complainant and Technistone AS. However, the summary which has been provided would suggest that the “relationship” which was established was a settlement agreement under which the Complainant relied upon its existing trade mark (TECSTONE) in order to prevent Technistone AS from registering or using its own TECHNISTONE mark in the United Kingdom (whether itself, or through what appears to have been the importer, Capital Marble Design). Based upon that summary, the document does not appear to the Expert to have established any sort of “relationship” under which the Complainant had Rights in TECHNISTONE.
- 6.7 The second document relied upon by the Complainant is the trade mark licence dated 1 January 2008. The document is an odd one, in that on its face it purports to be a licence from the Complainant to Technistone AS of the TECHNISTONE mark, with goodwill accruing to the Complainant through use by Technistone AS. However, there is no evidence that the Complainant was in a position to licence such use – there is no suggestion it had ever previously traded as Technistone, or sold Technistone AS’s products, and it had no apparent registered or unregistered rights in that name or mark. The Complainant therefore appears to have been purporting to license Technistone AS to use Technistone AS’s own trading style, in which the Complainant had no goodwill or trade mark rights.
- 6.8 However, the licence agreement between the Complainant and Technistone AS was entered into against the background of the settlement agreement of 18 April 2002 (which is referred to in its recitals), in circumstances where the Complainant continued to be the owner of the registered mark TECSTONE, and (presumably) Technistone AS wanted to use the trade mark TECHNISTONE in the United Kingdom.
- 6.9 The Expert’s view of the overall purpose of the agreement of 1 January 2008 is that the Complainant was essentially granting Technistone AS permission to use the TECHNISTONE brand in the United Kingdom, notwithstanding the previous settlement agreement, and the conflict which the Complainant had previously relied upon in 2002 as to the Complainant’s mark TECSTONE. In other words, it was effectively a relaxation of the Complainant’s rights arising from its TECSTONE mark, in return for payment of commission on sales made. The form of the agreement may have been convenient as between the parties, but the Expert’s view is that the agreement cannot have operated to

- 6.10 The third document in question is the Distribution Agreement of 12 December 2008 which actually provides that Technistone AS allows the Complainant to use its name and its mark (TECHNISTONE) in selling in the United Kingdom products supplied to it by Technistone AS under that contract. In other words, it is the reverse of the situation apparently set out in the 1 January 2008 licence agreement. The situation set out in the Distribution Agreement makes far more commercial sense to the Expert than the 1 January 2008 licence, and supports the Expert's view that the Complainant cannot have had Rights in the name or mark TECHNISTONE in the United Kingdom as against any third party, prior to the signature of the Distribution Agreement. The Distribution Agreement itself makes no reference to the earlier trade mark licence.
- 6.11 As noted previously, the Complainant's activities as distributor of Technistone AS's products in the UK do not appear to have begun in earnest until towards the middle of 2009, very shortly before the Complaint was filed with Nominet. The Expert notes that the distribution agreement is not, in fact, an exclusive one, nor even a sole one, with Technistone AS having the ability to sell to other distributors, or to sell directly itself. It also had a short initial duration which expired on 31 October 2009 (the Complainant has not said if it has been prolonged, but prolongation is not automatic). The Complaint is not said to have been made with the consent or approval of Technistone AS, and it is by no means clear that any goodwill established by the use of the TECHNISTONE mark by the Complainant in such circumstances would have accrued to the Complainant, rather than Technistone AS.
- 6.12 It seems clear that the Complainant has relevant trade mark rights in the mark TECSTONE, but the Complainant does not rely upon those rights for the purposes of its Complaint. Obtaining a settlement of Court proceedings in 2002 based upon asserting the TECSTONE mark does not give rise to Rights in TECHNISTONE itself. As explained above, the trade mark licence in January 2008 is unlikely to have given the Complainant Rights in TECHNISTONE which it did not previously have, and certainly none which could be enforced against a third party. The limited and very recent use of the TECHNISTONE name in 2009 immediately prior to filing the Complaint (unsupported by details of sales or evidence of third party recognition) does not, in the Expert's view, amount to sufficient use to establish Rights.
- 6.13 It is for the Complainant to establish that it has Rights on the balance of probabilities, even if the Respondent does not formally challenge the Complainant's case. The Expert has considerable reservations about all of the elements of the Complainant's case in this respect, and even though the hurdle for a Complainant to clear in respect of Rights is not a very high one, the Expert does not feel that the Complainant has done so on the balance of probabilities. Unlike in the Seiko-shop.co.uk case quoted above, there is no sign in any of the material provided by the Complainant that this Complaint is brought with the knowledge or approval of the owner of the TECHNISTONE mark, the Complainant itself is not connected to Technistone AS as a

Abusive Registration

- 6.14 In view of the Expert's conclusion in respect of Rights, it is not strictly necessary for the Expert to consider further the question of Abusive Registration. However, having reviewed the papers, and in case it should be relevant if the matter should proceed further (but necessarily on an obiter basis), the Expert would also have rejected the Complaint on the question of Abusive Registration, on the grounds summarised below.
- 6.15 As discussed above, the Complainant's interest in the name Technistone (as a distributor of products from Technistone AS) can only have arisen in 2009 at the earliest. It would be fanciful to suggest that, in registering the Domain Name in 2003, the Respondent would have been doing so in order to take unfair advantage in some way of the Complainant's TECSTONE mark, and this does not appear to be the Complainant's case. Instead, it says that the registration of the Domain Name "was made to block its potential registration by the Complainant". The Respondent says the registration was made because she was selling Technistone AS' tiles at the time, and there is no suggestion she was aware of the Complainant at the time. The Policy sets out a non-exhaustive list of factors which may be evidence that the Domain Name is an Abusive Registration, which includes the following ground set out in paragraph 3.a.i.B of the Policy: "Circumstances indicating that the Respondent has registered ... the Domain Name primarily...as a blocking registration against a name of mark in which the Complainant has Rights". In the Expert's view, this ground has to be judged on the basis of the facts at the time of registration, and the Complainant fails to make out this ground – it clearly had no interest in trading as Technistone at the time, and the Respondent has advanced what the Expert regards as a plausible explanation of the reason behind its decision to register the Domain Name in 2003.
- 6.16 The second factor upon which the Complainant relies is essentially in relation to the use of 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" (paragraph 3.a.iii of the Policy). In this respect, the Complainant faces the hurdle that the Respondent has been using the Domain Name in what seems to have been a largely unchanged fashion since 2003, without previous complaint. The Respondent says that it is and has been used for the purposes of identifying tiles which are supplied by Technistone AS, either exclusively (as apparently was the position initially) or together with others (as the Respondent now admits), although in both cases without reference to the TECHNISTONE brand. There has been no evidence supplied of actual confusion with the Complainant and its own business, and although actual confusion is not a necessary prerequisite for a successful complaint on this ground, it is not obvious to the Expert how the Complainant says consumers would be likely to be confused into assuming a connection with it as a non-exclusive distributor of TECHNISTONE products (as opposed to a possible connection with the supplier of those products, and the owner of the brand, Technistone AS).

- 6.17 The Respondent also may be able to rely upon paragraph 4.a of the Policy, which sets out a non-exhaustive list of factors which may be evidence that the Domain Name is not an Abusive Registration, which includes, in paragraph 4.a.i.A: "Before being aware of the Complainant's cause for complaint (not necessarily the 'complaint' under the DRS), the Respondent has used ...the Domain Name...in connection with a genuine offering of goods or services". In this case, the Respondent's use of the Domain Name was unchallenged for 6 years. The Complainant seeks to cast doubt on the genuineness of the claimed use of the Domain Name for TECHNISTONE products during that period, because the brand name was not used by the Respondent in her advertising material. However, as is set out in the Complaint, it was the Complainant's own actions in bringing proceedings relying upon its TECSTONE mark against Technistone AS and its importer (from whom it appears the Respondent obtained her supplies in 2003) which stopped the use of the TECHNISTONE brand in the United Kingdom at the time. On balance, the Expert accepts that the Respondent has used the Domain Name in connection with the sale of tiles which originated from Technistone AS, and that she probably did so exclusively for that purpose in the first instance. More recent use of the Domain Name in respect of tiles which are not exclusively from Technistone AS may be more questionable, but the Expert views the Respondent's previous use of the Domain Name as at least arguably "genuine" for these purposes.
- 6.18 Having regard to the Complainant failing to make out a clear case under paragraphs 3.a.i.B and 3.a.iii of the Policy, and the arguable case in the Respondent's favour under paragraph 4.a.i.A of the Policy, and noting that the onus is on the Complainant to make out its case as to Abusive Registration on the balance of probabilities, the Expert would therefore have decided against the Complainant if it had been necessary to do so.
- 6.19 On the question of Reverse Domain Name Hijacking, in order for such an accusation to be well-founded under the Procedure, there would have to have been bad faith on the part of the Complainant. The Expert notes that the Complainant appears to have (or perhaps to have had) a legitimate interest of some kind in the future use of the TECHNISTONE mark in the UK, and although it has not been successful in its Complaint, the Expert does not feel that this is a case where bad faith has been proven.

7. Decision

- 7.1 The Expert finds that the Complainant has failed to establish that it has rights in a name or mark which is similar to the Domain Name.
- 7.2 The Complaint therefore fails, and no action is required.

Signed: Bob Elliott

Dated 27 November 2009