

DISPUTE RESOLUTION SERVICE

D00010628

Decision of Independent Expert

Jetpatcher Corporation Ltd

and

Velocity UK Ltd

1. The Parties:

Lead Complainant: Jetpatcher Corporation Ltd
82 The Concourse
Henderson
Auckland
0610
New Zealand

Respondent: Velocity UK Ltd
Woodbine Street
Sunderland
Sunderland
Tyne and Wear
SR1 2NL
United Kingdom

2. The Domain Name(s):

jetpatcher.co.uk

3. Procedural History:

06 December 2011 13:40 Dispute received
06 December 2011 14:02 Complaint validated
06 December 2011 14:29 Notification of complaint sent to parties
23 December 2011 13:44 Response received
23 December 2011 13:44 Notification of response sent to parties
02 January 2012 01:30 Reply reminder sent
05 January 2012 11:35 Reply received
05 January 2012 11:39 Notification of reply sent to parties
05 January 2012 11:39 Mediator appointed
18 January 2012 13:38 Mediation started
05 March 2012 10:01 Mediation failed
05 March 2012 10:02 Close of mediation documents sent
15 March 2012 13:06 Expert decision payment received

4. Factual Background

I have taken the factual background summarised below from the content of the Complaint, being content that was not challenged by the Respondent in its Response.

- The Complainant, Jetpatcher Corporation Limited, is based in Auckland, New Zealand. It is the manufacturer and worldwide distributor of JETPATCHER road repair machinery which was first introduced to the UK in 1997 when the Respondent, a UK company, was set up and which employed Mr Richard Jackson, ultimately as its managing director.
- At that time, the Respondent was called Jetpatcher (UK) Limited, and it was the Complainant's official UK distributor and used the JETPATCHER name under licence.
- The Domain Name was registered on 28 July 2000 by the Respondent with the knowledge and approval of the Complainant.
- The licence agreement between the Complainant and Respondent was terminated by the Complainant in August 2008. There has been some dispute between the parties as to whether or not that termination was lawful, but, in any event, the Respondent changed its name from Jetpatcher (UK) Limited to Velocity UK Limited in February 2009 and has continued to trade under that name.
- However, the following month, on 9 March 2009, another UK company was set up called Jetpatcher (UK) Limited. The sole director of this company is Jillian Leigh Collins, who is the sister of Mr Richard Jackson, the managing director of the Respondent, but to date the company does not appear to have begun trading.

- The Respondent has rebranded its fleet of JETPATCHER machines and is now manufacturing, contracting and selling products in direct competition with the Complainant throughout the world and with its current authorised distributor in the UK market, Jetpatcher Limited.
- The Domain Name now resolves to the Respondent's website at www.velocitypatching.com, which is used to promote the Respondent's competing business.

5. Parties' Contentions

Complainant:

In summary the Complainant says that:

- It is based in Auckland, New Zealand having been incorporated in 1988 and is the manufacturer and worldwide distributor of JETPATCHER road repair machinery.
- It is the proprietor of the Community Trade Mark JETPATCHER (No: 001241769) that was applied for on 12 July 1999 and was registered on 25 September 2000.
- The Complainant's JETPATCHER machinery was first introduced to the UK market when the Complainant employed Mr Richard Jackson to commission a JETPATCHER unit. Subsequently, Mr Jackson was then employed by the Respondent company which was set up in 1997 and was then named Jetpatcher (UK) Limited. He later became the managing director of this company.
- The Respondent registered the Domain Name on 28 July 2000. The Complainant considered the registration and use of the Domain Name by the Respondent to be fair as it was the authorised distributor for the UK and Ireland and the Complainant was supplying its JETPATCHER machinery to the Respondent for that market.
- The licence agreement with the Respondent was rightfully terminated in August 2008 by the Complainant due to breaches of its terms and any rights for the Respondent to use the JETPATCHER trade mark ceased.
- Prior to termination of the licence agreement, the Respondent had begun trading as "Velocity" and changed the name of the Respondent company from Jetpatcher (UK) Limited name to Velocity UK Limited in February 2009, with Mr Richard Jackson still as a director.
- The Respondent, and also the Velocity Group of companies, has rebranded their fleet of JETPATCHER machines and is now manufacturing, contracting and selling products in the UK and other countries which are copied directly

from the Complainant's machines and perform exactly the same function. As such, the Respondent is now working in direct competition with the Complainant and its current authorised UK distributor, Jetpatcher Limited.

- The registration of the Domain Name by the Respondent is an Abusive Registration and it is being used to take an unfair advantage of and is causing an unfair detriment to the JETPATCHER brand and the Complainant's authorised distributor in the UK.
- The Domain Name is identical to the Complainant's company name, its website name (www.jetpatcher.com), its product name and its trade mark. In addition, it is very similar to the trading name of its authorised distributor in the UK (Jetpatcher Limited) and to the trading names and domain names that resolve to website addresses used by the Complainant's other distributors worldwide, for example:
 - www.jetpatcher.co.nz
 - www.jetpatcheruk.com
 - Jetpatcher South Africa: www.jetpatcher.co.za,
 - Jetpatcher Mexico SA de CV: www.jetpatcher.com.mx
 - Jetpatcher USA LLC : www.jetpatcher.usa.com
- The Respondent is no longer entitled to use the JETPATCHER trade mark or name but the Domain Name now resolves to the Respondent's website at www.velocitypatching.com.
- The JETPATCHER name is well known worldwide in the road repair industry as the Complainant has been manufacturing and promoting its JETPATCHER machinery for more than 22 years and has sold more than 500 units worldwide. Example articles from South Africa and Mexico are exhibited. In the UK market, it was introduced more than 13 years ago and more than 60 branded JETPATCHER units have been supplied.
- The Respondent is using the Complainant's brand recognition and reputation for their unauthorised benefit by continuing to use the JETPATCHER name to redirect web based enquiries for the Complainant's JETPATCHER products to aid in promotion of the Respondent's competitive business. This is an unfair advantage and an attempt to benefit by misleading the UK market's perception of the rights to the JETPATCHER name in the UK.
- The Respondent has made other unfair use of the JETPATCHER name. Modern Asphalts is a magazine published quarterly and aimed at the roading industry, particularly in the UK. Many articles have been published promoting the Complainant's JETPATCHER machinery, the JETPATCHER process and the Respondent when it was called Jetpatcher UK Limited and was the authorised distributor and, later, a sponsor of the magazine. The online archives of this magazine however have had all published reference and use of the JETPATCHER name and process removed, and the terms "Velocity", "Velocity Patching" and "Velocity UK Ltd" inserted to replace them, but with the remaining text remaining the same. An example is exhibited.

- The Respondent is, by holding the registration of the Domain Name, blocking the Complainant's UK distributor's right to use the JETPATCHER name in a UK domain registration.
- Following the change of name of the Respondent to Velocity UK Limited, a new company was registered under the name of Jetpatcher (UK) Limited and incorporated on 9 March 2009. The sole director of this non-trading company is Jillian Leigh Collins who is Mr Richard Jackson's sister. Copies of their respective birth certificates are exhibited.
- The registration of the company name Jetpatcher (UK) Limited to Mr Jackson's sister and holding it as a non-trading company shows a deliberate pattern of blocking the registration of the Complainant's name in the UK.
- The Respondent is unfairly disrupting the Complainant's business by redirecting both local and international internet search results for jetpatcher.co.uk to its own website. This will be causing enquiries for the Complainant's business and products to be redirected to the Respondent, which is now a direct competitor.
- The Respondent also uses Google AdWords to target and pay for the 'Jetpatcher' keyword search term. However, the Complainant acknowledges that the use of a competitor's trade mark as a keyword for Google AdWords is permitted in the UK, although it says it is not allowed in some countries and is a further example of the Respondent benefitting from the use of the JETPATCHER trade mark to disrupt the business of the Complainant, its UK distributor and other worldwide distributors.
- By redirecting the Domain Name to resolve to the Respondent's website it is using the Domain Name in a way that has and will confuse customers or businesses into believing that the Domain Name is registered to, operated or authorised by or otherwise connected to the Complainant. The products are so similar that a customer or business could easily think that the Respondent's product is also a JETPATCHER product. Example printouts from the Complainant's and Respondent's respective websites are exhibited. (In its Complaint, the Complainant referred to customers or businesses being confused into believing that the Domain Name is registered to, operated or authorised by or otherwise connected to the Respondent, but it clearly meant the Complainant).
- The use of the Domain Name at the time it was registered was fair as the Respondent was the Complainant's distributor. However following the termination of the licence agreement more than four years ago, its current use is unfair as it is now a direct competitor in the UK market and it is using the Domain Name to promote the Respondent's VELOCITY machines and business.
- Due to the length of time since the termination of the licence agreement, the Respondent can no longer claim to be commonly known by the JETPATCHER

name and is no longer entitled to use the JETPATCHER trade mark. The use of the Domain Name has changed, the motive for its use has changed, and its use is now unfair use.

Respondent:

In summary, the Respondent says in its Response that:

- The Complainant has not requested that the Domain Name be returned nor has it tried to discuss matters properly with all concerned, action was taken unnecessarily.
- The Domain Name was registered historically and at the time it was registered it was legitimate for this to be done. Up until August 2008 the respondent was a JETPATCHER distributor, at which time the Complainant unlawfully terminated the agreement with the Respondent.
- There is on-going and pending legal action to deal with these matters and The Respondent wishes for these matters to be resolved before the Domain Name issue is dealt with.
- Defamation proceedings have been commenced by Jetpatcher 2009 (UK) Limited and Mr Andrew Stewart against the Respondent and Mr Richard Jackson. The claim is for approximately £500,000 and is being defended as it is believed to be wholly without merit. Whilst the defamation claim is not linked to this particular dispute about the Domain Name, it highlights that there are other issues between the parties which may explain the motive of the Complaint in this matter. The Respondent believes that this is a further tactic to place unnecessary pressure on it for no good reason.

In the Complainant's Reply:

- It agreed that up until August 2008 the Respondent was its official UK distributor but says at that time the contract was terminated and the distribution rights were withdrawn, including use of the JETPATCHER name.
- It says there is no legal action in place with regard to the termination of the licence agreement in 2008 as, although the Respondent had written via its solicitors to express its view of the termination, it had not pursued this through any court of law in the more than three years since the termination occurred.
- It agreed that the action taken by Jetpatcher 2009 (UK) Limited, which was the Complainant's previous distributor for the UK and Ireland, has no bearing on the present Domain Name dispute.

6. Discussions and Findings

General

In order to succeed the Complainant must prove, on the balance of probabilities, two matters, i.e. that:

1. The Complainant has Rights in respect of a name or mark which is identical or similar to the Domain Name; and
2. The Domain Name, in the hands of the Respondent, is an Abusive Registration.

These terms are defined in the Nominet DRS Policy as follows:

- **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.
- **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.

Complainant's Rights

The Complainant is the proprietor of the Community Trade Mark for JETPATCHER. It has been in business under that name since 1988 and operates on a worldwide scale. It has exhibited printouts from its website and articles in magazines that clearly refer to its JETPATCHER trading name, product name and business.

In the circumstances, I find that the Complainant does have Rights in the name JETPATCHER, and that it is identical to the Domain Name, ignoring the .co.uk suffix.

Abusive Registration

As the Complainant accepts, when the Respondent first registered the Domain Name, it did so with its knowledge and approval as at that time it was the Complainant's official distributor for the UK and Ireland. Therefore there can be no question that it 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.

The Complainant's case therefore stands or falls on whether or not it has demonstrated, on the balance of probabilities, that the Domain Name has subsequently been used by the Respondent in a manner which took unfair advantage of or was unfairly detrimental to the Complainant's Rights.

And as the Complainant also accepts, up until August 2008 when the Respondent ceased to be the Complainant's distributor, the use of the Domain Name by the

Respondent was fair. But it says that this changed once the Respondent ceased to be its official distributor and became a competitor, and therefore, since August 2008, it has had cause for legitimate complaint under the DRS.

The Complainant says that the holding of the registration of the Domain Name by the Respondent is blocking the Complainant's UK distributor's right to use of the JETPATCHER name in a UK domain name. Whilst the current distributor could probably find an alternative .uk domain name comprising the JETPATCHER name that is available for registration, the Domain Name itself may well be its first choice .uk domain name. The DRS Policy lists non-exhaustive examples of factors that may be evidence that the Domain Name is an Abusive Registration. One of them is set out at paragraph 3.a.i.B i.e.:

"Circumstances indicating that the Respondent has registered or otherwise acquired the Domain Name primarily as a blocking registration against a name or mark in which the Complainant has Rights;"

But this does not assist the Complainant as it relates to the time when the Domain Name was first registered or acquired by the Respondent and, as explained above, at that time there was no question of the Respondent's behaviour being Abusive.

I am mindful of the fact that paragraph 3 of the DRS Policy makes it clear that it is merely setting out non-exhaustive examples of activities that may lead to a conclusion of an Abusive Registration. However, in my view, I cannot take into account a situation where, subsequent to the original registration or acquisition, the mere continued registration of the Domain Name acts as a blocking registration even when it does so unfairly without due cause. That is because the definition of Abusive Registration under the DRS is limited by the two separate limbs that relate to, on the one hand, the time of registration or acquisition of the Domain Name and, on the other hand, its subsequent use. If the original registration or acquisition was not Abusive, the Complainant can only succeed if the subsequent use of it has been Abusive, and, in my view, the mere continued holding of the registration, without more, does not count as use of the Domain Name. And the fact that the Respondent appears to have arranged for a third party to set up another non-trading UK company, Jetpatcher (UK) Limited, does not alter that conclusion. Whilst it may point generally to a pattern of bad behaviour, it is not use of the Domain Name.

In its Response, the Respondent confirmed that when the Domain Name was registered it was legitimate for this to be done as, up until August 2008, the Respondent was the distributor of the Complainant's JETPATCHER products. However, apart from that, none of the points made by the Respondent in its Response are material to my decision.

The first point it makes is that, in its view, the action taken by the Complainant in making its Complaint under the DRS was unnecessary because the Complainant had not first requested that the Domain Name be returned "*nor has it tried to discuss matters properly with all concerned*". Whilst it may invariably be a sensible step to take, there is no obligation on a complainant under the DRS to have any attempt to have dialogue with the respondent prior to making a complaint. And in

any event, I note that the mediation service provided for the parties by the Nominet DRS has been used prior to my appointment, albeit unsuccessfully.

The fact that there may or may not be an on-going dispute as to whether the termination of the licence agreement between the parties back in August 2008 was lawful does not alter the fact that it was terminated and, at least since then, the Respondent has been trading as an active competitor and using the Domain Name to resolve to its competing website. It might have been different if the Respondent had demonstrated that, as it claims, there is "*on going [sic] and pending legal action*" concerning the lawfulness of the termination of the licence agreement and had, pending the outcome of that action, merely held on to the registration of the Domain Name and not made any use of it. But it chose to continue to use of Domain Name in the manner that it has. It is not my role as the DRS Expert to comment or pass judgement on whether or not the termination was lawful, but even if the Respondent is correct in its assertion that the termination was unlawful, two wrongs do not make a right.

Likewise the on-going defamation proceedings are not relevant as they do not involve the Complainant and, as the Respondent acknowledges, they do not relate to the Domain Name.

But the DRS Policy also lists non-exhaustive examples of factors that may be evidence that the Domain Name is not an Abusive Registration. Two of the examples that may show it is not Abusive are set out at paragraph 4.a.i.A and 4.a.i.B i.e.

"Before being aware of the Complainant's cause for complaint (not necessarily the 'complaint' under the DRS), the Respondent has:

A. used or made demonstrable preparations to use the Domain Name or a domain name which is similar to the Domain Name in connection with a genuine offering of goods or services;

B. been commonly known by the name or legitimately connected with a mark which is identical or similar to the Domain Name;"

The Respondent might have pointed out that, long before August 2008, it had used the Domain Name to resolve to its website where it genuinely offered and promoted goods and services as the Complainant's official distributor, and that it was also commonly known by the name Jetpatcher (UK) Limited which is clearly identical or similar to the Domain Name. However, whilst that is correct, it does not, in my view, assist the Respondent if its right to continue its non-Abusive fair use of the Domain Name has since been terminated or the circumstances of its use of the Domain Name have otherwise materially changed. As the Complainant said in its Complaint, the use of the Domain Name has changed and so has the motive for that use.

The Complainant says that the Respondent has used Google AdWords to target and pay for the 'Jetpatcher' keyword search term. The Complainant acknowledges that the use of a competitor's trade mark as a keyword for Google AdWords is permitted in the UK, but says it is not allowed in some countries and is

a further example of the Respondent benefitting from the use of the JETPATCHER trade mark to disrupt the business of the Complainant, its UK distributor and other worldwide distributors.

In my view, the issue of the Respondent bidding on the JETPATCHER trade mark as a Google AdWord is not directly relevant. Such action is lawful in the European Union under relevant trade mark law as long as certain conditions are fulfilled. It is not clear whether the Complainant's allegation is that the resulting sponsored search link displayed the www.jetpatcher.co.uk website address or the Respondent's www.velocitypatching.com website address to which it redirects. If it is the former, then the Complainant may well seriously question whether the use of the Complainant's trade mark as a Google AdWord fulfils the necessary conditions to avoid being trade mark infringement. If it is the latter, it would not appear to involve any use of the Domain Name itself, as opposed to use of the Complainant's JETPATCHER Community trade mark.

But in any event, it is the DRS Policy and not trade mark law that determines whether or not the Domain Name is, in the hands of the Respondent, an Abusive Registration.

Established customers who had previously known the Respondent by its JETPATCHER name and as being the Complainant's official UK distributor will have been used to visiting its website at www.jetpatcher.co.uk. Since August 2008, if they try to return to the same website expecting to find the Complainant's goods they will now find themselves automatically redirected to the website at www.velocitypatching.com where competing goods and services are being offered under the VELOCITY name. That is inevitably likely to cause confusion as to whether there is any connection between the JETPATCHER and VELOCITY products or businesses, and, if so, what that connection is.

And it seems almost inevitable that some new customers and prospective customers of the Complainant (or its UK distributor) who may have been looking for its website could have come across or been directed by search engines to www.jetpatcher.co.uk. It may well be that anyone who then visited the website in the expectation of finding the Complainant's (or its distributor's) website would have very quickly realised they had found a different website for a competing business. However, the fact that they were directed there as a result of initially having been confused by the similarity of web address clearly makes Paragraph 3. a. ii of the DRS Policy relevant i.e.

Paragraph 3. a. ii *"Circumstances indicating that the Respondent is using the 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 with the Complainant."*

Such "initial interest confusion" is generally accepted by Nominet DRS Experts, the members of Nominet's panel of independent adjudicators, as being sufficient to support a finding that such use of a Domain Name by a Respondent is Abusive use for the purposes of the DRS. This is made clear in section 3.3 of the DRS Experts' Overview when it discusses what is meant by confusing use for the purposes of Paragraph 3. a. ii of the DRS Policy. The Overview is published on Nominet's

website and is intended to assist all participants or would-be participants in disputes under the DRS Policy by explaining commonly raised issues and how Experts have dealt with those issues to date. At section 3.3 it states as follows:

"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). See for example DRS 00658 (chivasbrothers.co.uk)."

That is precisely the case here.

7. Decision

For the reasons outlined above I find that the Complainant has proved, on the balance of probabilities, that it has Rights in respect of the name JETPATCHER, being 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.

In the circumstances I order that the Domain Name be transferred to the Complainant.

Signed Chris Tulley

Dated 12 April 2012