

DISPUTE RESOLUTION SERVICE

D00012643

Decision of Independent Expert

Gardner Denver Limited

and

Jason & Michelle Elphick

1. The Parties:

Complainant: Gardner Denver Limited
Springmill Street
Bradford
West Yorkshire
BD5 7HW
United Kingdom

Respondent: Jason & Michelle Elphick
53-54 Allcock Street
Deritend
Birmingham
West Midlands
B9 4DY
United Kingdom

2. The Domain Name(s):

compairsystems.co.uk

3. Procedural History:

I can confirm that I am independent of each of the parties. To the best of my knowledge and belief, there are no facts or circumstances, past or present, or that could arise in the foreseeable future that need be disclosed as they might be of such a nature as to call in to question my independence in the eyes of one or both of the parties.

22 March 2013 16:38 Dispute received
25 March 2013 10:41 Complaint validated
25 March 2013 10:53 Notification of complaint sent to parties
27 March 2013 09:40 Response received
27 March 2013 09:40 Notification of response sent to parties
03 April 2013 02:30 Reply reminder sent
03 April 2013 12:25 Reply received
08 April 2013 08:45 Notification of reply sent to parties
09 April 2013 14:24 Mediator appointed
11 April 2013 12:16 Mediation started
18 April 2013 12:49 Mediation failed
18 April 2013 12:50 Close of mediation documents sent
29 April 2013 10:44 Expert decision payment received

4. Factual Background

The Complainant is a wholly owned subsidiary of Gardner Denver, Inc a leading global supplier of compressors and other such products. It has a history going back nearly 200 years, details of which can be located at its website www.compair.com. It has registered a number of UK companies with the registrar of companies, including Compair Limited (incorporated in 1935) and Compair UK Limited (incorporated in 1968). It also the registrant of a number of trade mark registrations in the UK and Europe, including UK registration no 929605 for the mark COMPAIR in respect of (amongst other things) air and gas compressors with effect from August 1968, and CTM registration no 78956 for the mark COMPAIR in respect of (amongst other things) air and gas compressors with effect from April 1996.

The Domain Name was registered on 23 March 2000 by the Respondent. It has been used by the Respondent for the purposes of both a website and for emails. The Respondent trades under the name Compressed Air Systems, and sells products that are identical to those supplied by the Complainant. The Respondent claims to have in the past been a “Sub Dealer” for the Complainant, although the Complainant denies that the Respondent had any official status as such. In October 2011, the Complainant retained the services of an inquiry agent to investigate the activities of the Respondent. It was informed by the Respondent’s representative during those investigations that the Respondent was an authorised distributor of the Complainant’s goods. It does not appear to be in dispute that the Respondent has previously sold the Complainant’s goods (including their Compair Hydrovane products), although as at the filing of this complaint, no such goods are sold by the Respondent.

The Complainant asserted its rights against the Respondent in correspondence dating back to October 2011. This led to the Respondent ceasing use of some of the Complainant’s trade marks on the Respondent’s website, and indicating the

possibility of a sale of its business to the Complainant. The Complainant responded by offering to buy the Domain Name for \$500, increasing that offer subsequently to \$1,000. The Respondent made a counter offer of £10,000.

The Respondent asserts that as part of the above communications, it was agreed with the Complainant that it would automatically redirect any email enquiries for the Complainant's products to the Complainant. The Complainant denies that any such agreement was in place, but rather that this was a proposal made by the Respondent in response to the assertion of the Complainant's rights.

The Respondent asserts that it does not have any SEO metatags or links referring to 'COMPAIR'. However, the Complainant asserts that the Respondent has incorporated metatags into the source code for the home page of its website, which include the Complainant's trade marks HYDROVANE and BROOMWADE.

5. Parties' Contentions

a. Complaint

In support of its claim to Rights, the Complainant relies upon its various trade mark registrations and its substantial reputation and goodwill, including the use of various company names containing the mark 'COMPAIR'. It asserts that the Domain Name incorporates its trade mark in its entirety with the addition of the descriptive term 'systems' and that the purchasing trade/public would place greater importance on this part of the name. I take it from this that the Complainant is asserting that the Domain Name is similar to its trade mark.

In support of the claim that the Domain Name is an Abusive Registration the main points made by the Complainant (in summary) are that -

- (i) The Domain Name was registered by the Respondent primarily for the purposes of selling, renting or otherwise transferring it to the Complainant or one of its competitors.
- (ii) The Domain Name was registered as a blocking registration i.e. to stop the Complainant from being able to register it.
- (iii) The Domain Name was registered to unfairly disrupt the Complainant's business.
- (iv) The Domain Name has been used in a way that has or will likely lead people to believe that the website to which it is pointed is registered to, operated or authorised by the Complainant.

b. Response

The Respondent does not challenge the claim by the Complainant that it has Rights in a name or mark which is similar to the Domain Name.

In defence of the Complaint the main points made by it (in summary) are that -

- (i) The Respondent has owned the Domain Name for some 13 years with no detriment being caused to the Complainant's brand.
- (ii) The Respondent agreed to redirect any email enquiries for the Complainant, but has received none. It has never posed as the Complainant and does not intend to.
- (iii) The Domain Name describes the business of the Respondent, namely compressed air systems.
- (iv) The offer made by the Complainant to acquire the Domain Name does not sufficiently compensate the Respondent for its investment in it.

c. Reply

The Complainant asserts the following main points (in summary) -

- (i) The Complainant disputes that there was an agreement between the parties for the Respondent to pass on email enquiries, and doubts that the Respondent would genuinely do so given that it was selling the Complainant's products at the time.
- (ii) The Respondent must at the very least receive visitors to the Respondent's website as a result of the use of the Complainant's mark in the Domain Name.
- (iii) The Domain Name does not describe the Respondent's business, but rather it is solely a reference to the Complainant's trade mark.
- (iv) The Respondent's is using metatags in the source code of its homepage which are the Complainant's trade marks, including 'COMPAIR', 'HYDROVANE' and 'BROOMWADE'. This is evidence of the Respondent attempting to attract customers of the Complainant's products.

6. Discussions and Findings

a. General

To succeed in this Complaint, the Complainant must, in accordance with paragraph 2 of the Policy, prove to the Expert on the balance of probabilities that:

- (i) it has Rights (as defined in paragraph 1 of the Policy) in respect of a name or mark identical or similar to the Disputed Domain Name; and
- (ii) the Disputed Domain Name in the hands of the Respondent is an Abusive Registration (as defined in paragraph 1 of the Policy).

The Complainant must make out its case to the Expert on the balance of probabilities.

b. Complainant's Rights

The DRS Policy defines Rights 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;”

There would appear to be no argument between the parties that the Complainant does qualify as having the necessary Rights or that they are in respect of a name or mark identical/similar to the Domain Names. I agree. It is clear that the Complainant has extensive rights in the ‘COMPAIR’ mark. For the purpose of analysing whether the Domain Names are identical or similar to the name or mark in which rights are claimed, one may ignore the .co.uk suffix. The comparison is therefore between 'COMPAIR' on the one hand, and 'COMPAIRSYSTEMS' on the other. In my opinion the addition of the descriptive word 'SYSTEMS' is not such as to make the Domain Name dissimilar to the Complainant's mark and as such I conclude that the Complainant has established that it has Rights in a mark similar to the disputed Domain Name.

c. Abusive Registration

I now go on to consider the extent to which the disputed Domain Name is an Abusive Registration.

The Complainant asserts that the registration of the Domain Name is an Abusive Registration for the reasons identified above.

The Policy defines an 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 took unfair advantage of or was unfairly detrimental to the Complainant's Rights"*

and goes on to set out a (non-exhaustive) list of factors which may be evidence that a domain name is an Abusive Registration.

In most circumstances where a Respondent has registered a domain name that is identical or similar to a name or mark in which the Complainant has rights, the name or mark is well known, and the Complainant and marks were known to the Respondent, one would be unlikely to have a great deal of difficulty in concluding, as many Experts have previously, that the relevant domain name would be an abusive registration. However the extent to which a party who is reselling the goods or services of a complainant, can legitimately use a domain name incorporating the complainant's trade mark or name, has been the subject of much deliberation by experts and has been dealt with in several appeal decisions. This is in part because of general legal principles regarding the legitimate use of another party's trade mark to denote its goods/services, exhaustion of trade mark rights once goods have been put on the market, and the specific provisions within the Policy concerning a genuine offering of goods (Para 4(a)(i)(A)) or fair use (4(a)(i)(C)).

In the seiko-shop.co.uk appeal decision (DRS00248) the panel said the following –

“The Panel agrees that if there is support in the evidence for the suggestion that the Domain Names make, or are liable to be perceived as making, the latter representation (i.e. that there is something approved or official about their website), this would constitute unfair advantage being taken by Wanderweb or unfair detriment caused to Seiko.”

The panel also dealt with an issue arising under paragraph 3(a)(i)(C) of the Policy, which provides that a registration will be abusive if there are -

“i. Circumstances indicating that the Respondent has registered or otherwise acquired the Domain Name primarily:

...

C. for the purpose of unfairly disrupting the business of the Complainant”

The issue was how the word “primarily” should be interpreted, and the panel concluded that –

“In our view ‘primarily’ is not the same as ‘only’ and although a domain name registrant may start out with the best of intentions, if the effect of his actions is to give rise to confusion and to disrupt a Complainant’s business then he has fallen foul of this paragraph in the Policy.”

Reseller use was also considered in a case concerning Epson ink cartridges (DRS 03027). The panel confirmed that initial interest confusion was an “*admissible species of confusion in DRS cases*” and then went on to deal with what the correct approach should be where the respondent was a reseller and said –

“9.4.9 The question of whether the (misleading) impression of a commercial connection is created is a question of fact in each case. There is, however, a marked difference between selling the genuine products of another party under its registered trade marks in order to identify the goods as being those of the trade mark owner, or making legitimate comparative uses in accordance with honest commercial practices in such matters, and the Respondent’s practice of adopting a multiplicity of web site addresses incorporating the trade mark for general promotional purposes, to divert customers to the Respondent’s website, irrespective of whether or not the business includes the sale of such genuine or compatible goods.”

Both the Seiko and Epson cases were considered in the toshiba-laptop-battery.co.uk appeal (DRS 07991). Four criteria were identified as being relevant to the determination of whether a reseller’s use of a domain name incorporating a complainant’s trade mark/name is abusive, as follows –

1. It is not automatically unfair for a reseller to incorporate a trade mark into a domain name and the question of abusive registration will depend on the facts of each particular case.

2. A registration will be abusive if the effect of the respondent's use of the domain name is falsely to imply a commercial connection with the complainant.
3. Such an implication may be the result of "initial interest confusion" and is not dictated only by the content of the website.
4. Whether or not a commercial connection is implied, there may be other reasons why the reseller's incorporation of the domain name is unfair. One such reason is the offering of competitive goods on the respondent's website.

When addressing whether it would be fair to offer competing goods, the panel said the following –

"The further issue, however, is whether the fact of the offering of competitive products on the Respondent's website is sufficient to render the registration abusive, even in the absence of "initial interest confusion". On this question, the Panel unanimously considers that, if and insofar as it is fair for a retailer to incorporate a trade mark into its domain name without the trade mark owner's consent, to accord with the principles stated above that fairness is likely to be dependent upon the retailer only selling the trade mark owner's genuine products. To do otherwise is likely to take unfair advantage of the Complainant's rights by "riding on its coat-tails" for the benefit of the Respondent. This element of unfair advantage remains, even where little or no detriment to the Complainant has been demonstrated."

In the present case, the Respondent alleges that the Domain Name is in fact a description of the business that it is engaged in namely the sale of compressed air systems. That is not factually correct, although it might be correct to say that it is an abbreviation of such a description or the Respondent's trading name. Notwithstanding the Respondent's assertion, the mark 'COMPAIR' is the name of a supplier in the same sector as that in which the Respondent operates and whose products the Respondent has previously stocked and sold. It would therefore seem likely to me that the Respondent would have been aware of the Complainant's existence and use of the mark 'COMPAIR' at the time it registered the Domain Name. In that respect whilst I note that the Respondent asserts that the mark is descriptive of its services, it does not assert that it was for this reason that the name was chosen, and nor does it assert that it did not have knowledge of the Complainant's rights or use of its mark. In reaching this conclusion I have taken into consideration the evidence (not rebutted by the Respondent) submitted by the Complainant that the Respondent has held itself out erroneously as an authorised dealer of the Complainant, which would suggest that it was seeking to maintain an association with the Complainant which did not exist. I have been asked by the Complainant to also take into consideration its allegations concerning the use by the Respondent of its trade marks as metatags, although I decline to do so having not been provided with any evidence of such use and in circumstances where the Respondent denies such conduct.

Insofar as the Respondent had previously sold the Complainant's products, the registration of the Domain Name with the Complainant's trade mark in mind would not necessarily make the registration abusive. However it seems to me that if one adopts the criteria as set out in the *toshiba-laptop-battery.co.uk* case, the adoption of a

domain name identical to the Complainant's mark save for the addition of the descriptive word 'SYSTEMS' and nothing more, would seem likely to create at least initial interest confusion that the operator of the web site to which the Domain Name is pointed is the Complainant or authorised by it. This conclusion would seem to be endorsed by the Respondent itself who had proposed to the Complainant that it would forward on any enquiries that it received for the Complainant's products. If the Domain Name were not likely to generate any such queries then such a proposal would not be necessary. I would therefore have concluded that even if the Respondent were continuing to sell the Complainant's goods that use of the Domain Name is abusive.

In fact the Respondent does not any longer sell the Complainant's products and as a result, any justification based upon the legitimate use of the Complainant's trade mark to describe its goods is no longer available to the Respondent. As indicated above, the test of an Abusive Registration encompasses both registration and use. In light of my finding as to likely knowledge of the Complainant's rights at the time of registration of the Domain Name by the Respondent and the Respondent ceasing to sell the Complainant's goods, I am of the opinion that the ongoing use of the Domain Name to sell third party products is likely to confuse people into believing that the Domain Name is registered to, operated or authorised by, or otherwise connected with the Complainant, and that such conduct will unfairly disrupt the business of the Complainant.

I am not persuaded on the evidence that I have seen that the Respondent registered the Domain Names primarily for the purposes of selling, renting or otherwise transferring the Domain Name to the Complainant or to a competitor of the Complainant; or to block the Complainant from registering the Domain Name. These further grounds relied upon by the Complainant therefore fail.

7. Decision

For the reasons set out above, I find that the Complainant does have Rights in respect of a name and mark which is similar to the Domain Names <compairsystems.co.uk> and that the Domain Name in the hands of the Respondent is an Abusive Registration. The Complaint therefore succeeds.

The disputed Domain Name should be transferred.

Signed: Simon Chapman Dated: 21 May 2013