

DISPUTE RESOLUTION SERVICE

D00013489

Decision of Independent Expert

YJ Europe Limited
and

Garling Consulting Ltd

1. The Parties:

Lead Complainant: YJ Europe Limited
Units 3/3a Farthing Road Industrial Estate
Farthing Road
Ipswich
Suffolk
IP1 5AP
United Kingdom

Complainant: YJ (USA) Corporation
3970 Lindbergh Drive
Addison
Texas
TX 75001
United States

Respondent: Garling Consulting Ltd
Gigg Mill, Old Bristol Rd
Nailsworth
Gloucestershire
GL6 0JP
United Kingdom

2. The Domain Name(s):

jumpking.co.uk

3. Procedural History:

11 November 2013 15:34 Dispute received
12 November 2013 08:56 Complaint validated
12 November 2013 09:00 Notification of complaint sent to parties
29 November 2013 01:30 Response reminder sent
02 December 2013 08:56 Response received
02 December 2013 11:27 Notification of response sent to parties
05 December 2013 01:30 Reply reminder sent
10 December 2013 11:37 Reply received
10 December 2013 11:50 Notification of reply sent to parties
10 December 2013 11:51 Mediator appointed
13 December 2013 11:39 Mediation started
05 February 2014 17:33 Mediation failed
06 February 2014 14:55 Close of mediation documents sent
13 February 2014 14:42 Expert decision payment received

I 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 to 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.

4. Factual Background

The parties have filed a substantial volume of submissions and supporting documents/statements. I set out below a summary of the relevant facts that I consider to be particularly relevant to the dispute.

The original proprietor of the 'Jumpking' trade mark was Jumpking Inc, a company incorporated in Texas. The use of the mark dates back to 1948. That company appointed Ambit Research Ltd (trading as 'Airbourne') as a non-exclusive distributor in the UK. It was Airbourne that initially registered the Domain Name in 2000 and used it to offer products of Jumpking Inc, and other manufacturers.

The Respondent was incorporated in 2001 and started selling 'Jumpking' trampolines from 2002, sourcing them from Airbourne.

On 31 May 2005, the First Complainant acquired rights to manufacture trampolines under the 'Jumpking' trade mark and is the proprietor of Community and UK trade mark registrations for 'Jumpking'.

In May 2005 the First Complainant appointed Trampled Underfoot Ltd ('Trampled') as its sole distributor in the UK.

In August 2005, Airbourne went into administration, and the Domain Name was acquired by Project Leisure Ltd ('Project') and used to sell the First Complainant's products and those of third parties.

In 2008 a representative of Project offered the Domain Name for sale to both Trampled and the Respondent and the Respondent purchased it and has used it ever since to promote and sell the First Claimant's products. It does not offer any competing products via that domain name.

Trampled was wound up in June 2012. The Second Complainant became operational to deal with wholesalers and direct customers in the UK in March 2013 (having been incorporated in May 2012).

In July 2012, a representative of the Second Complainant contacted the Respondent and indicated that it would like to acquire the Domain Name. There is a dispute as to whether the First Complainant asserted a right to the Domain Name, but in any event the Respondent identified that the Domain Name had a value of circa £800,000. At about the same time, because of the difficulties that had arisen with Trampled being wound up and the effect that this was having on the Complainants' business, the Second Complainant asked the Respondent to put a notice on its website to inform customers that the First Complainant had stepped in to the shoes of Trampled. The Respondent duly did so.

5. Parties' Contentions

a. Complaint

In support of their claim to Rights, the Complainants rely upon the extensive use that has been made of the 'Jumpking' mark by them and the previous proprietor of the trade mark and also their trade mark registrations.

In support of the claim that the Domain Name is an Abusive Registration, the Complainant asserts that it has become aware since June 2012 (following the demise of Trampled), that the Respondent's use of the Domain Name is causing customers to be confused into thinking that the Respondent is controlled by the Second Complainant and that the Domain name suggests that the website that it is pointed to is the official website for the 'Jumpking' brand in the UK, rather than the website of a mere dealer.

The Complainants go on to assert that the confusion is causing damage to the Complainants' goodwill and reputation because the Respondent provides poor customer service, and the Complaint exhibits a number of emails from customers in which they identify that they believed that they were dealing with the UK arm of the Complainants and complain about the customer service that they have received.

b. Response

The Respondent accepts that the Complainant's have Rights in the term 'Jumpking' for the purposes of the DRS and that it is identical to the Domain Name.

By way of response to the assertion that the Domain Name is an Abusive Registration the main points made by the Respondent are as follows:

- (i) The Complainants and Trampled were well aware of the Respondent's acquisition and use of the Domain Name and the Respondent relies upon a statement prepared for these proceedings from the ex-managing director of Trampled to that effect. It also relies upon an email from the Complainants to a customer in June 2012, in which they referred to the Respondent's use of the Domain Name as set out below:

Morning Simon,

Please be aware that the main Jumpking dealer in the UK has changed from Trampled Underfoot to YJ Europe. We now supply all dealers in the UK with Jumpking trampolines. Whilst the transition is being made as swiftly as possible this has caused delays for some of our dealers that have ordered Jumpking trampoline stock and accessories. www.jumpking.co.uk is in fact one of our dealers that purchased the Jumpking domain name and distribute Jumpking trampolines and spare parts through us. They are still very much in business and I will ensure they contact you as a matter of urgency in regards to the order you have placed with them. 15 x 10 OvalPods will be available to jumpking.co.uk from 19/06 - from this point they should be able to fulfill your order.

Apologies for the inconvenience caused.

Kind regards

Zoe Thompson

YJ Europe
E: info@yjeurope.co.uk
DDI: 01473 276116

- (ii) The Respondent has invested substantial time developing its website (including search engine optimisation), and now derives significant income via the site.
- (iii) Despite the Complainants' assertion that it became aware of increasing customer confusion from June 2012, the Complainants asked the Respondent in July 2012 to put a notice on its website located via the Domain Name asserting that Jumpking products were still available in the UK notwithstanding the liquidation of Trampled from authorised UK dealers, which would include the Respondent.
- (iv) When the Complainants engaged with the Respondent over the purchase of the Domain Name, it made no complaint about the Respondent's use.
- (v) The Complainants and their predecessors in title have allowed some 13 years of use of the Domain Name to sell Jumpking products (and even competing products in the case of the previous registrant of the Domain Name) without complaint.
- (vi) The Respondent denies that he set out to cause confusion or that any significant confusion has occurred.
- (vii) The Respondent says that the Complainants' evidence of poor customer service is (a) selective and incomplete, (2) is in part due to the Complainants' own poor service, and (c) is outweighed by customer testimonials.

The Respondent also asserts that the Complaint has not been brought legitimately, and has been filed by the Complainants as a 'cheap' way to obtain the Domain Name, and as such it is an attempt at reverse domain name hijacking.

c. Reply

The Complainants assert that the Complaint relates to the period of time after which the First Complainant became involved in the distribution of 'Jumpking' products in the UK, when it became aware of customer complaints/confusion.

They acknowledge that the First Complainant's predecessors did not prevent distributors/dealers from owning the respective country's top level domain name for the mark 'Jumpking'.

Whilst Trampled were aware that the Respondent had acquired the Domain Name from Project, it could not afford to lose the income derived from the Respondent, and therefore took no action.

The acquisition of the Domain Name and the customer complaints/confusion were hidden from the Complainants by Trampled and only revealed to them in June 2012.

The Complainants have not acquiesced to the Respondent's use of the Domain Name and complained as soon as it became aware of the customer complaints/confusion.

It denies that it is seeking to reverse highjack the Domain Names and asserts that the complaint was not filed in bad faith.

6. Discussions and Findings

a. General

To succeed in this Complaint, the Complainants 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
- (i) 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 Complainants do qualify as having the necessary Rights or that they are in respect of a name or mark identical/similar to the Domain Name. I agree. It is clear that the Complainants have extensive rights in the 'JUMPKING' 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 'JUMPKING' on the one hand, and 'JUMPKING' on the other. The Domain Name is therefore identical to the Complainants' mark and as such I conclude that the Complainants have established that they have Rights in a mark identical to the Domain Name.

c. Abusive Registration

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

The Complainants assert 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 has taken unfair advantage of or has been 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 was 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 –

(i). 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.

(ii). 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.

(iii). Such an implication may be the result of "initial interest confusion" and is not dictated only by the content of the website.

(iv). 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.

In line with the above decisions, had the complaint been brought at the time the Respondent registered the Domain Name, there may have been a compelling argument that the adoption of a domain name identical to the Complainants' trade mark, with no added indication that the Respondent was a reseller, was an abusive registration. However, in the present case it seems to me that the Respondent (and for that matter the prior owner of the Domain Name) was allowed to use the Domain Name and develop a business in respect of it with the full knowledge of the Complainant's exclusive distributor in the UK from 2008 and the Complainants' direct knowledge from June 2012. Whilst the Complainants assert that they has no knowledge of the Respondent's use of the Domain Name until June 2012, it seems unlikely to me that the Complainants' would have been blind to the fact that it was not held by their sole distributor, and even if that were the case, they allowed the use to continue from June 2012 onwards.

In such circumstances, it seems to me that the Respondent's use falls within Para 4(a)(i)(A) of the Policy in that before being aware of the Complainant's cause for complaint, the Respondent used the Domain Name in connection with a genuine offering of goods or services. In coming to that conclusion, I have taken note that the Respondent's website does not offer competing products. Had it done so, I may have reached a different conclusion. I have also been mindful of the evidence relied upon by the Complainants as to the confusion caused by the Respondent's use and the customer complaints relied upon. However I believe that there is a significant evidential conflict between the parties as to the latter, and in respect of the former, the Complainants' acquiescence in the use of the Domain Name, means that a level of customer confusion must be tolerated.

I am not persuaded that the complaint has been brought in bad faith in an attempt to reverse highjack the Domain Name.

7. Decision

For the reasons set out above, I find that the Complainants do have Rights in respect of a name and mark which is identical to the Domain Name <jumpking.co.uk> but that the Domain Name in the hands of the Respondent is not an Abusive Registration. The Complaint therefore fails.

Signed: Simon Chapman

Dated : 17 March 2014