

## DISPUTE RESOLUTION SERVICE

D00014391

### Decision of Independent Expert

Scrap Metal Grading

and

Alchemy Metals Ltd

#### 1. The Parties:

Complainant: Scrap Metal Grading  
4/4a Accommodation Road  
London  
NW11 8ED  
United Kingdom

Respondent: Alchemy Metals Ltd  
Cavendish Road  
Stevenage  
Hertfordshire  
SG1 2EU  
United Kingdom

#### 2. The Domain Name(s):

scrapmetalgrading.co.uk

#### 3. Procedural History:

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 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.

19 June 2014 19:26 Dispute received

20 June 2014 11:23 Complaint validated  
20 June 2014 14:24 Notification of complaint sent to parties  
20 June 2014 16:00 Response received  
20 June 2014 16:00 Notification of response sent to parties  
25 June 2014 02:30 Reply reminder sent  
27 June 2014 11:44 Reply received  
27 June 2014 12:04 Notification of reply sent to parties  
27 June 2014 12:04 Mediator appointed  
03 July 2014 09:33 Mediation started  
21 July 2014 12:41 Mediation failed  
21 July 2014 12:42 Close of mediation documents sent  
29 July 2014 11:20 Expert decision payment received

#### **4. Factual Background**

The Complainant is a partnership founded in 1927. It has traded under the name Scrap Metal Grading since its inception. The Complainant specialises in factory production metal recycling. It holds a Certificate of Registration under the Waste (England and Wales) Regulations 2011 and a Collectors Licence under the Scrap Metal Dealers Act 2013. The Complainant's customers represent a cross section of manufacturing industry in the UK. Its turnover is approximately £1 million per annum. The Complainant registered the domain name scrapmetalgrading.com on 15 February 2008 and has used that domain name continuously since that date. It does not own trade mark registrations in the name Scrap Metal Grading. The initials of the Complainant "SMG" are those of its founder- the late Sidney Maurice Goldman.

The Respondent was incorporated in 1993. It also trades in the scrap metal sector specialising in metal grading and analysis of factory and infrastructure primary, secondary and redundant metals. For at least 15 years it has used specialist equipment to grade and analyse scrap metal. It describes itself as a "market leader for change in the scrap metal industry".

The Domain Name was registered by the Respondent on 27 February 2013 with the objective of using it to direct companies wanting scrap metal grading services to the Respondent's website at [www.alchemy.com](http://www.alchemy.com) (the Respondent's Website). The Domain Name is being used to point to the Respondent's Website to which it automatically directs traffic.

#### **5. Parties' Contentions**

##### *The Complaint*

The Complainant asserts *Rights* in its Scrap Metal Grading name. In support it relies on its length of use of the name. There has been continuous use of the name since 1927 i.e. for over 80 years. It submits that it has built a UK wide reputation and a customer base in the Scrap Metal Grading name. In demonstration of its association with the name it annexes a copy list of results from a Google search

dated 19 June 2014 for the term “scrap metal grading”. The Complainant appears on the first page of the search results.

The Complainant submits that its Scrap Metal Grading name is recognised by customers and the purchasing trade as relating to the Complainant and its services. Its case is that it has developed a significant amount of goodwill in the name. It has sought to distinguish itself from its competitors by its use of the word “grading” as part of its name. This word is not generally in use in the scrap metal industry. The Complainant’s use is somewhat unusual and is aimed at distinguishing the business from its competitors.

The Complainant asserts that its Domain Name is an *Abusive Registration* for the following reasons:

- a. The Complainant and the Respondent are direct competitors;
- b. By using the Domain Name to point to the Respondent’s Website, the Respondent is trying to disrupt the Complainant’s business and capitalise on the Complainant’s goodwill by redirecting internet users to its own website. Users searching for the Complainant’s website will be easily confused by the redirection and will readily assume that the Domain Name is operated or authorised by and connected to the Complainant (as referred to in Paragraph 3(a) (iii) of the Nominet Dispute Resolution Policy (the Policy)).
- c. The Respondent has no legitimate connection with the Scrap Metal Grading name. It does not use the trade name Scrap Metal Grading nor does it use the term “grading” in its own marketing materials. The Respondent does not feature in the first 10 pages of the Google search results referred to above.

### *The Response*

The Respondent does not accept that its use of the Domain Name is causing confusion.

The term “scrap metal grading” is generic and descriptive. The metatags of “scrap”, “metal” and “grading” are used widely through the UK scrap metal industry. A screenshot for the terms is annexed to the Response showing a range of businesses in the search results (including the Complainant). It casts doubt on whether the Parties operate in the same field of activity suggesting that the Complainant is registered as a waste collector only and not as a scrap metal dealer.

The Respondent registered and used the Domain Name in good faith to attract customers to the Respondent’s Website. The Respondent was not aware of the Complainant’s existence until it received a letter from the Complainant’s solicitors dated 12 June 2014 contesting its use of the Domain Name.

### *The Reply*

In relation to the potential for confusion, the Complainant submits that the difference between the “.com” and “.co.uk” domain names is small and customers can easily be confused by which domain name should be used, particularly as many UK companies use the domain name “.com”. Therefore customers who are searching for the Complainant’s website but accidentally search using the “.co.uk” domain name and are subsequently redirected to the Respondent’s Website, will likely assume that the Respondent and the Complainant are linked companies or that the Respondent has taken over the Complainant. This use of the Domain Name is therefore confusing to potential and actual customers who will believe that the Complainant and Respondent share a common ownership and they will not make further enquiries into the true ownership of the Complainant. This is clearly disruptive to the Complainant’s business as custom will be lost to the Respondent.

In reply to the Respondent’s submission about lack of common field of activity, the Complainant submits that it operates in the same sector as the Respondent and to support this it annexes the Certificate of Registration and Collectors Licence referred to in section 4 of this Decision. It also refers to the fact that it has been listed in the Materials Recycling World Handbook every year for over 30 years. It submits that the fact that the Parties operate in the same sector would be very confusing to customers.

While many companies may include the metatags “scrap”, “metal” and “grading” within their range of metatags, the Complainant contends that the complete term “scrap metal grading” is not commonly used within the scrap metal recycling industry and is not used by the Respondent in its marketing or on its website.

## **6. Discussions and Findings**

Under Paragraph 2 of the Policy in order for the Complainant to succeed, it must establish on the balance of probabilities, both:

that it has Rights in respect of 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 as defined in Paragraph 1 of the Policy.

The Dispute Resolution Service Expert’s Overview explains commonly raised issues under the Policy. It is explained in the Overview that “on the balance of probabilities” is also referred to as “more probable than not” or “on the preponderance of evidence”.

### Rights

Rights are defined in Paragraph 1 of the 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."*

The Complainant owns no trade marks registrations in the Scrap Metal Grading name. It must therefore produce evidence to demonstrate that on the balance of probabilities it has acquired unregistered rights in the goodwill that has been generated through use of the Scrap Metal Grading name. The Expert's Overview referred to above, states that this will ordinarily include evidence to show that (a) the Complainant has used the name for a not insignificant period and (b) the name is recognised by the purchasing trade/public as indicating the services of the Complainant.

On its face the term "scrap metal grading" lacks inherent distinctiveness. The natural meaning of the term operates as a generic description of the activity of grading scrap metal.

As the definition of Rights in the Policy makes clear, a complainant must show that a descriptive term has acquired a secondary meaning before Rights can be established under the Policy. This means demonstrating that the name has been used in such a way that it has come to be associated with the Complainant or its specific services. Length of use of a name is a relevant consideration in deciding whether a secondary meaning has been generated, as is turnover.

In this case there is an uncontested submission by the Complainant, which the Expert accepts, that continuous use has been made of the Scrap Metal Grading name since 1927. This is a very significant period of time.

In relation to its assertion that the name has come to be recognised by the purchasing trade as indicating the Complainant, there is some evidence before the Expert about how the name has been used by the Complainant.

1. The main piece of evidence is a copy of search engine listings which feature the Complainant ranking highly among numerous other businesses in the scrap metal sector.
2. There is also an unsupported reference to the annual turnover of the Complainant being approximately £1 million per annum.
3. The Complainant has appeared in at least one trade directory (Materials Recycling World Handbook) for a significant period in excess of 30 years.
4. The Complainant has operated a website at scrapmetalgrading.com since 2008.

Having reviewed the information before her, the Expert's finding is that the Complainant is able to establish on the balance of probabilities that it has Rights in its trading name, Scrap Metal Grading. This finding is most strongly influenced by the very significant and continuous period that the Complainant has traded under the name in the scrap metal industry.

The trading name Scrap Metal Grading is identical to the Domain Name (it being customary to ignore the suffix .co.uk).

The first requirement of the Policy has accordingly been satisfied.

### Abusive Registration

An Abusive Registration is defined in Paragraph 1 of the Policy as follows:

"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".

It can be seen that the concept of Abusive Registration turns on unfair damage to or unfair advantage of the Complainant's Rights.

Although the Complainant has established Rights in its trading name consisting of the words "Scrap Metal Grading" in the sense that its business is recognised under that name, those Rights do not necessarily confer *exclusivity* in what is on its face a descriptive phrase. The Expert notes the Complainant's submission that the word "grading" is not generally in use in the context of the scrap metal industry and that the appearance of the word in its name is somewhat unusual and aimed to distinguish the business from its competitors. This submission is refuted by the Respondent. In the absence of clear evidence relating to the terminology in use in the scrap metal industry, the Expert does not accept the submission that the addition of the word "grading" is sufficiently unusual to displace the descriptive implications of the phrase "scrap metal grading".

The descriptive quality of the Domain Name raises two difficulties for the Complainant:

The most significant obstacle to the Complainant's case on Abusive Registration is that it is based on inference. No evidence has been produced to show that the Complainant is losing income as a result of the Respondent's use of the Domain Name or that customers or potential customers are becoming confused. The Expert accepts the Complainant's submission that the Parties trade in the same broad field of activity. However in DRS 04884 (maestro.co.uk) the Appeal Panel noted that "where a domain name is a single ordinary word, the meaning of which has not been displaced by an overwhelming secondary meaning, the evidence of abuse will have to be very persuasive, if it is to be held to be an Abusive Registration...." This case turns on the combination of three ordinary words but the same principle holds true. Very persuasive evidence is required to support a finding of Abusive Registration. This threshold has not been met on the Complainant's submissions.

Secondly, under Clause 4 a ii of the Policy one of the factors that suggest that use of a domain name does not amount to Abusive Registration is that the domain name is generic or descriptive and the Respondent is making fair use of it. The Complainant invites the Expert to infer bad faith by pointing out that the Respondent does not use the term “scrap metal grading” in its marketing literature or on its website. Its point appears to be that the Respondent had no reason to select that name other than its association with the Complainant.

The Expert does not accept this submission for the following reasons:

1. Firstly, the Complainant has not sought to refute the Respondent’s case that the Respondent was unaware of the Complainant when it registered and first used the Domain Name and did not become aware of it until the Solicitors’ letter of 12 June 2014. Whilst lack of knowledge is not necessarily determinative of good faith, it raises doubts about whether the registration and/or use of the Domain Name were unfair. The descriptive nature of the Domain Name raises a real possibility that the Respondent arrived at the Domain Name independently.
2. Secondly, there is no requirement in Clause 4 an ii of the Policy that the Respondent should make use of the exact descriptive phrase contained in the Domain Name on its website or elsewhere. In the Response the Respondent describes itself as “specialising in metal grading”. The Domain Name is on its face descriptive of that activity.

The Expert finds that the use of the descriptive Domain Name to point to the Respondent’s Website (which offers the very services described) is a fair use under the Policy under clause 4 a ii of the Policy.

For the above reasons, the Expert finds that the Complainant has not established that registration or use of the Domain Name amounts to an Abusive Registration.

## **7. Decision**

The Complaint accordingly fails. The Complainant has failed to demonstrate that the registration of the Domain Name by the Respondent was an Abusive Registration.

No action to be taken.

**Signed Sallie Spilsbury**

**Dated 19 August 2014**