

DISPUTE RESOLUTION SERVICE

D00021841

Decision of Independent Expert

Grupo Negocios PO

and

Paul Hornsby

1. The Parties:

Lead Complainant: Grupo Negocios PO
Grupo Negocios PO
Rosas 33
Manises
Valencia
46940
Spain

Respondent: Paul Hornsby
27 Warren Way
Telscombe Cliffs
East Sussex
BN10 7DL
United Kingdom

2. The Domain Name:

topciment.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 a such a nature as to call in to question my independence in the eyes of one or both of the parties.

11 September 2019 11:07 Dispute received
11 September 2019 14:10 Complaint validated
11 September 2019 14:14 Notification of complaint sent to parties
12 September 2019 08:34 Response received
12 September 2019 08:34 Notification of response sent to parties
17 September 2019 02:30 Reply reminder sent
17 September 2019 16:09 Reply received
17 September 2019 16:09 Notification of reply sent to parties
23 September 2019 11:02 Mediator appointed
24 September 2019 09:58 Mediation started
17 October 2019 16:34 Mediation failed
17 October 2019 16:34 Close of mediation documents sent
29 October 2019 01:30 Complainant full fee reminder sent
29 October 2019 15:38 Expert decision payment received

4. Factual Background

The Complainant is a manufacturer of floor-covering building materials known as “microcement”. They are a company registered and based in Spain.

The Complainant owns European Union trade mark registration number 9004763 for a logo which includes three elements: (1) a symbol which appears to be two joined capital letter “T”s, (2) the words “TOP CIMENT”, and (3) the word “MICROCEMENTO”. The words “TOP CIMENT” are in a larger font and form the dominant part of the trade mark. The registration is effective from 6 April 2010, and is in force as of the date of this decision. The registration covers, in general terms, paints in class 2, building materials in class 19, and building construction services in class 37.

The Respondent is an individual based in East Sussex who trades under the name “Hawk & Trowel”.

The Respondent registered the Domain Name on 6 November 2016.

The Respondent has used the Domain Name for the purposes of a website at the address “www.topciment.uk” to sell the Complainant’s microcement floor covering tools and materials. The website has as its title “Microcement Supplies uk”.

5. Parties' Contentions

The Complaint

The Complainant refers to itself as "TOPCIMENT" and asserts that it has trade mark rights across the European Union in the name "TOP CIMENT MICROCEMENTO".

The Complainant acknowledges that the Respondent was authorised as a distributor of its products from 1 November 2016 until termination of the contractual relationship with effect from 20 December 2018. It is claimed that at no time was the Respondent authorised to register the Domain Name. No copy of the distribution agreement has been provided. The Complainant has continued to supply its goods to the Respondent subsequent to the termination of the distribution relationship.

The Complainant alleges that it has requested transfer or cancellation of the Domain Name "repeatedly", without positive response. The Complainant further alleges that the Respondent has attempted to sell the Domain Name to it for the sum of £15,000, as well as trying to sell it using social media and to other retailers of the Complainant's products. No supporting evidence of this has been provided by the Complainant.

The Response

The Respondent states that he is a sole trader and was the UK distributor of the Complainant's products from 1 November 2016, until the unilateral termination of the relationship by the Complainant with effect from December 2018. He too refers to the Complainant as "Topciment".

The Respondent states that he registered the Domain Name because that was the accepted practice amongst the Complainant's other authorised distributors. Following the termination of the distribution relationship, the Respondent has continued to sell the Complainant's products. These products are legitimately purchased from the Complainant, albeit at a higher list price than previously available under the authorised distribution relationship.

The Respondent accepts that he offered to sell the Domain Name to the Complainant for the sum of £15,000. The Respondent considers this to be a reasonable sum, having invested "thousands" setting up and maintaining the online store. No evidence has been provided of the costs incurred by the Respondent operating the website at the Domain Name.

The Respondent alleges that the Complainant expressed no concerns over the use of the Domain Name until 21 February 2018, some 15 months into the distribution relationship. The Respondent has provided evidence that the Complainant asked to

purchase the Domain Name from the Respondent on 21 February and 20 November 2018.

The Respondent states that the Domain Name has been used to continue to legitimately sell such of the Complainant's own products that remain in stock. He says that he has only now (in the Complaint) been asked by the Complainant to stop using photos of its products on the Respondent's website, which he finds underhand given that the Complainant had sold the products to him. But he says he is happy to remove the photos.

The Reply

The Complainant confirms its position that, although the Respondent was a distributor until 2018, he at no time authorised to register or use the Domain Name, and that such action was at the Respondent's own risk. It further states that none of its other authorised distributors own domain names which include the name "topciment": they are all owned by the Complainant.

6. Discussions and Findings

This matter falls to be determined under the terms of the Policy.

Paragraph 2 of the Policy states that:

"2.1 A Respondent must submit to proceedings under the DRS if a Complainant asserts to us, according to the Policy, that:

2.1.1 The Complainant has Rights in respect of a name or mark which is identical or similar to the Domain Name; and

2.1.2 The Domain Name, in the hands of the Respondent, is an Abusive Registration

2.2 The Complainant is required to prove to the Expert that both elements are present on the balance of probabilities."

Under paragraph 1 of the Policy, the term "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."

Also under paragraph 1 of the Policy, the term "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. is being or has been used in a manner which took unfair advantage of or was unfairly detrimental to the Complainant's Rights.”

Paragraph 5 of the Policy sets out a non-exhaustive list of factors that may be evidence that a domain name is an Abusive Registration. Paragraph 8 of the Policy sets out a non-exhaustive list of factors that may be evidence that it is not an Abusive Registration. However, all such matters are subsidiary to the overriding test for an Abusive Registration as set out in paragraph 1 of the Policy.

Rights

The Complainant has established that it is the owner of a European Union trade mark which contains the word elements “TOP CIMENT MICROCEMENTO”. In the registration, the words “TOP CIMENT” appear in a much larger font size than the word “MICROCEMETO”, and represent the dominant element of the trade mark.

The Domain Name comprises just the term “topciment” and the top-level domain “.uk” (which is disregarded for the purpose of comparison).

The dominant “TOP CIMENT” element of the registered trade mark is identical (bar spaces, which are not within the permitted character set for domain names) to the Domain Name.

The Complainant appears to have been trading under the name “TOP CIMENT” for some time, and the sales of its products in the United Kingdom may have given rise to possible unregistered rights in that name. However, the Complainant has not provided any evidence to support such a finding.

The Expert finds, on the basis of the registered trade mark right, that the Complainant has Rights in respect of a name or mark which is similar to the Domain Name.

Abusive Registration

It is clear that the Respondent registered the Domain Name because of his authorised distributor relationship with the Complainant, for the Respondent to use as an online presence for sale of floor-covering products purchased on a wholesale basis from the Complainant.

It is implied (but not explicitly stated by either party in their submissions) that the Respondent only uses the website at the Domain Name to sell products originating from the Complainant. This does indeed appear to be the case. There is nothing in either party's submissions to indicate that the Domain Name has at any time been or

is currently being used to advertise or sell products originating from anyone other than the Complainant, and nothing in this decision relies on such a suggestion.

The Complainant apparently had no issue with the Respondent's registration and use of the Domain Name from November 2016 until February 2018 (whilst the authorised distribution relationship was still in force), at which point it requested transfer of ownership (but remained silent on whether such transfer of ownership would preclude the Respondent from continuing to operate the online store at the Domain Name, notwithstanding the change of ownership).

It has been generally accepted in other cases under the DRS Policy that where the Domain Name in question is in substance an unadorned reproduction of a Complainant's trade mark (or a minor variant thereof) without any additional modifying terms, that will suffice to establish confusion within the meaning of paragraph 5.1.2 of the Policy, even if a visitor to the website linked to the Domain Name would realise once they got there that the site itself was nothing to do with the Complainant. See, for example, *Urban Outfitters, Inc. v Lim Chu Ltd* (DRS 10987) concerning numerous domain names that comprised minor typographic variations of <urbanoutfitters.co.uk>.

The Respondent is a re-seller of the Complainant's products, and there have been a number of cases similar to the present one decided under the DRS before.

In the Appeal decision relating to <toshiba-laptop-battery.co.uk> (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.

In the present case, the Respondent's predominant use of the "TopCiment" name is in the Domain Name itself. The website is titled "Microcement Supplies uk", and there is no presentation of the materials on the website that seeks to suggest that

the website is operated or authorised by the Complainant. The main instances of references to the Complainant are by way of the product images (in which the Complainant's name and brand are visible), and in the Complainant's product information sheets which are linked from the individual product pages on the store. A key factor here is the apparent absence of any offering of competitive goods on the website.

This is not an obvious example of the Respondent clearly attempting to take advantage of the Complainant's Rights.

However, the Respondent's activities may still take advantage of or be detrimental to the Complainant's Rights (and therefore amount to an Abusive Registration) in other ways.

In the Appeal case relating to <wwe-shop.co.uk> (DRS16416), helpful guidance was developed in relation to cases (such as the present case) where the complaint concerns a domain name where the alleged abuse is said to arise in respect of a website which is used to sell only the genuine goods or services of the complainant. The Panel in that case stated the following:

"If:

- 1. a website is linked to a domain name; and*
- 2. the website is used to sell only the genuine goods or services of a third party; and*
- 3. the third party alleges the domain name is an Abusive Registration; and*
- 4. the third party has relevant Rights in respect of a name or trade mark.*

Then:

- 5. use of the name or trade mark concerned in unadorned form as a domain name is likely to amount to an Abusive Registration.*

...."

Points 1 through 5 appear to be satisfied here, but the relevant circumstances still need to be taken into account. The products sold on the website at the Domain Name are not of particularly high value, and the typical consumer's attention level as to whether or not the website is operated by the Complainant would be low. The fact that the Domain Name is the unadorned trade mark of the Complainant, absent only the element "MICROCEMENTO" which is entirely descriptive of the goods in question, is strongly indicative that this is some kind of authorised online presence of the Complainant.

Furthermore, the goods in question are of a nature which might attract repeat business, and such repeat business through the website at the Domain Name may be detrimental to the Complainant's Rights. For example, a tradesperson who is engaged to use the Complainant's microcement floor coverings for multiple clients may have made several orders from the website at the Domain Name over the course of time, including before and after the Respondent being an authorised distributor. Such a customer would be likely to continue making purchases from the website at the Domain Name, believing that they are purchasing from the authorised original source of the products.

The change in status of the Respondent from authorised distributor for the UK to a mere arm's length wholesaler is not reflected in the online store at the Domain Name.

In addition, this might preclude the Complainant from appointing an alternative authorised distributor for its products in the UK that may wish to use the Domain Name to reflect their authorised status.

The website at the Domain Name includes no claim or disclaimer to the effect that the Respondent has authorisation (or otherwise) from the Complainant.

It seems reasonably likely that the Respondent registered the Domain Name in good faith at the start of its relationship with the Complainant, presumably hoping to attract potential customers for the Complainant's products. The use of the Domain Name being simply the key brand of the Complainant with no adornment, in the opinion of the Expert, would reasonably be considered by those potential customers to be that of the Complainant (or at least its authorised UK online presence).

However, the nature of the relationship between the parties changed, and the Complainant terminated its contractual relationship. The Respondent has admitted that this was the case. Whilst the use of the Domain Name was not specifically the subject of the contractual relationship, the change in the nature of the relationship is sufficient to change the Respondent's use of the Domain Name to that of an Abusive Registration.

Whilst the parties have made limited submissions in relation to the Respondent's offer to sell the Domain Name for £15,000, seemingly considered by the Complainant to be an excessive sum, but considered by the Respondent to be a justifiable estimate of costs incurred in relation to it, the Expert has already established that the use of the Domain Name subsequent to the termination of the distribution arrangement is an Abusive Registration, and therefore makes no decision in relation to this point. For the benefit of the parties, it would have been preferable for the Expert to have been presented with better evidence (by the Complainant) in relation to the Respondent's alleged attempts to sell the Domain Name, and (by the Respondent) in relation to the costs incurred in developing the website and whether those had been authorised or encouraged by the Complainant.

7. Decision

The Expert has concluded that the Complainant 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. The Complaint therefore succeeds and the Expert directs that the Domain Name, <topciment.uk>, be transferred to the Complainant.

Signed
Simon Sellars

Dated 18 November 2019