

DISPUTE RESOLUTION SERVICE

D00009730

Decision of Independent Expert

Volvo Trademark Holding Aktiebolag

and

City Motor Holdings

1. The Parties:

Lead Complainant: Volvo Trademark Holding Aktiebolag
VHK, avd. 641, Volvo Bergegards vag SE-405 08
Goteborg
Sweden
SE-405 08
Sweden

Respondent: City Motor Holdings
The Autoplaza
Aldermaston Road South
Basingstoke
Hampshire
RG21 6YL
United Kingdom

2. The Domain Name(s):

cityvolvo.co.uk
city-volvo.co.uk

3. Procedural History:

25 March 2011 16:20 Dispute received
28 March 2011 11:00 Complaint validated
28 March 2011 11:25 Notification of complaint sent to parties

14 April 2011 02:30 Response reminder sent
15 April 2011 15:25 Response received
15 April 2011 15:25 Notification of response sent to parties
22 April 2011 02:30 Reply reminder sent
27 April 2011 08:45 Reply received
27 April 2011 08:46 Notification of reply sent to parties
27 April 2011 08:54 Mediator appointed
04 May 2011 14:57 Mediation started
19 May 2011 15:27 Mediation failed
19 May 2011 15:28 Close of mediation documents sent
25 May 2011 11:41 Expert decision payment received

On 9 June 2011 I was contacted by Nominet and asked to confirm that I was able to provide an Expert Decision. I responded to Nominet confirming that I had no conflict preventing me from providing a decision.

The matter was thereafter duly referred to me, Simon Chapman, ("the Expert") for an Expert Decision.

4. Factual Background

The Domain Names were registered on 9 September 2009 and 23 February 2010.

The Complainant is a company registered in Sweden, and is the beneficial owner and manager of the VOLVO trade mark and licenses the trade mark to AB Volvo and Volvo Car Corporation. The Complainant is the proprietor of numerous registrations for its trade mark which have effect in the UK. Volvo Car Corporation was acquired by Zhejiang Geely Holding Group in 2010.

The Complainant, its owners and/or their predecessors in title have used the VOLVO mark extensively in the UK and worldwide. Between 2003 and 2009 advertising expenditure in the UK averaged £40m per annum. In 2009 and 2010, respectively 34,371 and 37,940 Volvo cars were sold in the UK.

The Respondent is a car dealership operating across Hampshire and Berkshire, and trades under the name "City". It deals in the cars of a number of manufacturers, although not Volvo, and uses the trading styles 'City Peugeot', 'City Citroen', 'City Honda', 'City Renault', 'City Skoda', 'City Mitsubishi' and 'City Seat' amongst others. It asserts that it is well known in the motor industry that it trades under the style "City".

The Complainant asserts that it is common for car dealerships to use their own trading style in conjunction with the name of the brand they represent, and the Respondent is no exception.

The Respondent is the registrant of a significant number of .co.uk domain names which incorporate the word "City" with the name of a car manufacturer, in some instances with a hyphen between the words. It does not sell the cars of many of the manufacturers whose name it has incorporated into these domain names. On the same days that the Respondent registered the Domain Names, it also registered a number of other domain names as described.

In or about November/December 2008, the parties had discussions concerning the possibility of the Respondent becoming a franchised dealer of the Complainant, but no relationship was entered into. As a result of these discussions, in 2009 the Respondent entered into discussions with the Complainant's existing franchised dealer for Basingstoke with a view to acquiring its franchise, but no acquisition took place.

Following registration of city-volvo.co.uk, the Respondent pointed it to a website located at www.houndmillsautoplaza.co.uk, which is operated by the Respondent and which offers cars for sale, although not those of the Complainant.

On 2 November 2010, trade mark attorneys retained by the Complainant wrote to the Respondent and complained about the registration and use of city-volvo.co.uk, and amongst other things demanded that the registration of that domain name be cancelled. Following receipt of that letter, the Respondent removed the link between city-volvo.co.uk and the above mentioned website, and re-pointed it and cityvolvo.co.uk to a webpage which contained sponsored links to websites operated by third parties who offer goods/services relating to Volvo cars. There then followed correspondence between the Complainant's trade mark attorneys and the Respondent's solicitors. In those communications, the Respondent adopted the position that it was entitled to use the domain name and also indicated that it might be prepared to sell the city-volvo.co.uk domain to the Complainant, although no additional details on a sale were provided when the Complainant's trade mark attorney pressed for details.

5. Parties' Contentions

a. Complaint

In support of its claim to Rights, the Complainant relies upon its registered trade marks and its substantial reputation and goodwill. It asserts that the Respondent is using a sign identical to the Complainant's prior rights, notwithstanding that it is being used with another sign, and/or if the Domain Names are not identical to its mark, then the Domain Names are confusingly similar.

In support of the claim that the Domain Names are Abusive Registrations the main points made by the Complainant (in summary) are that -

- (i) The Domain Names were registered by the Respondent for the purposes of selling, renting or otherwise transferring them to the Complainant or one of its competitors.
- (ii) The Respondents assertion that it registered the Domain Names in the hope that it would become an authorised dealer is not true, and that it did so to create initial interest confusion and attract business to its website at the expense of the Complainant and its licensees.
- (iii) Notwithstanding the 'parking' of the Domain Names, the site to which they are pointed offers links to businesses that compete with the Complainant's licensees, and wrongly suggest that they are endorsed by the Complainant, thereby causing harm/loss to the Complainant's licensees.
- (iv) Because it is common for car dealerships to use their own trading style in conjunction with the brand that they represent, it is inevitable that the use

of the Domain Names by the Respondent will be taken by consumers to mean that it is a legitimate dealership of Volvo vehicles when it is not.

- (v) The Respondent is engaged in a pattern of registrations which correspond to well known names/trade marks in which the Respondent has no apparent rights.

b. Response

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

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

- (i) The Domain Names were registered by the Respondent as part of a due diligence exercise when in negotiations with the Complainants existing franchised dealer for Basingstoke and in anticipation of acquiring that business. The “domain” was kept in case a future relationship with Volvo came about.
- (ii) The Respondent has a number of other domains which it retains in anticipation of future brand growth, and to retain the possibility of brand continuity.
- (iii) It offered the Complainant the option that it would return “this domain” to the Complainant on condition that if the Respondent bought a Volvo business that it would return it to the Respondent, and it was the Complainant’s rejection of this offer that has led to this dispute.
- (iv) cityvolvo.co.uk does not point anywhere, and the Respondent does not pass itself off as a Volvo business.

c. Reply

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

- (i) The relevant dates in this matter are 9 September 2009 and 23 February 2010 those being the dates that the Domain Names were registered. It points out that the Respondent makes no attempt to state the date of its meeting with the Basingstoke franchisee, the period over which the alleged discussions took place or provide any supporting evidence.
- (ii) The Respondent’s claim that its registration of the Domain Names coincided with the negotiations it was having to become a Volvo franchisee is discredited because at the same time it was seeking to register domain names incorporating many other car manufacturers names/marks.
- (iii) The Complainant does not allow its licensees to register domain names that incorporate its trade mark, and the Respondent’s due diligence would have identified this.
- (iv) The Complainant was not interested in a transfer of the Domain Names as it sought the cancellation of them, and it was for this reason that the Respondent’s offer to transfer them was rejected.

The Complainant requests that the Domain Names be cancelled.

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 includes, but is not limited to, rights enforceable under English law. However, a Complainant will be unable to rely on rights in a name or term which is wholly descriptive of the Complainant's business"

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 'VOLVO' 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 must ignore the .co.uk suffix. The comparison is therefore between 'VOLVO' on the one hand, and 'CITYVOLVO' and 'CITY-VOLVO' on the other. In my opinion the Complainant has established that it has Rights in a mark similar to the disputed Domain Names.

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 its intention when registering the Domain Names was in anticipation of it securing status as an authorised franchisee. I have reservations as to the truthfulness of that assertion given that the Domain Names were registered six months apart; no evidence has been provided that negotiations were in fact ongoing with the Basingstoke franchisee at the time the Domain Names were registered; and the number of other domain names that were registered at the same time incorporating third party car manufacturers names/trade marks. Even if I were to give the benefit of the doubt to the Respondent as to its intention when registering the Domain Names, rather than passively sitting on them it chose to point at least city-volvo.co.uk to its website offering cars that compete with the Complainant's cars, and even after being

notified of the Complainant's objection, pointed the Domain Names to a site that generates links to third party sites.

In my view at the time that city-volvo.co.uk was being pointed to the Respondent's own website, there was an intention to take unfair advantage of the Complainant's Rights by creating initial interest confusion and diverting the Complainant's customers or those of its licensees to the Respondent's competing offering. The Respondent's use of domain names incorporating the word 'CITY' and the Complainant's well known trade mark 'VOLVO' would be taken by those who were aware of the Respondent's reputation in the car sector as indicating a commercial connection with the Complainant, possibly as a licensed dealership, when no such connection existed. Those who were unaware of the Respondent, would likely consider that the word 'CITY' was being used in the generic sense of the word, and a commercial connection with the Complainant would still be assumed. The Respondent's refusal to accept the Complainant's objection also amounts to an ongoing threat to repeat such conduct.

Given the conclusion that I have reached above I am also of the view that the Domain Names are abusive because the Respondent is engaged in a pattern of registrations where the Respondent is the registrant of domain names (under .uk or otherwise) which correspond to well known names or trade marks in which the Respondent has no apparent rights, and the Domain Name is part of that pattern, contrary to paragraph 3(a)(iii) of the Policy.

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, for valuable consideration in excess of the Respondent's documented out-of-pocket costs. In my view this became an issue solely because of the correspondence between the parties' advisers and was not a motivating factor to the Respondent at the time of registration. This ground relied upon by the Complainant therefore fails.

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 <cityvolvo.co.uk> and <city-volvo.co.uk>, and that the Domain Names in the hands of the Respondent are Abusive Registrations. The Complaint therefore succeeds.

The disputed Domain Names should be cancelled.

Signed Simon Chapman

Dated 04 July 2011