

**DISPUTE RESOLUTION SERVICE**

**D00011474**

**Decision of Independent Expert**

Natco Foods Limited

and

Dhaliwal Supermarket

**1. The Parties:**

Lead Complainant: Natco Foods Limited  
Unit 2 Swan Business Park  
Osier Way  
Buckinghamshire  
MK18 1TB  
United Kingdom

Respondent: Dhaliwal Supermarket  
370-376 Foleshill Road  
Foleshill  
Coventry  
England  
CV6 5AN  
United Kingdom

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

natcofood.co.uk

### **3. Procedural History:**

14 June 2012 14:18 Dispute received  
15 June 2012 09:38 Complaint validated  
15 June 2012 09:39 Notification of complaint sent to parties  
04 July 2012 02:30 Response reminder sent  
09 July 2012 08:50 Response received  
09 July 2012 08:50 Notification of response sent to parties  
12 July 2012 02:30 Reply reminder sent  
13 July 2012 13:51 Reply received  
13 July 2012 13:52 Notification of reply sent to parties  
13 July 2012 13:52 Mediator appointed  
18 July 2012 09:11 Mediation started  
20 August 2012 10:19 Mediation failed  
20 August 2012 10:40 Close of mediation documents sent  
23 August 2012 11:02 Expert decision payment received

### **4. Factual Background**

4.1 The following summary of the facts is taken from the parties submissions. Very few if any of the facts are in contention. Where there are disputes which I am able to resolve, I have done so.

4.2 The Complainant is a wholly owned subsidiary of T. Choithram (International) Limited and is part of the Choithram group which has worldwide activities including supermarkets, manufacturing and distribution of foods in Africa, the Middle East, Asia, the US as well as in the UK. It has a website at [www.natcofoods.com](http://www.natcofoods.com) where further information about its business can be found. Natco Foods Limited was incorporated in 1963.

4.3 The Complainant has a number of sister companies and operates a number of websites for various arms of its business. In 2001 it set up [www.natcoingredients.com](http://www.natcoingredients.com) to sell food ingredients in bulk. In 2003 it set up [www.natcoonline.com](http://www.natcoonline.com) as its online shopping arm. Its cash and carry arm operates through [www.natcocc.com](http://www.natcocc.com).

4.4 The Complainant's parent company is the registered proprietor of the trade mark NATCO. The mark is registered in many countries including the EU where there are registrations numbers 5 689 569 registered in classes 29, 30, 31 and 32 and number 10 295 715 in classes 35, 39, 41 and 43.

4.5 The mark NATCO has been in use in the UK for over 40 years in relation to a wide range of foodstuffs including cooked and prepared foods, snacks, desserts, teas, waters, essences, products used in the preparation of foods, nuts, pulses, pappadoms, oils and ghee, food pastes, chutneys and pickles, rice, flour, dried fruits and spices. In 2010 the Complainant had a turnover of £55 million. It has operated at this level of business for a number of years. A Google search with which I have been provided shows that the search term NATCO returns many hits associated with the Complainant's business.

4.6 The Complainant expends significant sums on advertising its NATCO branded products. From 2007 to 2011 it spent between £26,000 and £225,000 a year on advertising.

4.7 The Respondent has traded since 1978, first as Sandhu Supermarket until 1990, then as Deekay supermarket until 1999 and since then under its present name, Dhaliwal supermarket.

4.8 The Respondent is a long-standing customer of the Complainant. It buys the Complainant's NATCO products and sells them on. It has done so since it began trading. In March 2010 the Respondent incorporated a company under the name Natco Foods DTC Limited. The company is dormant. It has set up a website at the domain [www.natcofood.co.uk](http://www.natcofood.co.uk) through which it has offered the Complainant's products for sale. The Respondent's website includes the Complainant's logo on its home page.

4.9 The Respondent explains that having had great success in selling NATCO branded items in its store, it decided to market them online. To do so it decided to use the NATCO name in the url as that would be recognised by those looking for NATCO products. The Respondent says that it has had advice from a trade mark expert who said that when a company sells its products to a retailer the rights to the way the brand is sold are diminished and that, whilst the brand name itself is still owned by the original supplier, the retailer can use the brand name in its url provided that it only sells the branded products through the website.

4.10 The Respondent explains that the fact that it is not connected to the Complainant is set out in its terms and conditions. The Complainant points out that the home page of the Respondent's website uses the Complainant's logo, does not contain any indication that there is no connection between the two and that the disclaimer is

in small print on the terms and conditions page which is unlikely to be seen by most users of the site.

## **5. Parties' Contentions**

5.1 The Complainant says that the use by the Respondent of its brand in the url and on the home page of the Respondent's website is an infringement of Community Registration 10 295 715 which covers amongst other services "electronic, Internet and on-line retail services; wholesale services and cash and carry services, all connected with the sale of food and drink; retail and wholesale services connected with the sale of foodstuffs, confectionery, fresh fruit and vegetables, herbs and spices, non-alcoholic and alcoholic beverages, foodstuffs for animals, smokers' articles, cigarettes and tobacco, toiletries and household goods; mail order retail services, electronic online shopping retail services, all connected with the sale of food and drink; sales services connected with food and drink; promotional advertising and marketing services; compiling of information into databases; management of databases; on-line ordering services; information and consultancy relating to commercial retailing of food and drink; organisation, operation and supervision of loyalty and incentive schemes; procurement of goods on behalf of businesses".

5.2 The Complainant also says that the use of the NATCO name by the Respondent makes it appear that the natcofood.co.uk website is in some way connected to or authorised or approved by the Complainant. That it says amounts to passing off. Consequently, the Complainant asserts that it takes unfair advantage of the Complainant's rights. It also diverts business from the Complainant's website and is thus registered and being used primarily for the purpose of disrupting the Complainant's business.

5.3 The Respondent says that it simply using the domain natcofood.co.uk to sell products it has purchased from the Complainant and that it is entitled to do so.

## **6. Discussions and Findings**

6.1 The version of the DRS Policy relevant to the present dispute is version 3 which relates to complaints lodged after 29 July 2008. Paragraph 1 of that 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”

6.2 Paragraph 1 of the DRS Policy also defines “Rights” for the purposes of this procedure as including but not limited to those enforceable under English law. Under Paragraph 2 of the DRS Policy a complainant must show on the balance of probabilities

- (a) that it has Rights in a name or mark identical or similar to the Domain Name; and
- (b) that the Domain Name in the hands of the Respondent is an Abusive Registration.

6.3 Paragraph 3 of the DRS Policy identifies a non-exhaustive list of factors which may be evidence that the Domain Name is an Abusive Registration. The relevant factors for the purposes of the present case are

- “(a)i. Circumstances indicating that the Respondent has registered or otherwise acquired the Domain Name primarily:
- A. 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 directly associated with acquiring or using the Domain Name;
  - B. as a blocking registration against a name or mark in which the Complainant has Rights;
  - C. for the purpose of unfairly disrupting the Business of the Complainant;
- ii. Circumstances indicating that the Respondent is using or threatening to use the Domain Name in a way which has confused or is likely to confuse people or businesses into believing that the Domain Name is registered to, operated or authorised by, or otherwise connected with the Complainant.”

The remaining factors are not relevant in the present case. I have accordingly taken the above factors into account in reaching my conclusions.

6.4 Clause 4 of the DRS Policy sets out a non-exhaustive list of factors which may be evidence that the Domain Name is not an

Abusive Registration. These include the following which are relevant to the present case:

“(a)i. Before being aware of the Complainant’s cause for complaint (not necessarily the ‘complaint’ under the DRS) the Respondent has:

A. used or made demonstrable preparations to use the Domain Name or a domain name which is similar to the Domain Name in connection with a genuine offering of goods or services;

B. been commercially known by the name or legitimately connected with a mark which is identical or similar to the Domain Name;

...

6.5 According to the Appeal Panel decision in the *Seiko* case (DRS 00248) whether a registration is an abusive registration under the DRS Policy is independent of whether a domain name registration is an infringement of trade mark and should be decided under the terms of the DRS Policy alone. The same decision also makes clear, however, that the relevant principles of English law should be applied in determining whether the Complainant has Rights under the Policy and that the Policy is founded on the principle of intellectual property rights which should be taken into account.

6.6 The first question in any DRS complaint is whether the Complainant has Rights. This, as has been said in many cases, is a low threshold test and there is no doubt that in the present case the Complainant passes this test. Its parent company has a trade mark registration for a mark containing the word NATCO registered for relevant products which it permits the Complainant to use, and its claims to operate a substantial business under the name NATCO and NATCO FOODS are not challenged by the Respondent.

6.7 I therefore turn to consider whether the disputed domain is an Abusive Registration. There is no dispute that the Respondent was fully aware of the Complainant and its rights under the NATCO brand when it registered the disputed domain. Indeed, it says that it did so in order to sell the Complainant’s products through a website operated under the domain. Whilst in principle it is able to do this, it must not do so in a manner which may cause confusion amongst those who visit the website as to its commercial connection. If such confusion is caused, the domain name has been used in breach of paragraph 3(a)(C)(ii) of the DRS Policy and is abusive under paragraph 1(ii).

6.8 The question I have to determine, therefore, is whether the Respondent's website is likely to cause visitors to it to be confused into believing that it is owned, operated or authorised by the Complainant. It is not disputed by the Respondent that the home page carries the Complainant's logo. On the face of it, the website is therefore presented as the website of the Complainant. That is prima facie misleading.

6.9 It is not suggested by the Respondent that anyone other than a person who looks carefully at the terms and conditions page of the website will find any indication that the site is in fact not connected with the Complainant but is merely an independent retailer of the Complainant's goods. I can take notice of my own experience that very few internet users take the time or trouble to read a website's terms and conditions. It follows that few if any real users of the site will have been alerted to the fact that its appearance was misleading.

6.10 I also agree with the Complainant that on the face of it the use of the NATCO logo as the heading for a website selling food products is an infringement of its Community trade mark registration for retail online services. I do not agree with the advice the Respondent says it has received that the rights to the way a brand is sold are diminished when goods are sold to a retailer. Plainly the brand owner cannot prevent the retailer from selling on the goods as branded goods. But that does not give the retailer the right to represent untruthfully that it is a branch, agency or appointee of the brand owner. Thus, there is nothing to stop any garage from selling a particular brand of motor car. But that does not entitle the garage to say that it is appointed by the manufacturer as an authorised distributor of that brand of car. The distinction is between simply selling the branded goods on as an independent retail source and selling them on as a representative of the manufacturer. In my view, the Respondent's conduct crosses the line between the two. The Respondent does not appear to appreciate the difference.

6.11 In these circumstances it seems to me that, whatever the Respondent's intentions, the manner in which the domain natcofood.co.uk has been used is in breach of paragraph 3(a)(C)(ii) of the DRS Policy and the domain is accordingly an Abusive Registration.

6.12 I would add that, although I have not found it necessary to take these further matters into account, they tend to cast considerable doubt on the veracity of the Respondent's claims that it did not intend to cause confusion. I can think of no legitimate purpose for registering the company Natco Food DTC Limited. Such a company name could only be used to connote an association with the Complainant. Nor does it seem to me that the Respondent's claim that it used the name Natco Food in the url to enable internet users to find an outlet for the Complainant's goods makes sense. If the Respondent wanted those looking for NATCO products to buy them through its website, it could simply have ensured either by purchasing Adwords or by other well-known means that search engines returned its site in response to a search for the brand name. I therefore have real doubts whether the Respondent's claims as to its bona fides can be accepted. However, as I have said, it is not necessary to determine this question.

## **7. Decision**

7.1 I decide that the domain name natcofood.co.uk is an Abusive Registration and I direct that it be transferred to the Complainant.

**Signed:** Michael Silverleaf

**Dated:** 26 September 2012