

DISPUTE RESOLUTION SERVICE

D00012108

Decision of Independent Expert

DuPont Performance Elastomers LLC

and

Mr Graham Naughton

1. The Parties:

Lead Complainant: DuPont Performance Elastomers LLC
300 Bellevue Parkway
Wilmington
Delaware
United States

Respondent: Mr Graham Naughton
25 Green Lane
Cookridge
Leeds
West Yorkshire
LS16 7LW
United Kingdom

2. The Domain Name:

12108

3. Procedural History:

The Complaint under the Nominet UK Dispute Resolution Service Policy (the "Policy") and the Nominet Dispute Resolution Service Procedure (the "Procedure") was received on November 2, 2012.

Notification of the Complaint was sent to the Parties on November 5, 2012, and the Respondent was advised how to provide a Response. A reminder was sent to the Respondent on November 22, 2012. The Response was received on November 23, 2012 and notified to the Parties. The Complainant did not send a Reply.

A Mediator was appointed on December 3, 2012, and mediation was terminated on February 26, 2013.

On March 1, 2013, Clive N. A. Trotman was appointed Independent Expert to decide the dispute in accordance with the Policy and the Procedure. The Expert confirmed his independence and impartiality in the terms of paragraph 9(a) of the Procedure.

4. Factual Background

According to the Complainant, it is a part of the US-based international chemical company E.I. du Pont de Nemours and Company group, commonly known as "du Pont". The scale of the group is that total revenue last year exceeded US\$32 billion.

The Complainant manufactures, among other things, O-ring seals under the KALREZ brand, which are used in food, pharmaceutical, aerospace and other industries.

The Complainant holds the following registered trademark:

KALREZ, registered at the United Kingdom Intellectual Property Office, filed February 9, 1979, registration number 1109319, class 17 (synthetic rubber in the form of rods, tubes, slabs, sheets (non-textile), rings, finished and semi-finished products, all for use in manufacture, gaskets, seals and washers, all made from synthetic rubber).

The disputed Domain Name was registered by the Respondent on July 23, 2008.

According to the Respondent, he has worked in the seals and bearings industry since 1979, is experienced in the industry, and formed his own company in April 2008. Since 2006 he has endeavoured to help customers to obtain O-rings manufactured by the Complainant. It appeared that customers had difficulties in obtaining their requirements from the UK agent. The Respondent obtained a list of other agents from du Pont, had discussions with a person believed to be the European Sales Manager, and at the latter's suggestion installed a link to du Pont on the Respondent's website at the disputed Domain Name.

Later a new European Sales Manager discussed the matter with the Respondent, who recommended a different UK agent, which (not necessarily because of the Respondent's recommendation) was in fact appointed. The Respondent has since sourced the Complainant's products exclusively from the UK agent, but does also supply O-rings of other makes.

5. Parties' Contentions

Complainant

Complainant's Rights

The Complainant has produced a copy of the registration document in its name in respect of its trademark KALREZ, and contends that the Domain Name kalrez-orings.co.uk is similar to the trademark.

Abusive Registration

The Complainant has produced a screenshot of the website to which the Domain Name resolves, made on October 6, 2012. A screenshot is produced of the website of Orinoco Bearings Ltd., the Respondent's company, which refers to the Complainant's products but is not an authorised distributor for the Complainant. The Complainant contends that the website of the disputed Domain Name refers intentionally to the Complainant's products. It is also a bait and switch site whereby users attracted by the Complainant's products are also offered

low cost alternatives from other manufacturers. Thus commercial gain is derived by the Respondent from the sale of both the Complainant's products and the low cost alternatives from other manufacturers.

The Complainant says that the Domain Name represents in effect to be that of the Complainant. Users will assume that the corresponding website is the official site for Kalrez O-rings, which it is not.

The Complainant contends that whereas the Respondent might have had an argument to put forward if the only products accessible through the website were Kalrez O-rings, that is not the situation.

The Complainant has produced the result of a Nominet WHOIS query showing that the entry under the Respondent's address reads: "The registrant is a non-trading individual who has opted to have their address omitted from the WHOIS service". The Complainant contends that the Respondent has falsely and dishonestly categorized itself as a "non-trading individual" for the purposes of the Nominet WHOIS database. The Complainant contends that the website to which the Domain Name resolves is commercial and that there has to be a commercial connection between the Respondent and Orinoco.

The Complainant has cited previous DRS appeal decisions that it considers to be leading and wishes the Expert to consider as having possible precedent value, including *Seiko UK Limited v Designer Time/Wanderweb* (DRS 00248) and *Epson Europe BV v Cybercorp Enterprises* (DRS 03027). The Complainant has also cited *E.I. du Pont de Nemours and Company v. Indigo Industrial Supplies Limited* (DRS 10044).

The Complainant requests the transfer to itself of the Domain Name.

Respondent

The Response is an informal chronological narrative that essentially is a denial of the Complaint but does not clearly identify the points of contention under the Policy. The Expert will set out the essentials of the Response such as appear to impinge on relevant paragraphs of the Policy.

The Respondent contends that over some years since 2006, in connection with his business in the area of seals, he has done significant business in selling the Complainant's O-rings. This appears to have involved sourcing product from agents in the UK, Europe and elsewhere, according to availability, and supplying them to customers. He attempted to fulfil a demand in the face of evident difficulties experienced by customers in obtaining their requirements through the UK agent. In the course of this business he has dealt openly, as far as has been possible, with the Complainant, its UK agent, and its European Sales Manager.

The essence of the Respondent's contentions is that he has dealt in good faith with the Complainant, has registered the Domain Name because he is indeed selling mainly KALREZ brand O-rings through it, and sells about 80% KALREZ and 20% low cost alternatives. The Respondent says that the European Sales Manager visited the Respondent, saw the website of the disputed Domain Name, and suggested a link to the Complainant.

The Respondent says that he now has an excellent relationship with the staff of the Complainant's UK agent, and although 20% of the Respondent's trade is in low cost alternatives, the orders for KALREZ O-rings all go through the UK agent.

The Respondent says that he wishes good relations with the Complainant and had understood it to be pleased with his trade on its behalf.

6. Discussions and Findings

Paragraphs 2(a) and 2(b) of the Policy require the Complainant to prove, on the balance of probabilities, that:

- i. The Complainant has Rights in respect of a name or mark which is identical or similar to the Domain Name; and
- ii. The Domain Name, in the hands of the Respondent, is an Abusive Registration.”

Complainant’s Rights

The Complainant has satisfied the Expert that it has the necessary rights in the registered trademark KALREZ.

The disputed Domain Name is kalrez-orings.co.uk. The domain designation “.co.uk” may generally be disregarded in the determination of similarity. The remaining term of the Domain Name, kalrez-orings, reproduces the Complainant’s distinctive, non-dictionary trademark word KALREZ. The additional generic or descriptive term “orings”, particularly when viewed by readers familiar with the context, by referring to Complainant’s specialised area of trade, enhances the similarity and is found not to be distinguishing.

Accordingly the Expert finds the Domain Name to be similar to a name or mark in which the Complainant has rights, within the meaning of paragraph 2(a)(i) of the Policy.

Abusive Registration

Under paragraph 1 of the Policy, Abusive Registration means a Domain Name that 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.”

Paragraph 3 of the Policy sets out a selection of circumstances that may be evidence that the Domain Name is an Abusive Registration. Parts of paragraph 3 of the Policy most relevant to the present case read:

“3. Evidence of Abusive Registration

- a. A non-exhaustive list of factors which may be evidence that the Domain Name is an Abusive Registration is as follows:
 - 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; or
 - 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;

(...)

iv. It is independently verified that the Respondent has given false contact details to us; or

v. The Domain Name was registered as a result of a relationship between the Complainant and the Respondent, and the Complainant:

A. has been using the Domain Name registration exclusively; and

B. paid for the registration and/or renewal of the Domain Name registration.”

Whilst it remains always for the Complainant to prove its case on the balance of probabilities, paragraph 4(a) of the Policy provides in the interests of the Respondent a non-exhaustive list of factors that may be taken into account as possible evidence that a Domain Name is not an Abusive Registration. Parts of paragraph 4(a) of the Policy of possible relevance to the present case read:

“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 commonly known by the name or legitimately connected with a mark which is identical or similar to the Domain Name;

C. made legitimate non-commercial or fair use of the Domain Name; or

ii. The Domain Name is generic or descriptive and the Respondent is making fair use of it;

iii. In relation to paragraph 3(a)(v); that the Respondent's holding of the Domain Name is consistent with an express term of a written agreement entered into by the Parties; or

(...)”

The question of whether a reseller may legitimately incorporate into its domain name the name or trademark of a brand being resold, has been the subject of previous decisions under the DRS, including appeal decisions. In the 2010 case of *Toshiba Corporation v. Power Battery Inc.*, DRS 07991 (toshiba-laptop-battery.co.uk), the Appeal Panel reviewed earlier related DRS cases and appeals, and set out certain guidance criteria, which would be non-exhaustive, 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.”

According to the Respondent, he was made aware by customers of their difficulties in sourcing the Complainant's O-rings in late 2006, and made significant efforts to help those customers to fulfil their needs, presumably in the furtherance of his trade. He contacted suppliers internationally and in January 2007 he contacted du Pont directly. There were discussions with the European Sales Manager who, the Respondent says, "saw our website, *the one currently being complained about*, and suggested that we have a direct link to the DuPont site" [Expert's emphasis]. Although the disputed Domain Name was not registered until July 2008, and the Respondent has another website at orinocobearings.co.uk, the one seen by the European Sales Manager appears, as emphasised, to have been that of the disputed Domain Name.

The Respondent is of the impression that his negotiations with the Complainant at various levels, and in particular with the European Sales Manager, who he says was aware of the Respondent's website, amounted to acquiescence on the part of the Complainant towards the Respondent's holding of the Domain Name. The Respondent says, "So at this stage DuPont Europe know all about the website and there are no problems". Whilst that may have been the Respondent's honest belief, it takes no account of the extent or limitations of the European Sales Manager's possible authority in the matter. There is no evidence of any written agreement containing any express term entered into by the Parties that could support the existence of a relationship between the Parties within the contemplation of paragraphs 3(a)(v) and 4(a)(iii) of the Policy.

Paragraph 3(a)(i) of the Policy refers to the primary purpose for which the Domain Name was registered, which needs to be determined on the facts. In the Respondent's version of the registration event on July 23, 2008, which is essentially uncontested by the Complainant which did not become formally aware of the Domain Name until about 2011, there is nothing to suggest to this Expert that the registration of the Domain Name was made other than for the primary purpose of selling the Complainant's products. In particular, in the illustrative circumstances set out in paragraphs 3(a)(i)A, B and C of the Policy, the circumstances of registration do not suggest that, at the time of registration, it was in the Respondent's mind to sell the registration back to the Complainant or a competitor for a profit, or to create a blocking registration, or to disrupt the business of the Complainant, respectively, or to use the Domain Name for any other nefarious purpose.

The provisions of paragraph 3(a) of the Policy are, however, non-exhaustive and Abusive Registration may be found otherwise. It is not contested that the Respondent did significant trade in KALREZ O-rings. There exists generally a limited licence to use another's trademark innocently, for instance to facilitate trade or comment. Trade in another's trademarked product does not, in and of itself, create any right to adopt or trade under that trademark without the express agreement of the trademark holder.

In the narrow circumstances whereby it might be permissible hypothetically to register a Domain Name that incorporates another's trademark, it would need to be immediately obvious that the Domain Name was not that of the trademark holder. It is not necessary to theorise as to where that line, if any, might be drawn in respect of the present case because, in this Expert's finding, the Domain Name is so plainly synonymous with KALREZ O-rings, being the Complainant's trademark and product, as to project that it is the Complainant's official Internet presence for that line of product (paragraph 3(a)(ii) of the Policy). The Respondent, a businessman who could be expected to have at least some familiarity with the significance and value of trademarks, ought to have known that he could not make the registered trademark KALREZ the predominant feature of his Internet shop front in the circumstances.

The Expert finds the Domain Name to constitute an Abusive Registration at the time of registration, in the terms of paragraph 1(i) of the Policy.

Given the Respondent's ease of being contacted and clear wish to be contacted in general business, it is not accepted in this case that the option to omit his address from the WHOIS service, or his self-evidently erroneous claim to be non-trading, are sufficiently material to

contribute an aggravating factor within the general intentions of paragraph 3(a)(iv) of the Policy.

Paragraph 1(ii) of the Policy provides for a finding of Abusive Registration deriving from the use of the Domain Name subsequent to its registration. The illustrative provisions of paragraph 3(a)(i) of the Policy, relating to the primary purpose of registration of the Domain Name, are applicable as illustrations of abusive use. Additionally paragraphs 3(a)(ii)-(v) of the Policy provide further illustrations of use or events that may be evidence of Abusive Registration.

On the evidence, the Respondent's use of the Domain Name has been principally, but not exclusively, for trade in the Complainant's O-rings. The Respondent appears to have believed that he was an authentic, which is not so say an officially contracted, supplier of the Complainant's products. The Respondent's difficulty, however, is that he was also selling the product of other suppliers through a website exhibiting the Complainant's trademark in its Domain Name. The Domain Name is easily read by informed potential customers as "KALREZ O-rings" but the inescapable fact is that on arrival at the website, potential customers have been confronted with offers of low cost alternatives from the Complainant's competitors.

The Respondent could not have succeeded under paragraph 4(a)(i)A of the Policy on grounds that he had used the Domain Name in connection with a genuine offering of goods or services, or under paragraph 4(a)(i)B of the Policy, that he had been legitimately connected with a trademark similar to the Domain Name. In order to promote such a defence, his qualification under paragraph 4(a)(i) of the Policy would need to have predated his becoming aware of the Complainant's cause for complaint, which is not the date of service of the Complaint on November 5, 2012, but a date when the Respondent became aware of the Complainant's trademark and field of business. That would be no later than the Respondent's awareness in late 2006 of customers expressing difficulties in sourcing KALREZ O-rings.

Had the Respondent's website dealt exclusively with KALREZ products it is by no means predictable, in all the circumstances, that its use may have been deemed legitimate in the hands of the Respondent, but the conceded admixture of 20% of competing products (however that may have been calculated) must be considered fatal. In the meaning of paragraph 3(a)(ii) of the Policy, the Domain Name is found likely to confuse people or businesses into believing, at least initially, that it may represent the Complainant. In the terms of paragraph 1(ii) of the Policy the Domain Name, by being likely to attract the Complainant's potential customers and then offering them the low cost alternatives of competitors, is found to have been unfairly detrimental to the Complainant's Rights. The Expert finds the Domain Name, through its use in the hands of the Respondent, to be an Abusive Registration.

Thus the Expert finds Abusive Registration under both of the alternative grounds of either registration or use to the detriment of the Complainant's rights, as specified under paragraph 1 of the Policy.

7. Decision

The Expert finds that the Complainant has Rights in respect of the trademark KALREZ; that the disputed Domain Name kalrez-orings.co.uk is similar to the Complainant's trademark; and that the disputed Domain Name, in the hands of the Respondent, constitutes an Abusive Registration. The Domain Name kalrez-orings.co.uk is ordered to be transferred to the Complainant.

Signed

Clive Trotman

Dated

March 11, 2013