

DISPUTE RESOLUTION SERVICE

D00015258

Decision of Independent Expert

OLFA Corporation

and

Absolutely Shaw Ltd

1. The Parties:

Complainant: OLFA Corporation
Higashi-Nakamoto, 2-11-8, Higashinari-Ku
Osaka
537-0021
Japan

Respondent: Absolutely Shaw Ltd
Spring House
rear 26 - 32 Main Street
Brandesburton
Driffield
East Yorkshire
YO25 8RL
United Kingdom

2. The Domain Name:

olfa.co.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.

A brief chronology of the proceedings follows:

23 December 2014 16:32	Dispute received
24 December 2014 09:22	Complaint validated
24 December 2014 09:37	Notification of complaint sent to parties
15 January 2015 01:30	Response reminder sent
16 January 2015 11:13	Response received
16 January 2015 11:13	Notification of response sent to parties
21 January 2015 01:30	Reply reminder sent
26 January 2015 12:04	No reply received
26 January 2015 12:04	Mediator appointed
29 January 2015 12:32	Mediation started
10 March 2015 11:45	Mediation failed
10 March 2015 11:46	Close of mediation documents sent
12 March 2015 10:29	Expert decision payment received

4. Factual Background

The Complainant is a Japanese manufacturer of utility knives, in particular snap-off blade cutters. The Complainant uses OLFA as a brand name and its products are sold throughout the world, including the UK.

The Complainant owns a number of trade mark registrations for the word mark OLFA, an example being US Registration 1005031, (filing date: 22 July 1972, registration date: 18 February 1975). The Complainant also owns a number of trade mark registrations for a figurative mark containing the word OLFA, for instance CTM Registration 154302 (filing date: 1 April 1996, registration date: 8 June 1998) which consists of the letters OLFA each contained in a separate parallelogram.

The Complainant first started producing products using the OLFA name in Japan in 1967, with exports beginning in 1969.

For several years the Complainant sold its branded products through a network of distributors in the UK.

The Respondent was one of the Complainant's UK distributors in the years 2002 to 2004 further to which it registered the domain name in dispute (the Domain Name) on 10 June 2004.

The relationship between the Complainant and the Respondent came to an end towards the end of 2004. The Respondent sought to sell to the Complainant the Domain Name, its remaining OLFA stock, customer records and 'goodwill' but no agreement was concluded.

On 11 August 2011, OLFA Limited and OLFA UK Limited were incorporated. A Mr Adrian Shaw was the sole director of those companies. Mr Shaw is also the owner and sole director of Absolutely Shaw Ltd, the Respondent.

In early 2012, the Complainant's representatives Mewburn Ellis LLP, wrote to the Respondent objecting to the operation of the website to which the Domain Name resolved, alleging that it misrepresented that the Respondent was an authorised distributor of the Complainant's goods or that it was in some other way connected to or authorised by the Complainant. Subsequent discussions again failed to result in any agreement.

In May 2013, the Complainant brought proceedings before the Company Names Tribunal objecting to the names of Mr Shaw's companies - OLFA Limited and OLFA UK Limited. Mr Shaw was also joined in the proceedings. The Tribunal's Decision was given on 17 September 2014. It was in the Complainant's favour. There was a one month period within which an appeal could be lodged. No Appeal was lodged and both companies' names have now been changed.

5. Parties' Contentions

The contentions of the parties are summarised below.

The Complainant

The Complainant has both registered and unregistered trade mark rights in the word mark OLFA and its figurative equivalent (which includes the word OLFA with minimal stylization), such marks being identical and similar (respectively) to the Domain Name.

The Complainant has invested considerable effort and expense in promoting its products under the OLFA marks and as a result of long-standing and extensive use in the UK, has acquired goodwill in such marks as well as a significant reputation.

The Complainant contends that the Domain Name is an Abusive Registration because there are circumstances indicating that the Respondent is using it in a way that is likely to confuse people and businesses into believing that it is registered to, operated by, authorised or otherwise connected with the Complainant.

There has been no relationship between the Complainant and Respondent since the distribution arrangements came to an end. The Complainant therefore contends that there can be no legitimate reason for the Respondent to represent itself, whether by use of the Domain Name and the website to which it resolves, or by any other means, as being connected to or authorised by the Complainant.

Consumers hoping to find out about the products of the Complainant in the UK would reasonably be expected to guess the relevant URL to be olfa.co.uk i.e the Domain Name. If a consumer is then transported to a functioning website, he is very likely to believe that such website is authorised by, or is being operated by the Complainant. If consumers instead type the name OLFA into a search engine, the Complainant's research indicates that, (disregarding paid advertisements), the Respondent's website is likely to be listed second from the top of the results page, behind the Complainant's own website, www.olfa.com. Again, an Internet user is highly likely to believe that such a website, using an identical name to that in which the Complainant has rights, has been authorised or is being operated by the Complainant.

The Complainant also contends that regardless of what it says is clear 'initial interest confusion', the website to which the Domain Name resolves itself creates a false impression.

First, the most prominent and eye-catching feature of the Respondent's website is the use of a bright yellow background. The use of a bright colour such as yellow in relation to tools was revolutionary. The Complainant's products have been consistently produced in the colour yellow since 1967. The colour yellow is famously and closely associated with the Complainant by virtue of its long-standing use on the Complainant's products and in its figurative trade mark. The Respondent's use of the colour yellow in the background to every webpage on its website is likely to confuse consumers into thinking that it is the Complainant's official or authorised website.

Secondly, the word and figurative OLFA marks are used throughout the homepage of the Respondent's website.

Third, there is repeated emphasis on the Complainant's products being available 'in the UK', thereby suggesting that the website is the Complainant's authorised UK website. Such impression is strengthened by a reference to the Complainant's Japanese website, suggesting that the two are linked and that both are connected to the Complainant.

There is a statement on the website to the effect that the Respondent is a company trading in the UK which gives the impression that the Respondent is the UK distributor of the Complainant's goods. This is reinforced by the

statement on the website that the Respondent is 'a small import company...'.

Print-outs of the website attached to the Complaint show that there are references at the bottom of every page, except the home page, to 'Absolutely Shaw Ltd'/OLFA U.K.', followed by the Respondent's contact details. The use of OLFA U.K. has not been authorised by the Complainant and there is no legitimate reason why the Respondent would continue to use this company name in view of the decision of the Company Names Tribunal in September 2014. Such use can only strengthen the suggestion of association between the Complainant and Respondent.

The Complainant also makes the point that there are no statements on the Respondent's website clarifying that there is no relationship between the parties.

As well as causing consumer confusion, use of the Domain Name is also unfairly detrimental to the Complainant's rights, diluting exclusivity and distinctiveness of its marks and impacting on the Complainant's ability to license its distributors.

The Complainant also makes a number of points in relation to the overall conduct of the Respondent. The Complainant notes that registration of the Domain Name by the Respondent was in its capacity as the Complainant's distributor. Reference is made to Mr Shaw's letter of 3 April 2012 to Mewburn Ellis, where he explains that the Domain Name was registered after he 'personally agreed to do so' with the Complainant's International Sales Manager. Reference is also made to his letter of 29 June 2012, where he states that 'OLFA's representative gave the permission for me to buy the domain name, operate and build the business presence in the U.K.' The Complainant maintains that this seeking of permission reflects both parties' view that the Domain Name is ultimately in the control and ownership of the Complainant.

The Complainant also refers to correspondence with the Respondent in 2004, suggesting that it demonstrates that the Respondent was trying to force the Complainant to purchase remaining stock which had failed to sell, as well as the Domain Name, at a profit. Eight years later, the Complainant says, the Respondent is adopting the same approach. The Complainant further says that the Respondent is essentially holding the Domain Name to ransom and exploiting its previous relationship with the Complainant.

The Complainant also makes reference to the Company Names Tribunal decision in which the Adjudicator found that a 'good faith defence' does not apply.

In summary, the Complainant says that by requesting permission from the

Complainant to register the Domain Name and operate a website in its capacity as a distributor, subsequently refusing to transfer the Domain Name to the Complainant, and then using it as an exploitative bargaining tool, the Respondent is using the Domain Name in a manner that has taken unfair advantage of or which has been unfairly detrimental to the Complainant's rights.

The Respondent

Mr Shaw of the Respondent explains in the Response the background to the relationship with the Complainant and how it was agreed at a trade fair in Cologne in March 2004, that the Respondent would develop an OLFA UK Internet domain and hold stock.

The Respondent registered and paid for the Domain Name (in June 2004) and a site has been maintained and paid for since.

The Respondent satisfies customers who wish to purchase genuine OLFA products via its website. The Respondent's present net annual sales turnover is around £70,000. Only OLFA goods are sold on the website.

The Respondent says that no complaint was raised by the Complainant as to the use of the Domain Name or its method of trading (despite being aware of its continued activity) prior to the correspondence from the Complainant's representatives in 2012.

The Respondent's website promotes the OLFA brand and trade mark and provides a link to the Complainant's website. The Respondent's landing page tells visitors that it is a small import company and shows its company address and registration number.

Permission for the Respondent to register the Domain Name as part of a UK marketing plan was willingly given by the Complainant. Roll out of that plan entailed considerable investment of time and effort, as well as the purchase of stock. The Complainant advised on the most appropriate initial stock items to hold in UK which the Respondent purchased from it, in bulk.

The distribution agreement between the Respondent and the Complainant came to an end in August 2004. Turnover levels featured in the discussions concerning the ending of the relationship.

The Respondent refers to a letter from the Complainant dated 19 August 2004, in which it is suggested that a decision in relation to stock and the Domain Name (following the ending of the relationship) would be made at the end of the year, yet no such decision was made.

The Respondent says that arrangements were put in place by the Complainant for the Respondent to continue to buy OLFA stock via European distributors so it could continue sales in the UK and that OLFA was therefore aware of the Respondent's continued activity and took no interest nor entered into any communication with the Respondent from 2004 until communications were received from Mewburn Ellis LLP, acting on behalf of OLFA Japan, in 2012.

The Respondent states that transfer of the Domain Name has always been on offer subject to a fair and just payment in recognition of the work done by it to establish, promote and develop the market for OLFA products in the UK and for OLFA stock held by it.

All products on the Respondent's website are genuine OLFA products procured from the Complainant's factory in Japan, either directly or via OLFA distributors.

There is no misrepresentation: the landing page of the Respondent's website makes clear that the Respondent is a small import company and subsequent pages state 'for OLFA stock in the U.K. Absolutely Shaw Ltd', an amended form of words following the dissolution of OLFA U.K. Limited.

The Respondent says that the choice of yellow for its page colour is incidental and that the branding and logo used represents the products on sale.

There is a clear reference to the Complainant and its website at www.olfaco.jp.

All commercial interactions with customers are conducted in the name of the Respondent.

There are many websites offering OLFA products for sale, some with various elements of OLFA in the title yet selling other products as well. The Respondent considers that these websites should be of greater concern to the Complainant.

The Respondent does not regard this as a case of Abusive Registration: the Complainant gave permission for registration of the Domain Name and continued to accept development of the Domain Name for a substantial period of eight years.

The Respondent has maintained the brand identity and UK presence of genuine OLFA products, bought legitimately and sold legally in the UK and Ireland.

The Respondent has indicated that it would transfer the Domain Name and

return OLFA stock for a mutually agreed fee. However, the Respondent says that the Complainant has ignored attempts to find a negotiated settlement and seeks to bully it into transferring the Domain Name for a small sum representing out-of-pocket expenses, which completely ignores the stock and brand development work undertaken. As a commercial agent, the Respondent says it would be entitled to a significant sum of money by way of goodwill compensation on the termination of its arrangements.

6. Discussion and Findings

Under the provisions of the DRS Policy (the Policy), for a Complaint to succeed, a Complainant is required to prove, on the balance of probabilities, that it has rights in respect of a name or mark which is identical or similar to the domain name in issue and that the domain name in the hands of the Respondent is an Abusive Registration. Both elements are required.

Complainant's Rights

The meaning of 'Rights' is defined in 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 enjoys long-standing registered (and no doubt unregistered) rights in the mark, OLFA. It has several word and figurative trade mark registrations for or including the mark which has been extensively used in its activities, including in the UK, over many years.

The Domain Name encapsulates the OLFA mark in its entirety. Disregarding the suffix '.co.uk' it is identical to the OLFA mark. The Complainant's mark and Domain Name are therefore identical for the purposes of the Policy.

Accordingly, the Expert is satisfied that the Complainant has Rights in a name or mark that is identical to the Domain Name.

The Expert must now therefore consider whether the Domain Name is an Abusive Registration in the hands of the Respondent.

Abusive Registration

Paragraph 1 of the Policy defines Abusive Registration as a domain name which was either *'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 which *'has been used in a manner*

which has taken unfair advantage of or was unfairly detrimental to the Complainant's Rights;'

A useful guide as to what might constitute an Abusive Registration is contained in paragraph 3(a) of the Policy. It contains a non-exhaustive list of factors which may indicate that a domain name is an Abusive Registration. Such factors include circumstances indicating that the Respondent has registered or otherwise acquired the domain name primarily for the purposes of selling, renting or otherwise transferring the domain name to the complainant (or a competitor) for valuable consideration in excess of the respondent's out-of-pocket costs, as a blocking registration against a name or mark in which a complainant has rights, or for the purpose of unfairly disrupting the business of a complainant.

Other factors suggesting an Abusive Registration include a respondent using or threatening to use a 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. It is this situation which appears most aligned with the Complainant's complaint. However, it also complains about the Respondent's general conduct, particularly in relation to what it sees as an improper leveraging of its former relationship with the Complainant and the ownership of the Domain Name which came about as a result of that relationship. It also relies on the Company Names Tribunal decision referred to earlier.

A non-exhaustive list of countervailing factors is set out in paragraph 4 of the Policy. This paragraph contains a useful guide as to what does not constitute an Abusive Registration and includes, by way of example, factors such as:

'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;'

The Respondent relies on the fact that consent to its ownership of the Domain Name was freely given by the Complainant, (albeit it is acknowledged that such consent was given at a time when there was a business relationship between the parties); that the Complainant said it would deal with the question of OLFA stock held by the Respondent, and the Domain Name; that the Complainant did not

complain to the Respondent for a period of eight years about its use of the Domain Name; and that there is nothing misleading about its use of the Domain Name or website to which it resolves which offers genuine OLFA product. The Respondent also maintains that there is nothing wrong with its approach in trying to secure proper compensation for its efforts, stock and Domain Name.

Being non-exhaustive lists, neither Complainant nor Respondent need demonstrate that they 'fit' into any particular part of paragraph 3 or 4 respectively, of the Policy.

Discussion

For the reasons given by the Complainant, there exists a likelihood that some internet users, at least initially, will be confused into believing that the Domain Name is registered to, operated or authorised by, or otherwise connected with the Complainant.

Even if, once an Internet user arrives at the website to which the Domain Name resolves, he immediately realises that it is not the website of the Complainant or authorised or connected to it, the fact that there has been this initial confusion, or 'initial interest confusion' as it has come to be known, can provide a basis for a finding of Abusive Registration.

Be that as it may, the Complainant in fact maintains that the website of the Respondent would only reinforce confusion, not cure it. The Expert will return to this issue a little later.

On the face of it therefore, absent any persuasive countervailing factors, there are grounds for a finding of Abusive Registration on the basis that the Respondent is using 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 Expert finds it less easy, however, to conclude that the Complainant has demonstrated a prima facie case of Abusive Registration by virtue of other factors it has relied on. For instance, whilst it seems clear that the Respondent has been trying to secure a good price for the sale of stock, Domain Name etc, it is accepted that the parties were once in a perfectly proper commercial relationship. When commercial relationships are unwound, parties do try and seek the best exit terms possible, terms which recognise their respective interests.

The fact that the Respondent wants to secure a payment for the Domain Name which is in excess of its out of pocket expenses, does not automatically provide a basis for a finding against it. As mentioned earlier, paragraph 3(a) of the Policy envisages a situation where a domain name has been acquired primarily for the purposes of selling it for a price in excess of the respondent's out-of-pocket

costs. It does not envisage negotiations unwinding a relationship, particularly where the Domain Name is just one element of a discussion.

Registration of OLFA Limited and OLFA UK Limited was unfortunate, but the Respondent's conduct has been addressed in a different forum and whilst there is no reason why the Expert may not take such matters into account, they are not determinative in these DRS proceedings.

Nevertheless, given its case on confusion, the Complainant has established that the Respondent has a case to answer and it now falls for the Expert to determine if the Respondent has an answer to the case.

The Respondent is a reseller of the Complainant's goods. It uses the Domain Name and associated website for that purpose. A number of reseller cases have been determined under the Policy and some principles have emerged. For instance, it is not automatically unfair for a reseller to incorporate a trade mark into a domain name. The question of abusive registration will depend on the facts of each particular case. If use of a domain name falsely implies a commercial connection with the complainant, or a complainant's competitors' goods are offered on the respondent's website, the registration may well be held to be abusive.

The question of whether a Domain Name is an Abusive Registration is a multi-factorial assessment. It is not just the conduct of a respondent that may fall for analysis, but also that of a complainant.

The website of the Respondent, for a period of time which it would appear extended to at least 5 December 2014 (being the date of some of the screen shots exhibited to the Complaint at annex 12), included on many of its pages the caption 'Absolutely Shaw Ltd/OLFA U.K.'. That would imply a connection between the Complainant and the Respondent. The OLFA U.K. caption has since been removed and replaced with the caption 'for OLFA stock in the U.K. Absolutely Shaw Ltd'. The Respondent says that this was following the dissolution of OLFA U.K. Limited, which no doubt followed the Company Names Tribunal decision in September 2014. The Expert considers this to be the high watermark of the Complainant's case in relation to the Respondent's website.

The Expert is not persuaded that the other factors relied on by the Complainant are persuasive e.g. use of the colour yellow, particularly given some of the countervailing factors listed by the Respondent e.g. the description of its own business 'We are a small import company'.

It was no doubt as a result of registration of OLFA Limited and OLFA U.K. Limited that the Respondent felt it was appropriate to use the caption 'Absolutely Shaw Ltd/OLFA U.K.' on his website. The Respondent has been told that his choice of company names was inappropriate and he has removed the caption. It

is not clear when it was removed.

The Respondent offers for sale only OLFA products and uses the Complainant's marks for that purpose. It lists stock, lawfully obtained, which it is entitled to sell. It has removed an inappropriate caption following a decision in another forum. Maybe the removal of the OLFA U.K. caption could have been carried out quicker. But it would seem unfair to penalise the Respondent for not acting for a few months (the Company Names Tribunal gave its decision on 17 September 2004, there was one month to appeal and the Respondent removed reference to the OLFA U.K. caption at some point after 5 December 2014), in circumstances where the Complainant took no action against the Respondent under the Policy for over 10 years. The delay in the Complainant's representatives writing their initial letter of complaint in 2012, does not appear to have been triggered by the use of the OLFA U.K. caption, as it was not expressly mentioned in their first letter. It would thus appear that the Complainant did wait eight years to instruct its representatives to complain, and then waited a further two years, perhaps until the Company Names Tribunal proceedings were completed, before launching these DRS proceedings. The Complainant did not file a Reply and thus has not explained the reasons for delay.

The Complainant maintains that by the Respondent seeking permission for registration of the Domain Name in the first place, there is recognition that, in truth, both parties regarded the Domain Name to be ultimately in the control and ownership of the Complainant.

Whilst it is clear that the Domain Name was registered pursuant to a relationship between the parties, such relationship was not committed to writing. What was to happen to the Domain Name upon termination of the relationship simply wasn't provided for. The Complainant would no doubt say that it was implicit in such circumstances, that the Domain Name should revert to the Complainant or be held to its order. But it cannot be reasonable for the Complainant to argue now that the position was or should be, that they could allow the Respondent to use the Domain Name in the way that it wanted, sit by for eight years (until the Mewburn & Ellis correspondence in 2012), and then delay for a further two years before bringing proceedings and expect the Domain Name to be transferred to it without a full explanation for its delay.

The initial registration of the Domain Name was not an Abusive Registration and it is not suggested that it was. Has its continued use amounted to it being '*...used in a manner which has taken unfair advantage of or was unfairly detrimental to the Complainant's Rights;*', in circumstances where no complaint is made for some eight years, no proceedings commenced for over 10 years and the Respondent is doing no more than many resellers are doing? There is no suggestion that OLFA stock should not be sold by the Respondent and the Respondent is not selling competitors' products. The OLFA U.K. caption was unfortunate but does not explain the delay on the part of the Complainant. The

Complainant does not say, for instance, that until it saw the caption they had no cause to complain. Mr Shaw contested the Company Names Tribunal proceedings and before its decision, no doubt assumed he was able to use the caption. When he was put right by the Tribunal, the Respondent took action, a matter of months later, to remove the caption, a relative short elapse of time given the general time frames at play here. In all the circumstances, the Expert does not accept that the Respondent has taken unfair advantage of the Complainant or acted unfairly to its detriment.

7. Decision

The Expert finds that the Complainant has Rights in a name or mark that is identical to the Domain Name but that the Domain Name in the hands of the Respondent is not an Abusive Registration. Accordingly, the Expert directs that no action be taken in respect of the Complaint.

Signed Jon Lang

Dated 13 April 2015