

Dispute Resolution Service

DRS 17460

Decision of an Independent Expert

Swagelok Company

and

Sonexo B.V.

1. Parties

Complainant: Swagelok Company
29500 Solon Road
Solon
Cuyahoga
44139
USA

Respondent: Sonexo B.V.
Postbus 178
IJsselstein
Utrecht
3400AD
Netherlands

2. Domain Name

swagelok.co.uk (the "Domain Name")

3. Procedural Background

On 11th May 2016 the Complaint was lodged with Nominet UK Limited (“Nominet”) and it was validated on the same day. On 11th May 2016 Nominet sent the notification of the complaint letter to the Respondent by e-mail and post, advising him to log into his account to view the details of the Complaint, and giving him 15 business days within which to lodge a Response on or before 2nd June 2016.

On 23rd May 2016 the Respondent responded. On 23rd May 2016 Nominet informed the Complainant that the Response was available to be viewed via the Complainant’s online services account, and inviting it to Reply to the Response on or before 31st May 2016. On 26th May 2016 the Complainant replied. On 1st June Nominet sent the notification of reply to the parties.

Mediation documents were generated for the Complaint, and mediation commenced on 7th June 2016. Mediation was unsuccessful and concluded on 21st June 2016. On 1st July 2016 the Complainant paid the appropriate fee for a Decision to be made by an Expert pursuant to paragraph 6 of Nominet’s DRS Policy (“the Policy”).

On 6th July 2016 Mr. Niall Lawless (“the Expert”) was appointed to act as Expert in this dispute. He is required to give his Decision by 27th July 2016. Mr. Lawless has confirmed that he knew of no reason why he could not properly accept the appointment, and knew of no matters which ought to be drawn to the attention of the parties which might appear to call in to question his impartiality and -/- or independence.

4. Outstanding Formal -/- Procedural Issues

There are no outstanding formal or procedural issues.

5. Factual background

The Complainant, Swagelok Company, is an Ohio corporation located in the USA. It is a leader in the development, manufacture and distribution of advanced fluid system products, services and solutions to a wide range of global industries. The Complainant has a worldwide portfolio for the Swagelok® trade-mark with excess of 475 applications and registrations in over 90 countries, including the USA and countries in the EU. The Complainant sells fluid system products, and related goods and services, in connection with the Swagelok® trade-mark. The Respondent, Sonexo B.V., is an online publishing company located in the Netherlands. It specialises in the buying and selling of

generic domain names and internet marketing. The Respondent registered the Domain Name on 25th May 2014.

6. The Parties' contentions

The Complainant

The Complainant seeks transfer of the Domain Name. The Complainant says that the Domain Name controlled by the Respondent is an Abusive Registration because, in particular:-

- Based on its selection and use of the Complainant's trade-mark the Domain Name was registered by the Respondent for the purpose of unfairly disrupting the Complainant's business.
- the Respondent's continued ownership of the Domain Name will cause confusion among the Complainant's customers as to the source, affiliation, or sponsorship of the Respondent by the Complainant where there is none.
- the Respondent's use of the Domain Name creates "Initial Interest Confusion".
- the Respondent being fully aware of the Complainant and its business registered the Domain Name as a blocking registration against the Swagelok trade-mark in which the Complainant has rights.
- the Respondent has tried to sell the Domain Name to the Complainant for consideration in excess of documented out-of-pocket disbursements.
- The Respondent has not demonstrated a legitimate use of the Domain Name.

The Respondent

The Respondent says that the Domain Name is not an Abusive Registration because:-

- the Domain Name was registered for future use and it is planning on developing a website to be resolved via the Domain Name.
- the Domain Name was not being used and therefore could be registered by anyone.
- the Complainant's trade-marks are not sufficient to show that the Complainant has a better interest in the Domain Name and the Complainant has not provided any evidence that its trade-mark is actually used in trade.

7. Discussions and Findings

7.1 General

Nominet's DRS Policy requires that for a Complaint to succeed the Complainant must prove to the Expert 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.

Rights include, but are not limited to, rights enforceable under English Law.

In order to show that the Domain Name is an Abusive Registration, the Complainant must prove that the Domain Name either:-

- i. 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.

7.2 Complainant's Rights

The Complainant's name is identical to the Domain Name. The Complainant is the owner of a worldwide portfolio for the Swagelok® trade-mark with excess of 475 applications and registrations in over 90 countries, including the USA and countries in the EU. The Complainant has registered and operates an expensive range of websites across the world using the Swagelok® trade-mark, for example, <Swagelok.com>, <Swagelok.de>, <Swagelok.jp>, <Swagelok.ru>, etc. Because of this, I decide that, ignoring the ".co.uk" suffix for this purpose, the Complainant has Rights in respect of a name or mark that is identical to the Domain Name.

7.3 Abusive Registration

The Complainant says that the Domain Name controlled by the Respondent is an Abusive Registration under the Policy. Under paragraph 3 - Evidence of Abusive Registration - guidance is given as to what factors may be evidence that the Domain Name is an Abusive Registration.

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

3(a)(i). Circumstances indicating that the Respondent has registered or otherwise acquired the Domain Name primarily :-

- 3(a)(i)(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;

3(a)(i)(B). as a blocking registration against a name or mark in which the Complainant has Rights;
or

3(a)(i)(C). for the purpose of unfairly disrupting the business of the Complainant;

3(a)(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 ...”

Under paragraph 8 of the Policy guidance is given as to how the Respondent may demonstrate in its Response that the Domain Name is not an Abusive Registration

“A non-exhaustive list of factors which may be evidence that the Domain Name is not an Abusive Registration is as follows:

8.1.1 Before being aware of the Complainant's cause for complaint (not necessarily the 'complaint' under the DRS), the Respondent has:

8.1.1.1 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 ...”;

Paragraph 4e provides specific guidance in the context of parking pages:-

"e. Sale of traffic (i.e. connecting domain names to parking pages and earning click-per-view revenue) is not of itself objectionable under the Policy. However, the Expert will take into account:

- i. the nature of the Domain Name;
- ii. the nature of the advertising links on any parking page associated with the Domain Name;
and
- iii. that the use of the Domain Name is ultimately the Respondent's responsibility."

Unfairly disrupting the Complainant's business

The Complainant says that, based on its selection and use of the Complainant's trade-mark, the Respondent registered the Domain Name for the purpose of unfairly disrupting the Complainant's business.

The Complainant says that the Respondent must clearly have been aware of Complainant's trademark when registering the Domain Name because "Swagelok" is not a generic name; rather, it is a fanciful mark, as it does not have a dictionary definition.

The Respondent does not respond to this Abusive Registration factor claimed by the Complainant.

Although on the date of this Expert Decision the Domain Name is not resolving to any website the Complainant has enclosed a copy of the webpage that the Domain Name resolved to on 17th March 2015, and which included links entitled "Swagelok Fittings, Swagelok Valves, Swagelok Tube Fittings, Discount Hotel Deals, Swagelok and Brass Drain Valve". The webpage contains the notice *"This page provided free to the domain owner free by Sedo's Domain Parking. Disclaimer. Domain owner and Sedo maintain no relationship with third party advertisers. Reference to any specific service or trademark is not controlled by Sedo or domain owner and does not constitute or imply its association, endorsement or recommendation"*.

This demonstrates that the Respondent used the Domain Name to resolve to a domain name parking webpage containing click-through links to third party websites via Sedo. Domain name parking allows owners of domain names to earn money by displaying relevant advertisements. Irrespective of whether the process of creating a domain name parking webpage is automatic or not, the use of the Domain Name in this way is ultimately the Respondent's responsibility and caused by the Respondent using Sedo's Domain Parking service.

Such use disrupts the Complainant's business in two ways. The Domain Name directs the user to third party products and services depriving the Complainant of commercial opportunity. In addition, if the user is not finding what they expect they may lose interest or begin to search for a competitor's products or services.

The Respondent's use of the Domain Name in this way unfairly disrupts the Complainant's Business and is evidence of circumstances falling within paragraph 3(a)(i)(C) of Nominet's DRS Policy.

However, the test under Nominet's DRS Policy 3(a)(i)(C) is not that the Domain Name is unfairly disrupting the Complainant's Business, but that it was acquired for that purpose.

To help me decide if the Domain Name was acquired for that purpose, I have to consider the prominence of the Complainant's brand and reputation as it would have existed on 25th May 2014, the date the Respondent registered the Domain Name.

I accept the Complainant's evidence that it has *"spent millions of dollars in globally advertising and promoting the Swagelok Trademarks in connection with the Swagelok Goods and Swagelok Services, in trade journals, at trade shows, print advertisements, on the internet and other forms of marketing media"*.

Because of this investment the Complainant's brand and reputation would have been well known.

Given the uniqueness of the term "Swagelok" and the Respondent's subsequent use of the Domain Name, creating a webpage containing click-through links to third party websites, I decide on the balance of probabilities that the Domain Name was acquired to unfairly disrupt the Complainant's business and under the test in Nominet's DRS Policy 3(a)(i)(C) in the control of the Respondent the Domain Name is an Abusive Registration.

Likelihood of confusion

The Complainant says the Respondent's continued ownership of the Domain Name will cause confusion among the Complainant's customers as to the source, affiliation, or sponsorship of the Respondent by the Complainant where there is no such affiliation or sponsorship

The Respondent does not respond to this Abusive Registration factor claimed by the Complainant.

The test for abuse under paragraph 3(a)(ii) of the Policy is that there are 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 ..."

Confusion would arise where the internet user incorrectly assumes that the website the Domain Names resolves to, and the Complainant's other official websites are either both authorised by or belong to the Complainant.

Given that on 17th March 2015, the Domain Name resolved to a webpage which included links entitled "Swagelok Fittings, Swagelok Valves, Swagelok Tube Fittings, Discount Hotel Deals, Swagelok and

Brass Drain Valve”, I decide that there is a real possibility that an internet user arriving at the website linked to the Domain Name would assume that it relates to goods provided by the Complainant and that it is a domain and site owned and provided by the Complainant.

I decide that the Respondent’s use of the Domain Name linking to the current website is confusingly similar such that it would be abusive under paragraph 3(a)(ii) of the Policy.

Selling the Domain Name for consideration in excess of documented out-of-pocket disbursements

The Complainant says that the Respondent has tried to sell the Domain Name to the Complainant for consideration in excess of documented out-of-pocket disbursements.

The Respondent does not respond to this Abusive Registration factor claimed by the Complainant.

On 18th March 2015 the Complainant’s representative MansourGavin LPA, wrote to the Respondent with a “Cease and Desist” letter. On 15th April 2015, the Respondent offered to transfer control of the Domain Name for GBP 750.00 (excluding VAT if applicable).

In light of my Decision above under the other sub-paragraphs of paragraph 3 of the Policy, it is not necessary for me to resolve whether paragraph 3(a)(i)(A) is also satisfied in this particular context.

Initial Interest Confusion

The Complainant says that the Respondent’s use of the Domain Name creates “Initial Interest Confusion”.

Initial interest confusion arises from the choice of a domain name. It is common for Internet users to find or visit websites by way of a search engine or by guessing the relevant URL. As the Domain Name incorporates the Complainant’s company name, and the Swagelok® trade-mark, internet users are likely to believe that any webpage it resolves to is *“operated or authorised by, or otherwise connected with the Complainant.”*

This is known as “initial interest confusion” and has often been considered evidence of Abusive Registration, the vice being that even if it is immediately apparent to the internet user that the webpage is not in any way connected with the Complainant, the visitor has been initially confused or deceived as to the origin of goods/services, even if the confusion is dispelled by the time they come to make a purchase.

In *Interflora Inc & Anr -v- Marks & Spencer plc* [2014] EWCA Civ 1403 the Court of Appeal of England and Wales rejected the doctrine of “initial interest confusion” as having a place in EU trade-mark law. However, the test under the Policy is different from the test for registered trade mark infringement (see below) and in any event in light of my Decision above, it is not necessary for me to reach a final determination on this particular issue.

Infringement of the Complainant’s trademarks

The Complainant says that the Respondent, being fully aware of the Complainant and its business registered the Domain Name as a blocking registration against the Swagelok trade-mark in which the Complainant has rights.

The Respondent says that the Domain Name was not being used and therefore could be registered by anyone.

As a Nominet Expert, I am not required to consider whether the Respondent’s activities amount to an infringement of the Complainant’s trademark. Expert Decisions are to be determined by reference to the Nominet Policy and not the law in respect of trademark infringement, for example as noted in *Deutsche Telekom AG -v- Lammtara Multiserve Limited Appeal Decision (DRS 05856)*.

If trade-mark infringement is a pressing concern, the Complainant has an option of pursuing the matter in Court which it has not done. It is not the role of Nominet’s DRS to act as a potential substitute for litigation in relation to trademark disputes.

7.4 Conclusion

The Expert finds on the balance of probabilities that the Complainant has Rights in respect of a name identical or similar to the Domain Name and that the Complainant has proved, on the balance of probabilities, that the Domain Name in the hands of the Respondent is an Abusive Registration.

8. Decision

For the reasons set out in detail above, having decided that the Domain Name in the hands of the Respondent is an Abusive Registration, the Expert directs that the Domain Name be transferred to the Complainant.

Niall Lawless, Nominet Expert

13th July 2016