

.nz Dispute Resolution Service

DRS Reference: 425

Stainless Bending Limited v Paul Granich

Key words – Domain Name (stainlessbending.co.nz) – unregistered mark – whether wholly descriptive – identical – unfair registration – unfairly disrupting the business of Complainant – Respondent having no connection with name or trade mark

1. Parties

Complainant:

Stainless Bending Limited
Mr Andrew Wakker
20A Industry Road
Mount Wellington
Auckland
New Zealand

Respondent:

Mr Paul Granich
50 Cryers Road
East Tamaki
Auckland
New Zealand

2. Domain Name/s

stainlessbending.co.nz ("the Domain Name")

3. Procedural history

- 3.1 The Complaint was lodged on 21/08/2009 and Domain Name Commission (DNC), notified the Respondent of the validated Complaint on 26/08/2009. The domain was locked on 24/08/2009, preventing any changes to the record until the conclusion of these proceedings.
- 3.2 There was no response filed by the Respondent.
- 3.3 The Complainant paid Domain Name Commission Limited the appropriate fee on 25/09/2009 for a decision of an Expert, pursuant to Paragraph 9 of the .nz Dispute Resolution Service Policy ("the Policy").
- 3.4 Mr Andrew Brown QC, the undersigned, ("the Expert") confirmed to the DNC on 25/09/2009 that he knew of no reason why he could not properly accept the invitation to act as expert in this case and that he knew of no matters which ought to be drawn to the attention of the

parties, which might appear to call into question his independence and/or impartiality.

3.5 On 8 October 2009, the Expert issued a Notice under Rule 12.1 of the Policy seeking further information from the Complainant (and copied to the Respondent). The Notice requested that the Complainant provide the following information and any relevant documents:

- “1. Details (with supporting documentation) as to its use and promotion of the unregistered trade mark and name “Stainless Bending Limited”, including:
 - (a) When the Complainant commenced trading under the name and trade mark Stainless Bending (as distinct from when did the Complainant incorporate the company Stainless Bending Limited)?;
 - (b) The nature and extent of any advertising and promotion of the name and trade mark Stainless Bending carried out by the Complainant.
2. Details of when and where the Complainant reserved the Domain Name *stainlessbending.co.nz*.
3. Whether the term ‘stainless bending’ was coined by the Complainant or is a descriptive term.”

3.6 The Complainant responded to the Notice on 12 October 2009.

4. Factual background

4.1 The Complainant, Stainless Bending Limited was incorporated on 11 March 2003 and has been trading under this name since this time. The Complainant had also previously registered the Domain Name in 2004 but has stated in the Complaint that this was not renewed due to “administrative problems”.

4.2 According to the Complainant the Respondent is “related to the owner of Tube Bending which is a direct competitor of Stainless Bending”.

4.3 In preparing this Decision, the Expert was required to undertake some limited independent research as to the status of the Respondent who had registered the Domain Name. This information was obtained by undertaking a search of Tube Bending Limited using the search facility on the Companies Office website. This search confirmed that the Respondent is a shareholder of Tube Bending Limited and that the address provided for the Respondent is in fact the business premises of Tube Bending Limited.

4.4 The Complainant also invited the Expert to view Tube Bending Limited’s website: www.tubebending.co.nz/index.html. According to this website, Tube Bending was established in 1987 and “is a leading supplier of mandrel bends to the stainless steel fabrication industry”.

5. Parties' contentions

a. Complainant

- 5.1 As to its rights in the Domain Name, the Complainant initially claimed that it had no registered or unregistered trade marks. The Complainant then confusingly stated that it had included a copy of the "registered trade mark" with its DRS Complaint. It appears that what the claimant was actually referring to was a printout from the Companies Office of the Certificate Of Incorporation for Stainless Bending Limited showing its incorporation on 11 March 2003.
- 5.2 The Complainant's response to the Expert's Notice under Rule B12.1 of the Policy provided further clarification of the Complainant's rights to the name STAINLESS BENDING.
- 5.3 The Complainant confirmed that it commenced trading under the mark STAINLESS BENDING upon incorporation on 11 March 2003 and provided supporting documents as follows:
- (a) A letter of engagement from its accountants dated 12 March 2003 (one day after incorporation of the Complainant), confirming the provision of accounting and tax services to the Complainant's business; and
 - (b) An advertising order form dated 28 July 2003 for an advertisement in the Auckland Yellow Pages for Stainless Bending Limited under the section headed "Stainless Steel Fabricators & Products".
- 5.4 The Complainant also provided in support of the use of its mark STAINLESS BENDING evidence of its advertising, labelling and letterheads.
- 5.5 In relation to the Expert's enquiry as to whether the mark "STAINLESS BENDING" was coined by the Complainant or is descriptive, the Complainant stated as follows:

"The term stainless bending clearly articulates the products and services offered by Stainless Bending Limited.

The term was coined by Stainless Bending Limited to identify the company and differentiate itself from competitors doing mandrel bending of pipe – which is the descriptive term of the process.

No other company in New Zealand refers to the term "stainless bending" as a process or description of services. They use terms such as stainless steel tube bending or stainless fabrication, or stainless steel bending – but not "Stainless Bending".

If you Google "Stainless Bending" – the results return the details of the company Stainless Bending Limited. Not a description of bending processes or products in a generic sense."

The term “stainless bending” is not used in any other way in the industry except to identify the company Stainless Bending Limited therefore we believe that the term “stainless bending” was coined by the company and use of the domain name stainlessbending.co.nz should remain the right of Stainless Bending Limited.”

- 5.6 The Complainant further advised that it had originally registered the Domain Name through Clear Communications (Telstra Clear) back in 2004 but that unfortunately its records dating back to this time were no longer available.
- 5.7 The Complainant states that the registration of the Domain Name by the Respondent was unfair for the following reasons:
- (a) The Respondent does not trade under the name Stainless Bending “or anything remotely like the name”;
 - (b) The Respondent is directly related to the owner of Tube Bending, which is a direct competitor of Stainless Bending;
 - (c) The Domain Name was registered as a means to prevent the Complainant from re-acquiring the Domain Name;
 - (d) The registration of the Domain Name by the Respondent severely impedes the ability for the Complainant to operate and is an unfair use of the registration; and
 - (e) The registration of the Domain Name creates confusion in the market for its customers and is “anti-competitive behaviour”.

b. Respondent

- 5.8 The Respondent has not filed any Response in this proceeding.

6. Discussion and findings

- 6.1 The Complainant is required to prove that it has met the requirements in paragraph 4 of the Policy, namely that:

“4.1.1 The Complainant has Rights in respect of a name or mark which is identical or similar to the Domain Name; and

4.1.2 The Domain Name, in the hands of the Respondent, is an Unfair Registration.”

- 6.2 The Complainant is required to prove those elements on the balance of probabilities (paragraph 4.2 of the Policy).

a. The rights

- 6.3 The term “Rights” is defined in paragraph 3 of the Policy as follows:

“Rights includes, but is not limited to, rights enforceable under New Zealand 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.”

- 6.4 The Complainant’s name “STAINLESS BENDING” would fall towards the descriptive end of the whole spectrum of marks in which rights may be claimed. Where, as here, the mark tends towards the descriptive end of the spectrum of marks and is unregistered, it is particularly important that a Complainant provides substantiating evidence to establish that it had a pre-existing reputation or awareness in the mark in New Zealand at the date that the Domain Name was registered (see *The Country Channel Limited v The Country Channel Limited*, DRS No. 334, 30 March 2009.)
- 6.5 The Complainant has provided evidence that establishes that it has been trading under the mark STAINLESS BENDING for the last six years in Penrose, Auckland. Evidence was also provided by the Complainant as to its advertising in Auckland wide publications and on an internet directory. This evidence showed that the Complainant has placed advertisements under the mark STAINLESS BENDING in Auckland’s Yellow Pages business directory in 2004, on the business search engine *www.finda.co.nz* (which the Complainant invited the Expert to view) and in the regional newspaper *Auckland Today* in 2005. The advertisement in the *Yellow Pages* was listed under the section headed “Stainless Steel Fabricators & Products”. The advertisement in *Auckland Today* stated as follows:
- “Stainless Bending Limited
- SPECIALIST IN: Internal Mandrel Bending, Rolling and Forming Tube
in Stainless Steel, Mild Steel, Nominal Bore, Brass and Aluminium ...”
- 6.6 Further evidence of the use of the mark STAINLESS BENDING was also provided by way of examples of promotional material, labels, and letterheads which contained product information for customers.
- 6.7 The Expert is satisfied that the Complainant, has established on the balance of probabilities that it has rights in the mark STAINLESS BENDING at the date of the Respondent’s registration of the Domain Name on 25 February 2009.
- 6.8 In respect of the issue of whether the mark is wholly descriptive of the Complainant’s business, the Expert notes that the Complainant is in the business of providing services including mandrel bending, rolling and forming tubes in stainless steel, nominal bore, brass and aluminium. The Complainant also submits that the descriptive term of the process which it carries out is the “mandrel bending of pipes”. The Complainant also stated that other terms used to describe its services in the industry include “stainless steel tube bending”, “stainless fabrication” or

“stainless steel bending”. The Complainant also submitted that “no other company in New Zealand refers to the term “stainless bending” as a process or description of services”.

- 6.9 From the Complainant’s submissions and evidence the abbreviated term “STAINLESS BENDING” appears to be a mark coined by it and is not used by its competitors in respect of the provision of stainless steel fabrication and mandrel bending services. Also in its own advertising the Complainant has not used “stainless bending” as a descriptive term for the services it offers. While the mark does have descriptive allusions, the Expert is satisfied that the mark is not **wholly** descriptive and, as a result of its use by the Complainant over the last six years, has become distinctive of the Complainant’s business in (at least) the Auckland area.
- 6.10 The fact that the term “stainless bending” is not wholly descriptive is to some extent confirmed by the website of Tube Bending “www.tubebending.co.nz” which describes itself as “a leading supplier of mandrel bends to the stainless steel fabrication industry”. If “stainless bending” were wholly descriptive it could be expected that Tube Bending might also be using the term, whereas it does not.

b. Unfair registration

- 6.11 The Policy sets out a series of non-exhaustive factors which may be evidence that a Domain Name is an unfair registration. The factors include the following:
- “5.1.1 Circumstances indicating that the Respondent has registered or otherwise acquired the Domain Name primarily:
 - (a) ...;
 - (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; or ...”
- 6.12 The Complainant has claimed that the Domain Name has been registered to both prevent the Complainant from acquiring (again) the Domain Name in which it has rights and for the purpose of creating confusion in the marketplace. The Expert has viewed the Domain Name which is currently “parked”, so that there is no activity of a trading nature on the website at this time.
- 6.13 As noted earlier, the Expert was also invited to view the website of Tube Bending - the company of which the Respondent is a shareholder. Tube Bending was established in East Auckland in 1987 and, presumably, it has built up a reputation and goodwill in its own name over the last 22 years. Without any Response filed by the Respondent, the Expert cannot see what claim the Respondent has in

the Domain Name which is identical to the Complainant's coined trading name STAINLESS BENDING. As noted earlier, there is no evidence of use of "stainless bending" on the Tube Bending website.

6.14 The Expert is entitled to draw appropriate inferences from the failure of the Respondent to file a Response. In the absence of any explanation, the Expert is satisfied on the balance of probabilities that the Respondent has registered the Domain Name to block registration of it by the Complainant or for the purpose of unfairly disrupting the business of the Complainant by preventing it from reacquiring the Domain Name.

7. Decision

7.1 In view of the findings made above, the Expert directs that the Domain Name "*www.stainlessbending.co.nz*" be transferred to the Complainant.

Place of decision Auckland
Date 16 October 2009
Expert Name Mr Andrew Brown QC
Signature

