

.nz Dispute Resolution Service

DRS Reference: 323

A1 Radiator & Air Conditioning Specialists Limited v Julian Parbery, trading as Heat Exchanger Services

Key words – unregistered mark-tradename-abbreviation of mark-unfair registration-unfair use likely to confuse

1. Parties

Complainant:

A1 Radiator & Air Conditioning Specialists Limited
PO Box 13357
Christchurch
New Zealand
(represented by Mr J. Johnson of Wynn Williams & Co., Solicitors,
Christchurch)

Respondent:

Mr Julian Parbery
Heat Exchanger Services
153 Madras Street
Christchurch
New Zealand

2. Domain Names

a1radiator.co.nz
a1rad.co.nz
a1rads.co.nz ("the Domain Names")

3. Procedural history

The Complaint was lodged on 3/09/2008 and Domain Name Commission (DNC), notified the Respondent of the validated Complaint on 8/09/2008. The domain/s were locked on 3/09/2008, preventing any changes to the record until the conclusion of these proceedings.

The Respondent filed a Response to the Complaint on 26/09/2008 and the DNC so informed the Complainant on 26/09/2008. The Complainant filed a Reply to the Response on 6/10/2008. The DNC informed the parties on 21/10/2008 that informal mediation had failed to achieve a resolution to the dispute.

The Complainant paid Domain Name Commission Limited the appropriate fee on 12/11/2008 for a decision of an Expert, pursuant to Paragraph 9 of the .nz Dispute Resolution Service Policy ("the Policy").

Hon Sir Ian Barker QC, the undersigned, ("the Expert") confirmed to the DNC on 12/11/2008 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.

4. Factual background

The Complainant's business was purchased in 1979 by its current proprietor. The name "A1 Radiator" had been previously used by the business. In March 1981, the Complainant was incorporated under the name of "A1 Radiator Specialists Limited" in March 1981. Its name was changed to its present form in June 1996. The Complainant has traded for some 30 years incorporating the words "A1 Radiator" in its trading names. It repairs radiators and manufactures and services radiator cores, air conditioning equipment and other automotive parts.

The "Yellow Pages" telephone directory for the years 1983, 1989, 1997 and 2003 shows that the Complainant has advertised its business there under the names "A1 Radiator Specialists" or "A1 Radiator & Air Conditioning Specialists Ltd". It is the only AA-licensed and MPA-assured radiator specialist in Canterbury. The names "A1 Radiator" and/or "A1 Radiator & Air Conditioning Specialists" are displayed on its premises and have been so displayed since 1970.

According to the Complainant's website at <a1radiators.net.nz>, the Complainant has four distribution centres in the North Island.

The Complainant does not have a registered trademark. There is one other business using the name "A1 Radiator" which is in Palmerston North but which has the permission of the Complainant to use that name for trading purposes.

The Respondent registered the disputed domain name <a1radiator.co.nz> on 12 August 2008 and the disputed domain names <a1rad.co.nz> and <a1rads.co.nz> on 18 July 2008. The Respondent incorporated a company under the name "A1 Radiators Intercoolers & Oil Coolers Limited" on 12 August 2003. He is associated with a competitor of the Complainant called Heat Exchanger Services Limited.

The Complainant wrote to the Respondent on 18 July 2008, asking the Respondent to agree to the disputed domain name <a1radiators.co.nz> being transferred to the Complainant. (This is another domain name the subject of a separate complaint because there is a different registrant involved).

In a facsimile dated 2 July 2008, on the letterhead of “A1 Radiators Intercoolers & Oil Coolers Limited”, the Respondent, as a director of that company, asserted “*We are the legal owners of a registered company called A1 Radiators Intercoolers & Oil Coolers Limited and “We are also the legal owners, the associated internet domain name www.a1radiators.co.nz and “We have not retained this website to stop you using it: we purchased it to protect our company name and advertising space on the internet (referring to A1radiators.co.nz)”. The facsimile concluded “...as soon as our new radiator core manufacturing equipment is ready, we will start using our new company website which is currently under design.*

A1 Radiators Intercoolers & Oil Coolers Limited was registered on 12 August 2003. The Respondent is registered as its sole shareholder and director.

The disputed domain names <a1rad.co.nz> and <a1rads.co.nz> were registered after the Respondent had received the letter from the Complainant of 18 July 2008.

The disputed domain name “a1radiator.co.nz” was registered on 11 June 2008. The initial registrant was “CTCradiators.co.nz”. A Mr Mainwaring was shareholder and director of a company called CTC Radiators Ltd which is a competitor of the Complainant in Christchurch. The domain name was transferred by this company to the Respondent on 12 August 2008.

The solicitors for the Complainant wrote to the Respondent on 12 August 2008, seeking his agreement to transfer of the disputed domain names to the Complainant but received no response.

5. Parties' contentions

a. Complainant

The Complainant bases its rights to the disputed domain names on its long use of the term “A1 Radiators” which it claims is readily identifiable with its business within New Zealand. It has a reputation or goodwill attached to its goods or services by association with its identifying get-up. It is well-known in the Canterbury region and elsewhere and has traded there for 30 years using in whole or in part, the name “A1 Radiator”.

The Respondent is associated with a competitor of the Complainant and has no rights to use the disputed domain name. Two of the disputed domain names were registered after the Complainant had written to the Respondent outlining its concerns. The Respondent obtained a transfer to the other name, also after notice of the Complainant's claim.

In registering other domain names based on the words “A1 Radiators”, the Respondent has been involved in a pattern of registrations as covered by 5.1.3 of the DRS Policy so as further to deny the

Complainant of the ability to take advantage of its own name and reputation or unfairly and unlawfully to obtain some advantage by falsely representing that it is in some way associated with the business of the Complainant.

The mere fact that the Respondent is associated with a company with similar name does not give it automatic rights in the goodwill the Complainant has in the name A1 Radiator and its variations.

b. Respondent

In his Response, the Respondent stated that the company A1 Radiators Intercoolers & Oil Coolers Limited was formed in 2003 with the express intention of manufacturing radiators, intercoolers and oil coolers for the American market.

The "A1 Radiators" part of the name had been suggested to him at a marketing seminar to ensure that he was "*at the top of any phone books in the United States and first in any web listings*".

The web address is used to show that the Respondent's products are being made in New Zealand which is central to the marketing plan. The Respondent is not going to use the A1 Radiators name for marketing in New Zealand.

The Respondent rejects any allegation of "passing off". The Respondent is not using the web name to market the same products to the customers of the Complainant. Due to financial constraints, it has taken longer than anticipated for the Respondent to be using the web name and web address. All products sold in New Zealand will be under the name Heat Exchanger Services Ltd.

The Respondent considered it "prudent" to secure the web addresses to stop the Complainant "passing off as ourselves to overseas customers". That was also the reason why the disputed domain name <a1radiator.co.nz> was purchased from Mr Mainwaring's company.

The Respondent has never used the disputed domain name to take advantage of the Complainant and will not do so in the future. He needs the names when starting to sell all New Zealand-made products in the United States.

c. Complainant's Reply

The Respondent's registration of the disputed domain names is unfair in that they were acquired at a time when they were registered in the manner which took unfair advantage of or was unfairly detrimental to the Complainant's rights. The disputed domain names are likely to be used

in a manner which takes unfair advantage or is unfairly detrimental to the Complainant's rights.

The Respondent does not dispute the rights of the Complainant. There is no evidence from the Respondent to confirm its intention of marketing solely in the United States, nor is there any explanation as to how it could market solely in the United States using a .co.nz website. That proposition seems inconsistent with the Respondent's facsimile of 2 July 2008 in which he said "*As soon as our new radiator core manufacturing equipment is ready we will start using our new company website which is currently under design*". There was no mention at that stage of marketing solely in the United States.

Even if marketing in the United States were the Respondent's sole purpose, that does not necessarily mean that the website has not been or is not likely to be used in a manner which takes unfair advantage of and is detrimental to the Complainant's rights. New Zealand visitors will still be confused as to the identity of the company behind the site and as to whether it is connected with the Complainant in some way. It is not only US-based consumers who will access this site.

The circumstances of the acquisition of the disputed domain names suggest that the very act of registration or acquisition of the disputed domain names is unfairly detrimental to the Complainant's rights and that the registrations are a blocking device to prevent a competitor of the Respondent using websites to which it is entitled by virtue of its rights in the name.

The intention of the Respondent can be inferred from his course of conduct. Having been informed of the Complainant's interest, the Respondent then acquired or registered the disputed domain names in his own name. Given the rights of the Complainant in the name "A1 Radiator", the lack of rights of the Respondent in that name and the fact that the two are competitors, there is a clear inference that the registrations are detrimental to the rights of the Complainant.

6. Discussion and findings

The first matter which the Complainant has to prove is that it has rights in respect of a name or mark which is identical or similar to the disputed domain names. The definition of "rights" in the Policy is "*Rights includes but is not limited to rights enforceable under New Zealand law. However, the Complainant will be unable to rely on rights in a name or term which is wholly descriptive of the Complainant's business*".

In many cases, a complainant need point only to a trade mark registered in New Zealand or possibly in a foreign jurisdiction to prove the necessary rights. If there is no registered trade mark, then an unregistered trade mark, if proved, can be dispositive.

In cases under the UDRP decided by WIPO and NAF Panelists, a fairly high threshold for establishing a common law trade mark is required. Far more extensive evidence than the generalisations supplied by the Complainant in the present case would be required. In fact, one of the criteria described in a WIPO case is “*would the plaintiff succeed in a common law claim under the tort of ‘passing off?’*” – See WIPO Overview of WIPO Panel Views on Selected UDRP Questions at Para. 1.7.

However, cases under the English Nominet Policy show that the requirement to demonstrate rights is not a particularly high threshold test – See DRS 00248, *Seiko-shop.co.uk* and DRS 00359, *parmaham.co.uk*. The English definition of “rights” is similar to that in the New Zealand Policy.

It is clear that the Complainant has traded using the expression “A1 Radiator Specialists” for over 30 years. It has gained a reputation in Canterbury for providing radiator services. It also does business in the North Island.

Consequently, the Complainant has established a ‘Right’ under the Policy in respect of the Domain Name <a1radiator.co.nz>. The other two disputed domain names involve abbreviation of the words “radiator” or “radiators” and are covered by the Complainant’s Right.

The more difficult question is whether there is an “unfair registration” which is defined relevantly in the Policy as:

“a domain name which either:

- (1) was registered or otherwise acquired in a manner which at the time when the registration took place took unfair advantage of or was unfairly detrimental to the Complainant’s rights; or
- (2) has been or is likely to be used in a manner which took unfair advantage of or was unduly detrimental to the Complainant’s rights.”

It is important to note that unfair registration is not the same as “passing off” or trade mark infringement (see the *seiko* and *parmaham* cases).

A non-exhaustive list of facts which may be evidence that a disputed domain name is an unfair registration is set out in paragraphs 5.1.1 to 5.1.5 of the Policy. The only one relevant here is para. 5.1.2 viz:

- 5.1.2 Circumstances demonstrating that the Respondent is using the Domain Name in a way which is likely to confuse, mislead or deceive people or businesses into believing that the Domain Name is registered to, operated or authorised by, or otherwise connected with the Complainant...”

A non-exhaustive list of factors which may be evidence that the Domain Name is not an Unfair Registration is set out in Paras 6.1.1 to 6.1.4 of the Policy. The only possibly relevant provisions are:

- 6.1.1 Before being aware of the Complainant's cause for complaint (not necessarily the Complaint itself), 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
- 6.1.2 The Domain Name is generic or descriptive and the Respondent is making fair use of it in a way which is consistent with its generic or descriptive character..."

In the Expert's view, it is clear that the Complainant has demonstrated that the Respondent is using the disputed domain names in a way which is likely to confuse or mislead or deceive people and businesses into believing that the names are registered to, operated by, authorised by or otherwise connected to the Complainant. The Complainant has traded under the "A1 Radiators" brand for 30 years and has built up a reputation for the brand. This is not contested by the Respondent.

Although one of the companies associated with the Respondent includes the words "A1 Radiators", the Respondent did not attempt to utilise the defence set out in Paragraph 6.1.1.(b) above. He offered no evidence of the extent (if any) he has used the words "A1 Radiators" in his business, although one of his companies is called "A1 Radiators Intercoolers and Oil Coolers Ltd".

The Respondent's claim that he intends marketing products to customers only in the United States was not mentioned in the letter to the Complainant. Nor can that claim provide a reliable defence because anybody in New Zealand, seeking to do business with the Complainant could inadvertently go to the Respondent's website and be confused into thinking that the websites associated with the disputed domain names were those of the Complainant and not those of a competitor such as the Respondent.

The unfairness and the blocking nature of the registrations can also be deduced from the facts that the Respondent registered the disputed domain names after he knew that the Complainant was concerned about his use of its name in another cognate domain name. Also, he purchased from a third party the other disputed domain name after he knew of the Complainant's

concerns. The inferences readily available from this conduct were not challenged by the Respondent.

7. Decision

The Expert is of the view that the Claimant has made out its case under the Policy and, therefore, orders that the disputed domain names: <a1radiator.co.nz>, <a1rad.co.nz> and <a1rads.co.nz> are to be transferred from the Respondent to the Complainant.

Place of decision Auckland

Date 21 November 2008

Expert Name Hon Sir Ian Barker QC

Signature _____