

## **DISPUTE RESOLUTION SERVICE**

**DRS 7146**

**Decision of Independent Expert**

**ARNEG S.p.A.**

and

**Shelf Masters Ltd**

### **1. The Parties:**

Complainant: Arneg S.p.A.  
Address: Via Venezia, 58  
Campo San Martino  
PD  
Postcode: 35010  
Country: Italy

Respondent: Shelf Masters Ltd  
Address: Unit 4A Morris Green Business Park  
Eckersley Street  
Bolton  
Lancashire  
Postcode: BL3 3PE  
Country: United Kingdom

### **2. The Domain Name:**

arneg.co.uk

### **3. Procedural History:**

The Complaint was lodged with Nominet on 15 April 2009. Nominet validated the Complaint and informed the Respondent that the Dispute Resolution Service ("DRS") had been invoked and that the Respondent had 15 working days to submit a Response. The Respondent lodged a Response on 11 May 2009. The parties entered into informal mediation but that process did not achieve a resolution of the dispute. On 19 August 2009 the Complainant paid Nominet the appropriate fee for a

decision of an expert pursuant to paragraph 7 of the Nominet DRS Policy (“the Policy”). On 27 August 2009 Nominet appointed Andrew Clinton (“the Expert”) as the Independent Expert.

The Expert has confirmed to Nominet that he knows of no reason why he could not properly accept the invitation to act as Expert in this case, and has further confirmed that he knows of no matters which ought to be drawn to the attention of the parties which might appear to call into question his independence.

#### **4. Factual Background**

This is a dispute between the manufacturer of commercial refrigeration equipment that is sold under the brand name Arneg and a shopfitting company that, amongst other things, sells and installs Arneg equipment.

The Complainant is a well established company that has traded under the name Arneg for many years. It was incorporated in Italy in 1963 and now has manufacturing sites and offices in 23 countries across the world. It is in the business of manufacturing, selling, installing and providing services for refrigeration equipment.

The Respondent is a family run company that is in the business of supplying and installing shelving and shopfitting equipment, including Arneg refrigeration equipment.

The Domain Name was registered on 3 January 2000 by Apex Storage Equipment which subsequently became Shelf Masters Limited. The Domain Name was initially used to advertise the goods and services of Shelf Masters Limited.

The Domain Name was renewed in January 2009 and is presently linked to an active parking page, with a number of sponsored links to various web sites of the Complainant’s competitors.

#### **5. Parties’ Contentions**

##### Complainant

The Complaint, so far as is material, is summarised below:-

- The Complainant was founded in 1963 in Padua and is a world leader in manufacturing, selling, installing and providing services for refrigeration equipment and systems around the world.
- The Complainant has 16 manufacturing sites and 9 commercial offices in 23 countries and employs 2,300 people.
- The Complainant operates in the UK through Arneg UK Limited which is based in Harlow. Sales in the UK amounted to €11 million in 2007.
- The trade name Arneg is well-known in the field of commercial refrigeration across the world as a result of extensive investments in R&D and marketing, which include €1 million spent on advertising each year.
- The Complainant is the owner of a wide range of trade mark registrations for the mark Arneg in many countries, including International registration numbers 368434 and 552602, Italian registration no. 891212, Community Trade Mark no. 003503968 and UK registration no. 898494.
- The Complainant has registered the word Arneg as a domain name under several different TLDs and ccTLDs, including arneg.com, arneg.org, arneg.info and arneg.mobi.
- The Respondent supplies and installs shelving, shopfitting and refrigeration (a sector in which the Complainant is a leading manufacturer worldwide), accessories and display equipment to retail outlets (as evidenced by the website [www.shelfmasters.co.uk](http://www.shelfmasters.co.uk)).
- The Respondent, without authorisation from the Complainant, registered the Domain Name on 3 January 2000.
- The Respondent has used the Domain Name to promote its own commercial activity and to sell products of the same class as the Complainant's products and the Respondent has intentionally attempted to attract, for commercial gain, internet users.

- The Complainant, through its authorised representative, sent a cease and desist letter to the Respondent requesting a transfer of the Domain Name but the Respondent did not reply, despite a number of reminders.
- On 1 April 2008 the Complainant's representative telephoned the Respondent and offered €1,000 as out of pocket expenses associated with the acquisition and use of the Domain Name. The Respondent refused to accept that sum and instead requested "a tremendous amount of money" for the Domain Name.
- The Complainant's representative sent an e-mail to the Respondent on the following day reiterating the offer of €1,000 and requesting a better definition of a "tremendous amount of money". The Respondent did not reply.
- The Respondent is not a licensee, an authorised agent or distributor of the Complainant or in any other way authorised to use the Complainant's trade mark in the Domain Name.
- The Domain Name was renewed in January 2009 and is presently linked to an active web page, with a number of sponsored links to various web sites of the Complainant's competitors.
- There is strong evidence that the Respondent registered the Domain Name primarily as a blocking registration under paragraph 3(a)(i)(B) of the Policy. It is inconceivable that the Respondent did not have actual knowledge of the Complainant's trade mark rights at the time of registration given (i) the Complainant has used the mark Arneg since 1970, (ii) the Domain Name is identical to that mark, (iii) the amount of advertising and sales of the Complainant's products worldwide, (iv) the mark is extensively used in the UK where the Respondent is based and (v) both parties trade in the same sector.
- The Respondent was, and 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 (paragraph 3(a)(ii) of the Policy).

- Initially the Domain Name pointed to a web site advertising and selling the Respondent's products, which included a price list and provided the address of the Respondent's shop in Bolton.
- Currently, the Domain Name links to an active parking page which contains sponsored links to competitors' web sites; for example Advertising Refrigerators, Royal Frigo s.r.l, IQF Frost AB, TE Technology Inc., Unifrigor, Celle Frigo or sponsored links entitled Commercial Refrigerator freezer, Display Refrigerator and Display Cooler that could easily mislead consumers about the source and origin of the Complainant's products.
- The Respondent does not have prior rights or a legitimate interest in the Domain Name which is identical to the registered trade mark and the Respondent generates revenue, via the pay-per-click system, and/or is diverting traffic from the Complainant.

The Complainant seeks a transfer of the Domain Name.

### Respondent

The Response, so far as is material, is summarised below:-

- The Domain Name was registered in 2000 and is not a "fad" or a "scam" on the part of the Respondent. The Domain Name was registered purely to promote the Arneg products sold by the Respondent.
- The Respondent is a family run shopfitting company that, for the majority of its 28 years of trading, has promoted, sold and fitted Arneg products locally, nationally and, more recently, online.
- The Respondent obtains its supply of Arneg products from two companies in the UK. It has dealt with these companies for many years and has good relationships with both.
- The Respondent invests heavily in national advertising at a cost of over £30,000 per annum, which includes publications that are sent out twice a month to over 62,000 businesses. The Respondent's brochure, which is sent to prospective customers, illustrates Arneg products in detail.

- The Respondent considers Arneg products to be of extremely good quality and value for money. The Respondent offers a friendly, professional and comprehensive service by experienced sales staff.
- The Respondent's business benefits Arneg directly.
- Many shopfitting companies advertise Arneg products on the internet.
- Until recently the Complainant had no interest in the Domain Name. There had been a few short telephone conversations and then an offer of €1,000 even though the Complainant claims that it is entitled to the Domain Name.

The Respondent also filed an Annex 1 to the Response in which it said that the loss of the Domain Name would seriously affect the Respondent's ability to promote its business which would be extremely detrimental to its trading conditions. The Respondent says that it has worked hard to build its business of many years around the Complainant's products.

#### Further statement

On 11 September 2009 the Expert raised a request under paragraph 13a of the Procedure for further statements. The request was in the following form:-

According to the WHOIS search the registrant of the domain name arneg.co.uk is Apex Storage Equipment. However, the Response and Annex 1 to the Response have been filed for and on behalf of Shelf Masters Limited.

#### Request 1

What is the connection between Apex Storage Equipment and Shelf Masters Limited?

#### Request 2

Why has the Response been filed by and on behalf of Shelf Masters Limited rather than by and on behalf of Apex Storage Equipment?

On 16 September 2009 the Respondent filed a further statement in the following terms:-

Answer 1 – We have been in business for some 30 years, selling a full range of retail and industrial fittings of all descriptions. Arneg products have always been our top/main selling product. Some years ago we registered our company as ‘Shelfmasters Ltd’ which described more appropriately the services we offer, although we continued to be known by some long standing customers as ‘Apex Storage Equipment’ and this name still appears on cheque books etc.

Answer 2 – We only filed a response to a response filed by ‘Arneg Italy’ and did not even question or consider the question of whether we are ‘Shelfmasters Ltd’ or ‘Apex Storage Equipment’.

The Complainant said that, in light of the Respondent’s confirmation that Shelf Masters Limited was previously known as Apex Storage Equipment, it did not intend to provide a further statement.

## **6. Discussions and Findings**

### General

Under paragraph 2 of the Policy the Complainant has to prove on the balance of probabilities: firstly, that it has Rights in respect of a name or mark which is identical or similar to the Domain Name; and secondly, that the Domain Name, in the hands of the Respondent, is an Abusive Registration.

### Complainant’s Rights

Rights are defined in the Policy as meaning rights enforceable by the Complainant, whether under English law or otherwise. The Complainant asserts, and has produced supporting evidence, that it has the benefit of enforceable rights in the mark Arneg. The Complainant is the owner of a number of registered trade marks that comprise or incorporate the word Arneg, including the United Kingdom registered trade mark no. 898494 for the word Arneg in class 11 which was registered in September 1972. The Complainant has also produced evidence which

shows that it has unregistered rights in the mark by reason of the extensive use of the mark over a long period of time.

It is clear, on the evidence before the Expert, that the mark Arneg is recognised by the purchasing trade and public as indicating the goods and services of the Complainant. Indeed, the Respondent concedes as much given that its case is that it registered the Domain Name purely in order to promote the Complainant's goods which it regards as extremely good quality and value for money.

The mark Arneg is identical to the Domain Name as, at the third level (ie disregarding the .co.uk suffix), they are the same.

The Expert finds that the Complainant has rights in the mark Arneg which is identical to the Domain Name.

#### Abusive Registration

Abusive Registration is defined in paragraph 1 of the Policy to mean a Domain Name which 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 took unfair advantage of or was unfairly detrimental to the Complainant's Rights.

#### Factors pointing to Abusive Registration – paragraph 3 of Policy

A non-exhaustive list of factors which may be evidence of an Abusive Registration is set out in paragraph 3 of the Policy. The factors that are relevant to this dispute are:

- (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 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;

It is clear from the wording of the Policy that the list of factors at paragraph 3 is non-exhaustive and that a Complainant can succeed in proving Abusive Registration without necessarily being required to prove any of those factors. However, in order to do so it is necessary to prove that the definition of Abusive Registration, as set out in paragraph 1 of the Policy, has been satisfied.

The Complainant seeks to rely on paragraphs 3(a)(i)B (blocking registration) and 3(a)(ii) (confusion or likelihood of confusion). The Complainant also refers to a request by the Respondent for a tremendous amount of money for the Domain Name which may be of relevance under paragraph 3(a)(i)A (selling for consideration in excess of out-of-pocket costs). The Complainant refers, in the Complaint, to the concept of "bad faith" but that has no place in the DRS.

Factors pointing against Abusive Registration – paragraph 4 of Policy

There is a non-exhaustive list of factors which may be evidence that the Domain Name is not an Abusive Registration at paragraph 4 of the Policy. The Respondent has not specifically referred to any of those factors.

Paragraph 4(e) is of relevance to the facts in this case. It provides that the 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.

#### Discussion and findings regarding Abusive Registration

The Complainant has put up a strong prima facie case that the Domain Name is, in the hands of the Respondent, an Abusive Registration. The Domain Name is identical to the Complainant's registered trade mark. The Complainant says that the Respondent is not a licensee, an authorised agent or distributor of the Complainant nor is the Respondent in any way authorised to use the Complainant's trade mark for a domain name.

The Complainant says that the Domain Name was initially used to promote the Respondent's products. The Complainant has produced screenshots which show that the Domain Name was linked to a web site that promoted the goods and services of the Respondent. The web site advertised a range of shelving and shopfitting products. The name Shelfmasters Limited appeared prominently on each page of the web site. There is no reference at all, on the screenshots supplied by the Complainant, to Arneg products.

The Complainant says that the Domain Name was subsequently connected to a parking page which contains sponsored links, some of which take an internet visitor to web sites operated by the Complainant's competitors. The Complainant contends that the Respondent is deriving "click-per-view" revenue from those sponsored links.

The Complainant has produced screenshots which show that the Domain Name links to a parking page which contains links to web sites that offer competing products.

The answer put up by the Respondent is straightforward. The Respondent says that it registered the Domain Name purely as a means of promoting the Arneg products that it sells and around which it has built its business. In effect, it puts up an argument of mutual benefit: the Respondent's business increases the sale of Arneg products and thus directly benefits the Complainant's business.

The Response does not, in any way, address the complaint about the use of the Domain Name as a parking page which contains sponsored links to web sites offering competing products. The Respondent does not deny that it receives "click-per-view" revenue by its use of the Domain Name.

The Respondent clearly had knowledge of the Complainant's rights at the time of registration given that the Respondent's motive for registering the Domain Name was to promote the Complainant's products. On its own case, the Respondent's original plans for the Domain Name were arrived at wholly by reference to the rights of the Complainant. The issue to be determined (aside from the subsequent use of the Domain Name as a parking page, which is addressed below) is whether the registration and use of a domain name that is identical (i.e. without any adornment) to the Complainant's registered trade mark by a trader in the Complainant's goods, but without the approval of the Complainant, takes unfair advantage of, or is unfairly detrimental to, the Complainant's rights.

The Appeal Panel addressed this issue in the case of *Seiko UK Limited v Designer Time/Wanderweb* (DRS 00248). In that case a legitimate trader in Seiko watches registered the domain name *seiko-shop.co.uk*. The trader argued that it had only ever used the name Seiko as a means of promoting, and thereby increasing the sale of, Seiko watches. The Appeal Panel rejected that argument and found, on the facts of the case, that the registration and use by the trader of the supplier's registered trade mark (together, in that case, with other non distinctive characters) was an Abusive Registration. The Appeal Panel took the view that if the Domain Name makes, or is liable to be perceived as making, a representation that there is something approved or official about the web site then this would constitute unfair advantage being taken by the trader or unfair detriment being caused to the supplier.

The Respondent in this case decided to register a domain name that was identical to the trade mark; it did not add any other characters that might serve to distance the Domain Name from the Complainant. The Domain Name cannot sensibly refer to anyone other than the Complainant. There must be a significant risk that internet users will believe that the Domain Name is registered to, operated or authorised by, or otherwise connected with, the Complainant. Even if an internet user subsequently realises that the web site is not connected with the Complainant that does not avoid the “initial interest confusion”.

Once drawn to the web site the internet user was faced initially with a commercial web site advertising the Respondent’s goods and services, which include a range of shelving and shopfitting products. There was no reference on the web site to the Complainant’s products notwithstanding the assertion by the Respondent that the Domain Name was registered purely to promote Arneg products. At some point the Respondent changed the way in which it was using the Domain Name. Internet users, once drawn to the web site, were then faced with a parking page with sponsored links to web sites offering competing products to those offered by the Complainant. Whilst paragraph 4(e) of the Policy makes it clear that this is not of itself objectionable the use of a parking page undermines the Respondent’s case that its use of the Domain Name benefits the Complainant. The internet user is only drawn to the web site in the first place by use of the Complainant’s registered trade mark. Once there the Respondent seeks to exploit that for its own commercial gain.

The Respondent claims that many shopfitting companies advertise Arneg on the internet. There may well be circumstances in which third parties can legitimately use the mark Arneg on the internet (comparative advertising being just one example) but this is a dispute about the use of a particular domain name that falls to be determined under the DRS. The Expert finds that the use by the Respondent of the Domain Name - whether that was to promote the Respondent’s goods and services (as initially) or by linking to a parking page that contains sponsored links to the Complainant’s competitors (as subsequently) - amounts to an Abusive Registration as it takes unfair advantage of the Complainant’s rights.

The Respondent says that it will lose the ability to promote its business if it loses the Domain Name. If the Respondent loses the Domain Name it does not lose the ability to promote its business, which trades as Shelf Masters. It can still sell the Complainant’s products but it can no longer make a representation to internet users

that there is something approved by Arneg or official about the web site. It can no longer exploit the initial interest confusion for its own purposes whether or not that has an incidental benefit to the Complainant.

The Complainant seeks to rely on a telephone conversation said to have taken place on 1 April 2008 when the Respondent refused the Complainant's offer of €1,000 as out of pocket costs associated with the acquisition and use of the Domain Name and instead requested "a tremendous amount of money" for the Domain Name. The only evidence of the demand for "a tremendous amount of money" is the reference to it in an e-mail from the Complainant's representative. This evidence is rather self-serving and, in any event, in light of the above findings the Expert does not need to make a finding on this point.

## **7. Decision**

The Expert finds, on the balance of probabilities, that the Complainant has Rights in a mark which is identical to the Domain Name and that the Domain Name is, in the hands of the Respondent, an Abusive Registration. The Expert directs that the Domain Name be transferred to the Complainant.

**Signed: Andrew Clinton**

**Dated: 22 September 2009**