

DISPUTE RESOLUTION SERVICE

DRS12744

Decision of Independent Expert

Caterpillar, Inc.

and

J.W.Gaughan

1. The Parties:

Lead Complainant: Caterpillar, Inc.
100 North East Adams Street
Peoria
Illinois
61629
United States

Respondent: J.W.Gaughan
James Gaughan & Sons Ltd
8 Chichester Street
Rochdale
Lancashire
OL16 2AU
United Kingdom

2. The Domain Name:

catspares.co.uk

3. Procedural History:

19 April 2013 16:24 Dispute received
22 April 2013 11:08 Complaint validated
22 April 2013 11:27 Notification of complaint sent to parties
10 May 2013 02:30 Response reminder sent
15 May 2013 09:34 Response received
15 May 2013 09:34 Notification of response sent to parties
20 May 2013 02:30 Reply reminder sent
23 May 2013 10:15 Reply received
23 May 2013 11:07 Notification of reply sent to parties
23 May 2013 11:08 Mediator appointed
29 May 2013 14:57 Mediation started
25 June 2013 09:29 Mediation failed

25 June 2013 09:29 Close of mediation documents sent

01 July 2013 12:54 Expert decision payment received

4. Factual Background

The Complainant is a leading manufacturer of heavy equipment, including construction and mining equipment, diesel and gas engines, industrial gas turbines and diesel-electric locomotives.

The Respondent is a company registered in England and Wales, with registered Company No. 01993508. It is an engineering business based in Rochdale, Lancashire, offering spares and re-engineered or re-manufactured parts for use with the Complainant's products.

The Domain Name was registered on 1st March, 2000 and resolves to a website with the heading "New and Used Caterpillar Parts – Reconditioned Engines, Fuel Pumps and Transmissions".

Expert's Declaration

I 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.

5. Parties' Contentions

I have summarised The Parties' submissions as follows:

5.1 Complainant

5.1.1 Complainant's Rights

The Complainant is the world's leading manufacturer of heavy engineering machinery and equipment. It was created in 1925 and established its first subsidiary abroad, in Great Britain, in the 1950's. It now operates in more than 180 countries and was ranked 46th in Fortune 500's list of America's largest companies in 2012.

The Complainant was ranked 61st in Interbrand's 2012 list of the 100 best global brands. Its trademarks (in particular the CATERPILLAR and CAT brands) are used worldwide in connection with goods and services, including heavy machinery and parts. The earliest CAT trademarks in the UK date from 1949. CAT is also the Complainant's symbol on the New York Stock Exchange. Consumers in construction and mining strongly recognise the CAT trade mark and link it to the Complainant.

The Complainant's network of independent authorised dealers provides an alternative to new products by offering certified used equipment ("Cat Certified Used Equipment"), financing and extended service coverage. Cat Certified Used Equipment is subject to the Complainant's inspection program, including a minimum 6 month warranty. Customers can find authorised dealers via a search tool on the Complainant's site at <catused.com>.

The Complainant and its dealer network provides a catalogue of more than 800,000 genuine Cat spare parts via its Cat Parts Store. This is an online ordering service, open 24 hours a day, seven days a week at the domain name <catparts.com>.

The Complainant has made substantial investment in its online presence. It operates numerous websites, in particular at www.caterpillar.com and www.cat.com (registered in 1993 and 1995 respectively). The Complainant's website for Cat Certified Used Equipment, selling used equipment both from the Complainant and from other manufacturers may be found at www.catused.com (registered in 2000). The Complainant has registered and uses many other domain names consisting of the terms CATERPILLAR and CAT.

The Complainant is also active on major online social media sites.

Panels in several UDRP cases have recognised the status of the Complainant's trademarks, and have ordered transfer of domain names to the Complainant. Whilst UDRP decisions are not binding on Nominet Experts, the Complainant draws attention to WIPO Case No. D2000-0314 (<caterpillarparts.com> & <caterpillarspares.com>) where the Panel ordered the transfer of these domain names to the Complainant. Both are highly similar to the Domain Name in this Complaint.

The Complainant owns numerous trade mark registrations containing the terms CATERPILLAR or CAT in more than 150 jurisdictions. A representative list of US and Community trademark registrations is submitted in evidence. The Complainant devotes significant resources to protecting these Rights and the goodwill attached to them, including for example cease and desist letters and domain name complaints.

The Domain Name is identical with, or at the very least similar to, a mark in which the Complainant has Rights. It comprises two words: CAT and SPARES. The dominant element is the word CAT. The additional word SPARES is merely descriptive of the Respondent's Caterpillar spare parts business and is not sufficiently distinctive to distinguish the Domain Name from the Complainant's protected CAT brand name. The addition of the word SPARES reinforces the connection between the Complainant's brand and the Domain Name as it relates to the Respondent's spare parts business involving the Complainant's products.

5.1.2 Abusive Registration

5.1.2.1 Initial interest confusion and unfair disruption of the Complainant's business contrary to paragraph 3(a)(i)(C) and 3(a)(ii) of the Policy

The Respondent is not and never has been an authorised dealer of the Complainant.

The products advertised on the Website include not only CAT and CATERPILLAR branded parts but also those of the Complainant's competitors.

The Website mimics the Complainant's black and yellow trade dress and has clearly been designed to give the user the impression that the website is owned by, connected to or authorised by the Complainant.

The Domain Name is being used in a manner that "unfairly disrupts the business of the Complainant". The unfair disruption relates to the Respondent's use of the Domain Name to advertise competitor products and the Respondent's effort to appear as if its business is either that of the Complainant or is connected to or authorised by the Complainant.

The Complainant argues that the registration of the Domain Name in which it has Rights will result in initial interest confusion which disrupts its business. This is made worse by the fact that the Website is designed to confuse visitors once they arrive at it. The title of the Website and the use of the Complainant's trade dress add to the impression that the Website and Domain Name are connected to or authorised by the Complainant. The Complainant's CAT trade mark has been used widely since the 1950's. It is well-known and generates considerable goodwill, particularly in relation to heavy machinery products and spare parts. There will be an expectation in the public mind that the Domain Name is owned or operated by or on behalf of the Complainant. The fact that the one difference between the Domain Name and the mark in which the Complainant claims Rights is the generic word SPARES, an area in which both Parties operate, exacerbates the confusion. The Complainant's own used machinery and parts search service is located at <catused.com>, and its spare parts service at <catparts.com>. The differences between the Complainant's "catused" and "catparts", and the Respondent's "catspares" is slight at most.

The fact that the word CAT has acquired a distinctive meaning for heavy machinery products and spare parts, including when used in combination with the generic description SPARES, supports the conclusion that the Domain Name must have been registered with the intention of causing initial interest confusion.

The manner in which the Website is presented compounds the impression that it is owned, operated or authorised by the Complainant. In particular the black and yellow trade dress which the Respondent has chosen to use is highly similar to the Complainant's trade dress. The Complainant notes that the Website includes a disclaimer that:

"All manufacturers' and product names, descriptions, product numbers, symbols and logos are provided for reference only. It is not implied that any part is the product of the manufacturer. Caterpillar and Cat are registered trademarks of Caterpillar Inc. No challenge to their trademarks or intellectual property is intended. James Gaughan & Sons Ltd. is not an authorised dealer for Caterpillar, Inc."

However this is buried in a link hidden at the bottom of the Website and would likely go unnoticed by the average user. Initial confusion would nevertheless have occurred prior to the disclaimer link being noticed, let alone clicked-on and read.

The Respondent acquired the domain names: <catengines.co.uk> and <caterpillarspares.co.uk>. Following correspondence from the Complainant's representatives, the Respondent transferred these domain names to the Complainant. The Respondent refused to transfer the Domain Name, hence this Complaint.

The Respondent may try to raise in defence of its actions that it has used the Domain Name in connection with a genuine offering of goods or services under Paragraph

4(a)(i)(A) of the Policy. This defence has no merit. Deliberately trading off the Complainant's Rights and setting up a situation where the public will be led to believe that they are dealing with the Complainant or a party connected to it can never amount to a "genuine" offering under the Policy. This defence requires that the Respondent make a genuine offering "before being aware of the Complainant's cause for complaint. The Respondent chose to register a domain name which included the CAT brand and intended to use the Domain Name to offer services in the same business area as the Complainant. It is inconceivable that the Respondent was unaware of the Complainant's Rights and its cause for complaint when it registered the Domain Name.

5.2 Respondent

The Respondent is an engineering business based in Rochdale, Lancashire. It was founded in 1975 and was transferred to the Respondent on its incorporation in 1986 and continues to be run by the Gaughan family. The sole activity of the Respondent is dealing in spare parts, engines and other components for Caterpillar machinery. There are two aspects to this business:

- (i) The sourcing and remanufacture / reconditioning of used parts and components for Caterpillar machinery; and
- (ii) The supply of new "aftermarket" replacement parts: i.e. replacement parts for Caterpillar machinery manufactured by third parties.

The Respondent acquires and dismantles original Caterpillar equipment for spare parts. These are then remanufactured and reconditioned for reuse. Although small by comparison to the Complainant, it is an established and successful business. It has three employees and in 2012/13 had a turnover of £793,610.

The Domain Name was registered on 1 March 2000. The website has not changed in any significant respect since 2010.

The Respondent first became aware that the Complainant had any issue with the Domain Name when it received an email from the Complainant on 17 December 2012. The email claimed that the Domain Name was "identical to the service mark 'CATERPILLAR' owned by CATERPILLAR INC" and that it infringed the Complainant's trade mark. On 21 December 2012 the Respondent's solicitors replied to the Complainant explaining why the Respondent's activities were lawful and asking for clarification of the Complainant's claim. This letter was initially ignored, with the Complainant sending a further threatening email on 26 December 2012. The Respondent's solicitors responded to this on 4 January 2013. The Respondent has not received any open response to its solicitors' letter of 21 December 2013. However, on 7 February 2013 they received a "Without Prejudice Save as to Costs" letter from the Complainant's solicitors. Further without prejudice correspondence followed.

5.2.1 Allegation of initial interest confusion and unfair disruption of the Complainant's business contrary to paragraphs 3(a)(i)(C) and 3(a)(ii) of the Policy

The Respondent uses no other Domain Name for its business and the Domain Name has been extensively used by the Respondent in promotional material which was created and in large part distributed before the Respondent was aware that the Complainant had any complaint about the Domain Name.

The Respondent is unaware of any person having been confused by the use of the Domain Name. Indeed, given the way in which the Domain Name has been used, it is inherently implausible that any person would be (see below).

5.2.2 Deficiencies in the Complaint

The Complaint does not comply with paragraph 3.c(viii) of the DRS Procedure requiring it to certify its agreement to the exclusive jurisdiction of the English courts in any dispute arising out of any determination arrived at by the Expert in this Complaint. For the Complainant to have done so is a matter of potential significance in this case (see comments below in relation to respondents' ability to bring proceedings in the English courts). In the circumstances, the Respondent requests that the Complaint be disregarded.

5.2.3 Delay, laches and acquiescence

Alternatively, the Respondent requests that the Complaint be dismissed on the grounds of laches or acquiescence by reason of delay in bringing the Complaint. The Respondent refers to the Appeal decision in the *Emirates v Tooth [sic]* (DRS8634) where the complainant's delay was not considered to be a defence to a complaint as it was not prejudicial to the proper consideration of the issues. The Respondent seeks to distinguish the present Complaint from *Emirates* on the grounds that

- (i) The Domain Name was registered over 13 years ago;
- (ii) The Domain Name has been and continues to be used for a real business;
- (iii) The Respondent's use of the Domain Name has been to describe the nature of the products it sells and that use is lawful;
- (iv) The Respondent has engaged in expenditure and promotional activity believing that the Complainant did not and could not object to its use of the Domain Name. Promotional activity has used the Domain Name online and in printed and other marketing materials. Much of this would be wasted were the Complaint to succeed. The Respondent would need to spend more money re-educating customers about where to find information about the Respondent's business. Customers seeking the Respondent would be misdirected to the Complainant's website;
- (v) There is no excuse for the Complainant not to have brought the Complaint earlier. This is particularly so given the statement in the Complaint that it:

"devotes significant resources to protect its trade mark rights and the goodwill attached to them, including for example cease and desist letters and domain

name complaints, such as this”.

5.2.4 Fair and lawful use

The Respondent has used the Domain Name to describe the nature of the products in which it deals; namely spares for CAT equipment. It is lawful for a trader to use the trade mark of a third party to indicate that he deals in spare parts for, or provides services in relation to, a product sold under a mark, as long as the user of the mark does not take unfair advantage of the distinctive character or repute of the mark. Unfair advantage would arise where the mark was used in such a way that falsely created an impression of a commercial connection or affiliation with the trade character or repute of the mark.

There are two possible stages where a false impression might occur: when a user is searching for the goods and service of the trade mark owner and when a user reached the website. The Complainant cannot credibly contend that there has been a false impression at either stage. The Respondent does not accept that there would be any initial interest confusion. The claim that the Domain Name was "registered with the express intention of causing initial interest confusion in respect to the Complainant's Rights" is untrue. The Complaint does not allege that anyone who already knows about the Respondent would type "catspares.co.uk" into a browser. The Respondent is unaware of anyone having come across its business in this manner and believes that any such suggestion is inherently implausible. Instead, a user is likely to reach the Respondent's website through search results via a search engine. The text displayed in search engine results can be dictated by the operator of the website with the meta description used in the code for pages on the website. In the case of the Respondent's website this has been set so as to clearly identify the Respondent. For example, the meta description for its home page reads:

"James Gaughan & Sons Ltd has over 35 years experience supplying new, used and remanufactured engines and parts for Caterpillar equipment."

This text is reproduced in search results and anyone seeing that result will immediately know the Respondent's identity and the nature of the products it offers. It is clear that the term "Cat spares" is being used in a purely descriptive sense. Copies of search results when "Cat Spares" and "Cat Spares UK" are placed into the Google to illustrate this are submitted in evidence.

No question of initial interest confusion can arise. The fact that such use is not infringing is clear in light of the reasoning of the ECJ in relation to Google Ads and Google keywords in *Google v Louis Vuitton C-236/08, C-237/09 and C-238/08*.

When a user reaches the website it is clear (if at that stage the Domain Name is noticed at all) that "Cat spares" in the Domain Name is being used in a descriptive sense. The Respondent denies the allegation that it "has made a concerted effort to appear as if its business is either that of the Complainant or is otherwise connected to or authorised by the Complainant". The Complainant asserts that the Respondent uses its "distinctive and well-known yellow and black trade dress". However, although both use yellow and black, the websites are very different in style and structure and

every page of the website prominently features a logo identifying the Respondent.

The Respondent's activities are lawful, a point that was put to the Complainant in the Respondent's letter of 21 December 2012. This statement has not been denied by the Complainant. The Respondent believes that the Complainant is avoiding claiming that the Respondent is infringing its trade marks as it knows that this would be unsustainable and would make it easier for the Respondent to bring proceedings for unlawful threats.

5.2.5 Similarity between Domain Name and Marks

The Respondent accepts that one (and probably the most sensible) reading of the Domain Name is as the term "CAT" in combination with the word SPARES combined with the ".co.uk" second level ccTLD. It admits that the Domain Name was registered and has been used with this reading in mind. The Respondent also accepts that the Complainant is the owner of a large number of trade marks that incorporate the words "Caterpillar" or "CAT", either as part of a device mark or as words in their own right.

The Respondent does not accept that the Domain Name is similar to any of the marks that comprise or incorporate the word "Caterpillar". The Policy requires at least a minimal degree of similarity between the domain name and the mark relied upon and the fact that the Domain Name has only three letters (albeit the first three letters of the mark and the Domain Name) in common with those marks provides insufficient similarity to satisfy the requirements of paragraph 2(a)(i) of the Policy.

The Respondent does not accept that the Domain Name is "identical" to the Complainant's CAT marks. However, the Respondent accepts that the Domain Name is similar (as that term is understood under the Policy) to the Complainant's "CAT" marks and, in particular CTM no. 1,295,310.

5.2.6 Use of the Domain Name in connection with a genuine offering of goods or services under paragraph 4(a)(i)(A) of the Policy

The Respondent is entitled to rely upon this defence. The requirement that the offering should be "before being aware of the Complainant's cause for complaint" is met, given the Respondent's use of the Domain Name for many years prior to the Complainant raising any complaint. The Complaint states that the Respondent must have been aware of the Complainant. That is correct, but it does not follow that the Respondent was aware of the "Complainant's cause for complaint". The lack of complaint gave the Respondent reason to believe that the Complainant did not object to its activity.

5.2.6 Allegation that the sale of third party spare parts is unfair

The Respondent sells used and aftermarket parts, some of which are manufactured by third parties for CAT products. These parts are not offered online, but the logos of some third parties are displayed at the bottom of the webpage. The Respondent disagrees with the Complainant's interpretation of the Appeal Panel's decision in *Toshiba Corporation v Power Battery Inc. (DRS 07991)* concerning the Domain Name <toshiba-laptop-battery.co.uk>. The Panel held that the use of that domain

name was unfair because of the offering of competing products.

In this case there can be no unfair advantage as the Domain Name merely describes the nature of the Respondent's activities. The message conveyed by the Domain Name is different from *Toshiba*. The phrase "Toshiba laptop battery" might be read as referring to "batteries of different brands for Toshiba computers", but there is nothing that obviously signals this to the reader. The more natural reading is as referring to a "Toshiba branded laptop battery". In the case of the Domain Name the position is reversed. The word SPARES signals that what is being offered is "spares" or "substitutes" for parts that are used in CAT machinery. These may or may not be CAT branded products. An alternate reading as "CAT manufactured or branded spares" is the one that is more strained.

In *Toshiba* the relevant persons were users of Toshiba laptops seeking replacement batteries. These were ordinary consumers many of whom are unlikely to have been aware that it was even possible to purchase laptop batteries for Toshiba laptops from third parties. In the case of the Domain Name, the relevant persons are potential purchasers of spare parts for large pieces of industrial equipment. Purchasers of spare parts for such equipment will be aware that they can be obtained not only from the Complainant but from third parties and will read the Domain Name with this in mind.

The Complainant claims that the Respondent's use involves a "classic bait and switch situation". But that requires there to be some misleading "bait". There is none in this case. The Complainant also claims that there is a danger to "its own business reputation". The Respondent does not understand how that danger might arise in practice and no explanation is offered.

The Respondent argues that if the reasoning in *Toshiba* applies to the facts of this case, this leads to illogical and unjust results. In *Toshiba* the Panel considered the question of whether

" the fact of offering competitive products on the Respondent's website is sufficient to render the registration abusive, even in the absence of "initial interest confusion". On this question, the Panel unanimously considers that, if and insofar as it is fair for a retailer to incorporate a trade mark into its domain name without the trade mark owner's consent, to accord with the principles stated above that fairness is likely to be dependent on the retailer only selling the trade mark owner's genuine products. To do otherwise is likely to take unfair advantage of the Complainant's rights by riding on its coat-tails for the benefit of the Respondent. This element of unfair advantage remains, even where little or no detriment to the Complainant has been demonstrated."

The Respondent asks how such an unfair advantage might occur. If a domain name is used to describe the nature of the products on sale in circumstances where the user is aware who is offering them, when and how is there any unfair riding on coat-tails?

The Complainant has not denied that the Respondent's activities are lawful. The Respondent accepts that the test of abusive registration and trade mark infringement overlap and are not necessarily the same. Trade mark infringement requires there to be UNFAIR advantage taken of the mark. It would be illogical and perverse for the

law to conclude that the Respondent's activities are not unfair but for proceedings under the DRS to conclude that the same activities were unfair.

The Respondent draws attention to the consideration of this matter in the DRS Expert Overview where the Panel states:

"Disputes are decided by reference to the terms of the Policy, not the law, so the fact that a domain name registration and/or the registrant's use of it may constitute trade mark infringement, for example, will not necessarily lead to a finding of Abusive Registration under the DRS Policy. Nonetheless, if the DRS Policy and the law are too far apart, the DRS Policy will inevitably lose some of its value. Rights owners or domain name registrants (depending upon the nature of dispute) may prefer the expense of litigation to the likely result under the DRS Policy."

The Respondent argues that this makes sense where there is trade mark infringement but no finding of abusive registration. However, if there is abusive registration without trade mark infringement, this can lead to injustice. *Michael Toth v Emirates [2012] EWHC 517 (Ch)* suggests that a losing respondent will usually be unable to challenge a DRS decision in the courts because he has no cause of action. If the Respondent's use of the Domain Name were held to be an abusive registration, the DRS would amount to a one-sided regime stacked in favour of rights holders. If complainants lose DRS proceedings, they can take a second bit of the cherry that is not available to respondents. It is no answer that a respondent may be able to bring an action for unlawful threats. If trade mark infringement has been alleged, the Respondent may be able to bring the matter before the courts. If it is not alleged, that avenue is not available.

The Respondent may be able to bring an unlawful threats claim based on emails sent by the Complainant's corporate counsel without consideration of what marks were reproduced in the Domain Name, let alone the nature of the Respondent's activities. The Complainant's solicitors have acted with greater care. They have not alleged trade mark infringement and all pre-action correspondence sent to the Respondent was without prejudice. The Respondent believes this to have been deliberate.

5.2.7 Allegation of unfairness because users will think that the Respondent is an authorised dealer when it is not.

One does not need to be an authorised dealer of the Complainant to sell its products or spares for them. It is the normal practice of authorised dealers to use a distinctive logo on their website and materials, which the Respondent has never done. It is untrue that someone reading the Domain Name or seeing it in use by the Respondent would conclude that the Respondent is an authorised dealer. As far as the Respondent is aware no one has approached it in the belief that it is an authorised dealer. This is mere assertion by the Complainant.

5.3 Complainant's Reply to the Response

The Complainant exercised its right to submit a Reply to points raised in the Response. This includes new material which arguably should have been in the original Complaint and I will limit myself to indicating that the Reply refutes the

Respondent's assertions in respect of deficiencies in the Complaint, the implausibility of initial interest confusion, the genuine offering of goods and services from the website to which the Domain Name resolves and the Respondent's reasoning in analysing the effect of delay in bringing the Complaint. The Complainant also provides a lengthy rebuttal to the Respondent's arguments in respect of differences between English trademark law and the functioning of the DRS. The Complainant asserts that it is settled view of the DRS external experts that, while there is overlap between the two, it cannot be assumed that they are the same.

5.4 Non-standard submission by the Respondent

The Respondent sought permission to make a non-standard additional submission, which I decline to accept. My reasons for doing so appear in section 6.1.2 below.

6. Discussions and Findings

6.1 Procedural questions

The Parties' submissions require me to comment upon certain procedural questions before addressing the application of the DRS Policy to these submissions.

6.1.1 Complainant's alleged non-compliance with the DRS Procedure

The Respondent has claimed that The Complaint does not comply with the requirements of the 3.c(viii) of the Procedure which requires that:

"(c) ... The complaint shall: .. viii. state that the Complainant will submit to the exclusive jurisdiction of the English courts with respect to any legal proceedings seeking to reverse the effect of a Decision requiring the suspension, cancellation, transfer or other amendment to a Domain Name registration, and that the Complainant agrees that any such legal proceedings will be governed by English law"

This declaration must be agreed to (by means of a check box) for the online submission process for Complaint documentation to proceed. As Nominet has confirmed that the submission process was in order and as the Complaint has reached me, I accept that the Complainant has complied with this requirement.

6.1.2 Non-Standard submission by the Respondent.

The Complainant exercised its right to submit a Reply to the points raised in the Response. This Reply by the Complainant provoked an application by the Respondent to make a further non-standard submission. DRS experts have a discretion as to whether or not they will accept such submissions. I have seen a summary provided by the Respondent's legal representatives of the points they wish to bring to my attention in this submission. Stated briefly, it attacks points raised in the Complainant's Reply on the grounds that they are either inaccurate or inadmissible on the grounds that they seek to impart new facts or argument which should have formed part of the original Complaint. I make no finding as to the accuracy of these summarised assertions, but as the Complainant's Reply did not materially affect my assessment of the Parties' original submissions, I have concluded that a further, non-standard submission would not be pertinent to the determination of the Complaint. I therefore decline to receive this submission from the Respondent.

6.1.3 Delay in bringing the Complaint

The Respondent argues that over a period of several years the Complainant took no action arising from this registration, as it did not give rise to a cause for complaint. This was so, the Respondent argues in spite of its alleged policy of energetic defence of its trademarks and other rights. Earlier DRS decisions considered the question of delay and certain principles have emerged which the Parties have identified. I have to consider if the delay has had any separate prejudicial effect upon the Respondent's ability to make its case, over and above the intrinsic merits or faults in its argument. I also have to consider whether a decision to ignore the delay or not will bring about a result which is, in all the circumstances, unfair or unconscionable.

On the one hand, the DRS Policy does not impose upon Complainants any obligation to act upon a cause for complaint within a specific time. On the other, the Respondent argues persuasively that 13 years of silence supports the view that they are entitled to infer the Complainant's acquiescence. The Respondent argues further that it will suffer financial loss if it is compelled to operate from a new domain name. These arguments seem reasonable, but they do not go to the Respondent's ability to make its case. I am not persuaded that there is prejudice to the Respondent's position sufficient to override the general principle that delay is not an obstacle to bringing a Complaint.

6.1.4 Matters outside the scope of this Decision

I have taken pains to underline that questions of law, and in particular of trademark infringement or the lawful use of a third party's marks in the course of business are beyond the scope of this Decision. The same is true of issues raised in the Respondent's lengthy disquisition upon the interface between the law and the DRS Policy and the risks of injustice attendant upon the differences between infringement under the trademark regime and abusive registration under the Policy. The Expert's job is to apply the Policy to the facts of the Complaint.

6.2 Discussion

For the Complainant to succeed, it must satisfy the two stage test in paragraph 2 of the Policy: the Complainant must prove 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.*

6.2.1 Complainant's Rights

The Complainant has submitted extensive evidence of its registered and unregistered rights in the words CATERPILLAR and CAT. These Rights are not contested by the Respondent. I accept the Complainant's contention that the word SPARES is a merely descriptive addition to its mark and, discounting the .co.uk suffix, I find that the Complainant has Rights in respect of a name or mark which is identical or similar to the Domain Name.

6.2.2 Abusive Registration

Abusive Registration means 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 has taken unfair advantage of or has been unfairly detrimental to the Complainant's Rights;*

Initial Interest Confusion

The Domain Name incontestably makes use of a mark in which the Complainant has Rights. The Respondent says that it chose the Domain Name deliberately and that its use of the mark is lawful in that setting, arguing that it is “merely descriptive” of the services offered on its website. In my view the Respondent’s use of the mark is descriptive, but not merely so.

The Parties take different views on the consequences of arriving at the site (a) by means of a search engine and (b) by typing the Domain Name into a browser. This distinction may or may not affect the experience of the user. Similarly, something may turn upon whether or not the user is already acquainted with the Respondent and its business. However, it seems to me more probable than not that someone in search of spare parts for the Complainant’s products, would, on seeing the Domain Name, imagine that it referred to a site linked to the Complainant. The Appeal Panel in *Toshiba*, quoted above in the Respondent’s submission, is not prescriptive on the question of whether, in a case of initial interest confusion, the unauthorised incorporation of a complainant’s trademark into a domain name will or will not be unfair in all circumstances. “*If and insofar as it is fair*” they say, that fairness will depend upon the Respondent not selling products from the complainant’s competitors. In this Complaint therefore, I have to decide firstly whether the use of the Complainant’s mark CAT is a *prima facie* fair use of the mark in the Domain Name and secondly, whether there is any selling of competitive products on the Respondent’s site to invalidate what might otherwise be a fair use of the mark.

Use of the Complainant’s mark in the Domain Name

As to the first question, I find that the use of the Complainant’s mark is not a fair use in these circumstances. It is, as the Respondent repeatedly argues, descriptive, but it also takes advantage of the Complainant’s brand recognition to draw users to the Respondent’s site. While the Respondent ensures that the meta description, used for pages on the website and displayed when the Domain Name shows up in search engine results, establishes whose site the Name will resolve to, it has made no effort to add any distinctive element of its own to the Domain Name itself. Once a user arrives at the website, the situation may well become clear, but I believe it to be consistent with the accepted view of initial interest confusion that “the damage is done”. The user is at someone else’s site and not the Complainant’s, because one of the Complainant’s trademarks is the dominant element of the Domain Name.

Sale of competing products on the website

Having found that the use of the Complainant's mark in the Domain Name is unfair, it is not technically necessary for me to decide on whether competitor products are offered for sale on the website. However as the Complainant has sought to show that the Respondent has engaged in virtually every type of abusive behaviour contemplated by the DRS Policy, I express the view that the mere display of third parties' logos on the website, with no indication that they are suppliers of parts for the Complainant's products, no list or description of products for sale, and no links to third party sites, does not amount to an offering of competing products on the site.

Unfair advantage or detriment to the Complainant's Rights

While the Complainant's business clearly overlaps with that of the Respondent, the Complainant exaggerates in claiming that this use of the Domain Name is a "classic "bait and switch" operation" and in alleging that the Respondent is holding itself out as authorised by or otherwise connected to the Complainant. The submissions on this point do little to assist the Complainant and I accept the Respondent's assertion that it has taken steps to prevent misunderstanding of this kind (see below). Nevertheless, the Respondent's use of the Complainant's mark in the Domain Name is unauthorised as a matter of DRS Policy and if visitors go to the Respondent site as a result, it has obtained an unfair advantage and the risk of detriment to the Complainant is present.

Unfair disruption to the Complainant's business

The Complainant alleges that the Respondent's activities amount to unfair disruption of its business falling under paragraph 3(a)(i)(C) of the Policy. The disruption complained of relates firstly to "the Respondent's use of the Domain Name to advertise competitor products". I take this to be a reference to the appearance on the website of logos of third party suppliers of replacement parts for the Complainant's products which I have addressed above.

The Complainant further argues that disruption to its business arises from the Respondent's effort to appear as if its business is either that of the Complainant or is connected to or authorised by the Complainant. I can find little support for this assertion. Measures are taken to distinguish the Respondent from the Complainant: the company name is prominent and frequently repeated, the site layout, (while using the same corporate colours as the Complainant) is different in design, there is no mention of authorisation or use of an authorised dealer logo and there is a link to a disclaimer on the home page which spells out the lack of any relationship between the Parties. The Complainant argues at one point that the Respondent must have been conscious of the risk of confusion and inserted the disclaimer in an ineffective attempt to eradicate it. Elsewhere the Complainant argues that the Respondent is attempting to compound its deception of the visitor by locating the disclaimer at an inconspicuous point near the bottom of the home page. The Respondent, it seems, is damned if it includes a disclaimer and damned if it doesn't.

Genuine offering of goods and services under Paragraph 4(a)(i)(A) of the Policy

Having accepted on a balance of probabilities that initial interest confusion is a realistic outcome of the use of the Complainant's mark in the Domain Name and that this gives rise to an unfair advantage to the Respondent, I find that the case for an Abusive registration is made. I will nevertheless consider the Parties' submissions as

these relate to a defence put forward by the Respondent, that it has used the Domain Name in connection with a genuine offering of goods or services under Paragraph 4(a)(i)(A) of the Policy. At first sight, it seems at least arguable that the Respondent has indeed used the Domain Name in this way. It is an established enterprise and the website manifests a “genuine”, or at least a good faith offering of goods and services. The Complainant argues that no offering of goods and services can be “genuine” if it originates from a site which is based upon an Abusive registration of the Domain Name. The Respondent’s answer is that it has a right in English law to make descriptive use of the Complainant’s marks both in the Domain Name and on the site and that this broadly defined right underpins its claim to a defence under Paragraph 4(a)(i)(A). I offer no view as to the Respondent’s rights under trademark law, but as matter of DRS Policy, (a contractual obligation which the Respondent has accepted as part of its registration of the Domain Name), the Domain Name registration is Abusive in the Respondent’s hands. By the same reasoning, it is not the case that the Respondent’s claimed legal right obviates the Complainant’s “cause for complaint” as contemplated by the DRS Policy.

7. Decision

I find that the Complainant has Rights in a name or mark which is identical or similar to the Domain Name and that the registration is an Abusive Registration in the hands of the Respondent. Accordingly, the Domain Name should be transferred to the Complainant.

Signed: Peter Davies

Dated:21 July, 2013