



ADMINISTRATIVE PANEL DECISION

Dematic Pty Ltd
v.
Jacqueline Mary Johnson trading as Colby Systems Southern

LEADR-auDRP 14_01
<colbysouthern.com.au>

1 The Parties

The Complainant is Dematic Pty Ltd of Belrose, NSW. It is represented in the proceedings by TressCox Lawyers of Sydney, NSW.

The Respondent is Jacqueline Mary Johnson of Fairfield, Victoria as registered proprietor of the Victorian business name Colby Systems Southern. She is represented by Andrew Bell Lawyer Pty Ltd of Doncaster, Victoria.

2 The Disputed Domain Name and Registrar

The Disputed Domain Name is <colbysouthern.com.au>. The registrar of the Disputed Domain Name is NetRegistry of Broadway, NSW.

3 Procedural History

This is an administrative proceeding pursuant to the .au Dispute Resolution Policy originally adopted by auDA on 13 August 2001, and subsequently amended on 1 March 2008 (“auDRP” or “Policy”); the auDA Rules for .au Dispute Resolution Policy (“Rules”) and the LEADR Supplemental Rules for .au Domain Name Dispute Resolution Policy (“LEADR Supplemental Rules”).

A Domain Name Dispute Complaint Form was filed with LEADR on 28 January 2014. On the same day LEADR forwarded a copy of the Complaint to the Registrar and received confirmation of the registration particulars on 31 January 2014 together with confirmation that the Disputed Domain had been locked. auDA and the Respondent were notified by LEADR of the Complaint on 31 January and 3 February 2014 respectively.

Under Rule 5(a) a Response was due 20 calendar days after the proceeding commenced. Under Rule 4(c) the proceeding is taken to have commenced on the date on which LEADR completed its responsibilities under Rule 2(a) in forwarding the Complaint to the Respondent. Under Rule 2(g) times are calculated from the date a communication was first made under Rule 2(f). Accordingly, the due date for a Response was 23 February 2014.

On 19 February 2014 LEADR received a communication from the Respondent's solicitor advising that settlement negotiations were under way and foreshadowed seeking a 7 day extension of time within which to file the Response.

The Panel was approached by LEADR and submitted its Statement of Impartiality and Independence on 20 February 2014; the parties were subsequently notified of the Panel's appointment on 24 February. On 3 March, after receiving advice from LEADR that the foreshadowed request for an extension of time had been made, the Panel issued an administrative order extending until 12 noon on 4 March the time for filing a Response. Following representations from the Respondent's solicitor, a further extension of time to 9 am on Thursday 6 March was granted. At 3.18 pm on 6 March the Complainant's solicitor asked that the Panel defer its consideration of the matter until 10 March 2014 in anticipation of the matter settling in the interim. No subsequent communication was received from either party and no Response has been filed.

Pursuant to Rule 10(c), on 10 March 2014 the Panel extended until 24 March 2014 the time within which to render its decision.

All other procedural requirements in relation to the proceedings appear to have been satisfied.

4 Factual Background

The following background facts, gleaned from the Complaint, remain uncontested:

The Complainant is the registered owner of various trademarks, business names and domain names incorporating the name COLBY. These date back to 1990 in the case of some of the COLBY trademarks. Its business, and that of its predecessor in business, is the design, manufacture and sale of COLBY brand shelving and storage products.

On 17 December 1999 ISS Enterprises Pty Ltd ("**ISS**"), a business owned by the Respondent's husband, was appointed as an authorised distributor of Mannesmann Dematic Colby Pty Ltd (the Complainant's predecessor in business) for the sale of COLBY brand racking, shelving and storage products. ISS was subsequently renamed as Colby Southern Pty Ltd and more recently has changed its name to One-Stop Shelving Pty Ltd (the "**One-Stop Shelving business**").

The Disputed Domain Name was registered on 13 March 2002 (by whom, the evidence does not disclose), was transferred in 2010 (to whom, the evidence does not disclose, but the Panel infers to the current registrant, namely, the Respondent), and was renewed on 19 October 2012 for a period of two years.

Sometime between 2006 and 2010 the Complainant became aware of the registration of the Disputed Domain Name by the Respondent, as well as the registration of three other business names or company names incorporating COLBY. Each of these registrations was undertaken without the consent or approval of the Complainant and contrary to the terms of the 1999 Distributor Agreement.

On 30 April 2013 the Respondent's husband informed customers of his business that the Disputed Domain Name and the website to which it resolved was being rebranded to "One Stop Shelving". The domain name www.onestopshelving.com.au resolves to a website at which the One-Stop Shelving business sells second-hand pallet, racking and shelving options of all brands, including those which are competitive with the

Complainant's COLBY brand products. Until shortly before the Complaint was filed, the Disputed Domain Name resolved to that same website. It now generates a "500 – Internal Server Error".

On 7 June 2013 the Complainant notified the Respondent's husband and his business of the termination of the Distributor Agreement, and reminding him that he was no longer entitled to use any indications which might lead the public to believe that the business continued to market or distribute the Complainant's products and, in particular, requiring the cessation of use of COLBY trademarks that had been licensed under the Distributor Agreement, and the cessation of "any web addresses, URL or other Internet or electronic search name containing COLBY" and requiring that the latter be "re-assigned" to the Complainant.

On 5 or 6 October 2013 the Respondent's husband told a representative of the Complainant that he would lose business without the Disputed Domain Name as he was relying upon it to direct enquiries to the One-Stop Shelving website.

Parties' Contentions

Complainant

The Complainant makes the following contentions under paragraph 4(a) of the auDRP:

A. The Disputed Domain Name is confusingly similar to a name and trademark in which the Complainant has rights.

- The Complainant submits that by virtue of its ownership of various trademark registrations for COLBY in Australia (owned by it or its predecessor in business since 1990), and the use by itself and its subsidiaries of that name and brand, it has substantial rights in the name and trademark "COLBY";
- the words "Colby Southern" comprised in the Disputed Domain Name are confusingly similar to the Complainant's COLBY trademark registrations as they prominently feature the distinctive word COLBY in which the Complainant owns exclusive rights, together with the non-distinctive word SOUTHERN which is used in the Disputed Domain Name merely in a descriptive sense to describe the geographical location of the authorised distributorship previously carried on under the Distributor Agreement in respect of the Complainant's COLBY products.
- The Complainant also notes that, because it has a pattern of registering domain names in the format "colby[region].[extension]", such as colbycampbellfield.com.au, people viewing the Disputed Domain Name would believe that it fits the pattern of Complainant's other domain name registrations and therefore identify the Disputed Domain Name with the Complainant's COLBY brand.

B. The Respondent has no rights or legitimate interests in respect of the Disputed Domain Name.

The Complainant contends that the Respondent cannot be commonly known by the Disputed Domain Name because it is the trading name of the Complainant, that it is the exclusive trademark of the Complainant with respect to the provision of racking, shelving and similar goods and services in Australia, and that it is commonly known to be used

only by the Complainant and by third parties that are authorised distributors of the Complainant and by no other parties.

The Complainant also submits that the Respondent has no legitimate interest in continuing to utilise the Disputed Domain Name because it does not reflect any distinctive feature of its One-Stop Shelving business, the Respondent owns no goodwill in and to the Complainant's name, the Respondent has no unregistered rights in the COLBY trademark, the Respondent is not an authorised distributor of the Complainant and has no commercial arrangement in place with the Complainant which might otherwise necessitate use of the Disputed Domain Name, the Respondent has not been authorised by the Complainant to use the COLBY trademark by incorporating it in any business name, company name or domain name, and the Complainant has expressly requested that the Respondent honour its contractual obligation to change or cancel all such registrations or assign them to the Complainant.

The Complainant says that the Disputed Domain Name is not being used for a bona fide offering of goods and services as it is presently parked and not being used to provide any goods or services. It was previously being used to misleadingly divert consumers seeking COLBY branded goods manufactured by the Complainant to the Respondent's One-Stop Shelving business website which sells products from the complainant's competitors.

The Complainant alleges that the Respondent's continued use of the Disputed Domain Name is deliberate and is intended to confuse consumers in order to solicit customers to the Respondent's new business. The Respondent's husband has admitted persisting with the use of the Disputed Domain Name despite termination of its relationship with the Complainant, in order to attract consumers to his competing One-Stop Shelving business. The Respondent's continued use of the Disputed Domain Name creates a false impression that it is owned by the Complainant or is affiliated with or has the sponsorship or endorsement of the Complainant and this is likely to mislead and deceive consumers in relation to the Complainant's activities on its own website.

By maintaining the registration of the Disputed Domain Name despite the Complainant's request to have it transferred, and in contravention of the Respondent's contractual obligations under the Distributor Agreement, the Complainant claims to be prevented from reflecting its COLBY trademark in the Disputed Domain Name. The COLBY trademark therefore risks being tarnished by being associated with either an inactive website or the One-Stop Shelving website.

The Complainant submits that the Disputed Domain Name is not a logical domain name to be used by the Respondent for a One-Stop Shelving business. On the contrary, it is only logical for a domain name including the word COLBY to be used by the Complainant in respect of its own business in conjunction with location identifier words.

The Complainant goes on to assert that the Respondent has engaged in misleading and deceptive conduct by using the Disputed Domain Name to drive consumers searching for COLBY brand products on the Internet away from the Complainant's website and direct them to the One-Stop Shelving website which provides competitors' products.

The Complainant relies upon well-established authority¹ under both UDRP and the auDRP to state four key principles which have been used to evaluate whether a respondent has any legitimate right or interest in a domain name:

1. Whether the respondent is actually offering goods or services related to the trademark featured in the domain name;
2. Whether the respondent only sell those goods in connection with a domain name and no other brand of goods;
3. Whether the respondent has disclosed its true relationship with the trademark owner featured in the domain name; and
4. Whether the Respondent has attempted to corner the market in domain names that reflect a trademark.

The Complainant essentially concludes that the Respondent falls on the wrong side of the last three of the principles and that, in relation to the first, it sells only second-hand products with the COLBY brand and that this is not a sufficient right or interest in the context of its distributorship having been terminated.

C. The Disputed Domain Name was registered or has been subsequently used in bad faith.

The Complainant's case under the third limb of the auDRP is simply that the Respondent's continued use of the Disputed Domain Name after termination of the Distributor Agreement, and especially its direction for some time to the One-Stop Shelving website, was a breach of the Distributor Agreement, misleading and deceptive, and therefore bad faith conduct.

Respondent's Response

As noted earlier, no Response has been filed.

5 Discussion and Findings

Paragraph 4(a) of the auDRP requires the Complainant to prove that:

- (i) the Disputed Domain Name is identical or confusingly similar to a name, trade mark or service mark in which it has rights; and
- (ii) the Respondent has no rights or legitimate interests in respect of the Disputed Domain; and
- (iii) the Disputed Domain has been registered *or* subsequently used in bad faith.

The onus of proof is on the Complainant in relation to all three of these elements.

A preliminary matter is the identification of the proper Respondent. The auDRP is quite clear in specifying that only the registrant of a domain name can be a respondent, and the

¹ These include *GM Holden Ltd v Publishing Australia Pty Ltd* WIPO case No DAU2011-0002 in which the learned panel took account of the above principles first enunciated in *Oki Data Americas Inc v ASD Inc*, WIPO Case No D2001-0903.

registrant of the Disputed Domain Name is “Colby Systems Southern”. That is a Victorian business name the sole proprietor of which is Jacqueline Mary Johnson. It follows that Mrs Johnson is the only proper Respondent.

The Complaint as filed names two individuals and a company as the respondent, namely, Jacqueline Mary Johnson, Paul Johnson and One-Stop Shelving Pty Limited. In making its submissions the Complainant relies on the Respondent’s ownership of the “Colby Systems Southern” business name in Victoria, her marital relationship with Mr Paul Johnson and Mr Johnson’s ownership of the One-Stop Shelving business.

The consequence of the Complaint using the term “Respondent” to refer to “Ms Jacqueline Mary Johnson, Mr Paul Johnson and/or One-Stop Shelving Pty Ltd”, is that it has been very difficult for the Panel to unravel what evidence relates to Mrs Johnson and how it so relates. The Complaint elides the Complainant’s business succession from Mannesmann Dematic Colby Pty Ltd (the original grantor of the distributorship rights), and very unsatisfactorily leaves the timing and basis of that unclear. Given the pivotal role of the Distributor Agreement, and the fact that the Complainant bears the onus of proof, this is a decidedly risky approach for the Complainant to have taken.

The Panel is also entirely unimpressed with the inclusion in the Complaint of “COLBY” trademarks not registered in the Complainant’s name. The Complaint expressly states that the Complainant “is the owner of various trademark registrations featuring the word COLBY, the details of which are set out in Schedule 1”. Included in the list of nine trademark registrations in Schedule 1 to the Complaint are two trademark registrations (627999[16] and 62800[18]) for the word mark COLBY which a public search of IP Australia’s Australian Trade Mark On-line Search System shows are in fact owned by Thomic (Australia) Pty Limited with an address in Vaucluse, NSW. **The Panel requires the Complainant’s solicitors to furnish to the Panel, through the LEADR Case Manager, within seven days of being notified of this decision, a satisfactory explanation for submitting evidence that is false in a material particular.**

Despite the Panel’s serious reservations about the form and content of the Complaint, in the absence of any Response the Panel has formed the view, on the balance of probabilities, that the Complainant is the successor in business to Mannesmann Dematic Colby Pty Ltd and the owner of at least seven out of the nine cited trademark registrations for COLBY. The Panel is similarly satisfied that Mr and Mrs Johnson are the guiding mind and will of One-Stop Shelving Pty Ltd and that both its actions and Mr Johnson’s communications are actions taken in conjunction with the ‘Colby Systems Southern’ business. For present purposes at least these can be attributed to Mrs Johnson, based on the representation underlying the business name registration, that she alone is carrying on that business. The Panel has reached these conclusions by only a wafer-thin margin based on the completely uncontested evidence filed with the Complaint, supplemented by a review of publicly available WhoIs information and the One-Stop Shelving website. It would only have taken a skerrick of contrary evidence in a Response to have precluded those essential findings for the Complainant’s case.

Identical or confusingly similar to a name or trademark in which the Complainant has rights

Unlike the UDRP, which requires a complainant to establish rights in a trademark, the auDRP offers an additional ground to a complainant that can establish rights in a name. In this case the Panel is satisfied that the Complainant has rights in at least seven of the

nine registered COLBY trademarks, and in the various business and domain names which it has registered and which incorporate that brand as a primary element.

The panel is also satisfied that the element “Southern” is incapable of preventing the COLBY element of the Disputed Domain Name from being confusingly similar to the Complainant’s well-known COLBY name and brand. The Complainant has therefore made out the first limb of the auDRP to the Panel’s satisfaction.

No Right or Legitimate Interest in respect of the Disputed Domain Name

The fact that the Respondent continues to hold a registration of the Victorian business name “Colby Systems Southern” has no impact on this issue because a business name registration does not confer any right to use the name – the registration is simply a legal requirement where someone is carrying on a business under a name other than their own. Moreover, the evidence shows that, at least since the 2013 termination of the Distributor Agreement, the Respondent was not entitled to continue to use that business name nor any other business name or brand containing COLBY. It follows that any such use is not legitimate and that the Respondent has no right to continue to use the COLBY name.

The Panel can discern no other factual basis in the evidence which could support any assertion by the Respondent that she had a current right or legitimate interest in respect of the Disputed Domain Name, and the Panel formally finds that she has none.

Registered or subsequently used in bad faith

Paragraph 4(a)(iii) of the auDRP requires the Complainant to demonstrate that the Disputed Domain Name was *either* registered *or* subsequently used in bad faith.

Even on the Complainant’s case, the Disputed Domain Name was first registered at a time when the Respondent’s husband’s business was an authorised distributor of COLBY brand products. The terms of the Distributor Agreement stated, *inter alia*, “we do not intend to stop distributors from registering [any name or URL containing Colby] but all extensions of the Colby name will be monitored”. The Complainant therefore cannot contend that the initial registration was in bad faith. As best the Panel can infer from the way that the Complaint is expressed, the Complainant seems to assert that the renewal of the Disputed Domain Name by the Respondent after termination of the Distributor Agreement was a bad faith act because she knew perfectly well that the right to do so no longer existed and that there was an obligation to “re-assign” it to the Complainant. The Panel interprets that submission as reliance on the “subsequent use” sub-limb of the third ground under the Policy.

Whether the Complainant is entitled to or has already terminated the trademark and URL licences embodied in the Distributor Agreement is beyond the task of the Panel to determine. It is sufficient for the Panel to find, as it does, that the Respondent’s renewal of the Disputed Domain Name, after she would have been well aware that any vestige of the right to do so had been explicitly cancelled by the Complainant, was in bad faith.

The Complainant has therefore made out the third limb of the auDRP.

8 Remedy

Under paragraph 4(i) of the Policy a Panel is unable to order that a domain name be transferred to a complainant unless that complainant “is otherwise eligible to hold that

domain name”. The Complaint does not address this issue in terms and the Panel has been left to deduce the Complainant’s eligibility from the evidence filed, combined with that which is publicly available.

9 Decision

The Complainant having made out the three grounds on which it needed to succeed, the Panel orders pursuant to Paragraphs 4(i) of the Policy and 15 of the Rules, that the domain name *colbysouthern.com.au* be transferred to the Complainant, which the Panel determines to be eligible to hold the Disputed Domain Name by virtue of its Australian trademark registrations for COLBY.

Dated this 19th day of March 2014

P Argy

Philip N Argy
Sole Panellist