

Nominet UK Dispute Resolution Service

DRS 00095

John Gunton Pty Ltd –v- ILIGHT Ltd

Decision of Independent Expert

**1. Parties**

Complainant: John Gunton Pty Ltd  
Address: 6 / 691 Gardeners Road  
Mascot  
Australia  
Postcode: 2020  
Country: AU

Respondent: ILIGHT Ltd (formerly Dynalite Ltd)  
Address: UNIT 4  
PENSHURST ENTERPRISE CENTRE  
ROGUES HILL  
PENSHURST  
TONBRIDGE  
KENT  
Postcode: TN11 8BG  
Country: GB

**2. Disputed Domain Names**

The domain name in dispute is <**dynalite.co.uk**>.

**3. Procedural Background**

On 13 November 2001, the Complaint was lodged with Nominet.uk (hereinafter “Nominet”) in accordance with the Dispute Resolution Service Policy (hereinafter the “DRS Policy”) and hard copies of the Complaint were received in full on 20 November 2001. Nominet validated the Complaint.

On 20 November 2001 Nominet sent a copy of the Complaint to the Respondent and *inter alia* advised the Respondent the Procedure allowed the Respondent 15 days within which to respond to the Complaint.

On 3 December 2001, Nominet received a request from the Respondent to re-send the Complaint to a different e-mail address.

On 11 December 2001, the Respondent filed a Response and on the same date Nominet sent a copy of the Response to the Complainant and advised the Complainant *inter alia* that the Complainant was permitted to file a Reply by 20<sup>th</sup> December 2001 and that the Reply should be confined to new issues arising out of the Response.

On 17 December 2001 Nominet received the Reply and the hard copies were received on 24 December 2001.

On 27 December 2001 Nominet sent a copy of the Reply to the Respondent and on the same day Nominet wrote to the Parties advising them *inter alia* that the informal mediation stage of the procedure would commence and last for 10 working days.

On 16 January 2002 Nominet wrote to the Parties advising that it had not been possible to achieve a resolution of the dispute by informal mediation.

On 29 January 2002 James Bridgeman was invited to act as Expert in this reference and was appointed having confirmed to Nominet that he knew of no reason why he could not properly accept the invitation to act as Expert in this case and further confirmed 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. The Facts**

The Complainant is a registered company organised and existing under the laws of Australia having an address at 6/691 Gardeners Road, Mascot, NSW, Australia. The Complainant is a manufacturer of lighting and electrical equipment.

The Respondent is a UK company having its registered office at Unit 4, Penhurst Enterprise Centre, Rogues Hill, Penshurst, Tonbridge, Kent TN 11 8 BG, England. At the time of incorporation on 22 April 1993, the Respondent was named Light Sound Image Systems Limited. On 1 May 1996 the Respondent changed its name to Dyalite Limited. On 31 December 2000 the Respondent was taken over by iLight Group Plc. and on 23 February 2001, the Respondent changed its name again and is presently known as iLight Limited.

On or about 8 June 1993, the Parties entered into an exclusive distributorship agreement relating to the supply of lighting control and energy products in the United Kingdom and Continental Europe. The agreement had an initial two year term however both parties expressly stated that in entering said agreement it was their intention that it “should be a lasting agreement to their mutual benefit over several years” and that it was further intended that a joint venture company would be formed

between the Parties within two years and that all rights granted in said agreement would be assigned to the joint venture company upon its formation.

The Complainant is the registered owner of the UK registered trademark DYNALITE, registered under number 2146424 as of the 24 September 1997.

The Respondent registered said domain name <**dynalite.co.uk**> on 1 August 1997.

It is common cause that the relationship between the two organisations steadily deteriorated and in early 2000 the Complainant terminated the agreement. There is a degree of conflict between the Parties as to the cause of this deterioration in their relationship.

## **5. The Parties' Contentions**

### Complainant's Submissions

The Complainant alleges that said domain name is identical or similar to the trade mark DYNALITE in which the Complainant has rights and that the registration of said domain name <**dynalite.co.uk**> is an Abusive Registration. The Complainant requests that said domain name be transferred to the Complainant.

The Complainant submits that in June 1993 the Complainant appointed the Respondent, then known as Light Sound Image Systems Ltd as the sole distributor for the Complainant's DYNALITE products in the UK and allowed the Respondent the use of the DYNALITE brand for the promotion of DYNALITE lighting and electrical equipment for the period of the distribution agreement.

In May 1996 the Respondent changed its name to Dynalite Ltd, and stated that its reason for doing this was to re enforce brand recognition of DYNALITE in the UK.

In 2000 and the first quarter of 2001 the Complainant alleges that the Respondent secretly developed, manufactured and sold a competing range of lighting and electrical equipment, under the iLIGHT trademark and changed its name to iLight Limited.

The Complainant first became aware of this activity and the name change to iLight Limited in the month of February 2001 and terminated the distribution agreement.

The Complainant claims that it trades as DYNALITE and owns the trademark DYNALITE in many countries and that said trademark was registered by the Complainant in the UK in 1997.

The Complainant further states that the Respondent was only entitled to use the trademark DYNALITE while it was actively selling DYNALITE branded lighting and electrical equipment products manufactured by the Complainant.

The Complainant submits that the registration of the domain name in issue in these proceedings is an Abusive Registration. The Complainant alleges that after the distribution agreement was terminated, the Complainant asked that said domain name <**dynalite.co.uk**> be transferred to the Complainant's new distributor in the UK and this request was refused.

The Complainant further submits that the Respondent then offered to sell said domain name dynalite.co.uk to the Respondent for a sum of Stg £1,000,000.00 and the Complainant declined this offer, in the belief that the Respondent no longer had the right to sell or retain said domain name because it was no longer associated with DYNALITE trademark or DYNALITE branded lighting and electrical equipment products.

The Complainant submits that the Respondent has since used said domain name to diminish the DYNALITE trademark and create confusion in the marketplace by redirecting visitors to dynalite.co.uk to the www site of a competitor of the Complainant, namely the Respondent at its other www site at <ilight.co.uk>. The Complainant submits that this tactic has worked so well that many potential customers have expressed surprise to learn that the Complainant still existed as they were under the impression that the Respondent had "taken over" the operations of the Complainant.

### Respondent's Submissions

In its Response, the Respondent states that in June 1993, a distribution agreement was entered into between the Parties following a period of negotiation and modification of the Complainant's products to make them suitable for sale in the UK. At the time, the Complainant had only a small amount of export business to Southeast Asia and New Zealand, and had no commercial contact with Europe or the Middle East. This was a rolling one year agreement.

The Respondent states that nothing in the distribution agreement referred to intellectual property rights, trademarks, trading names, or domain names. It should be noted that this is in fact incorrect.

The Respondent states that it was compelled to produce its own technical sales binder, sales leaflets, manuals, press releases, advertising material and exhibition stands. This was conducted at great expense and over many years. Consequently a strong customer base was built up with considerable goodwill. The Complainant had no input to this process other than to provide products against orders received from the Respondent. Accordingly, the Respondent states that the Complainant has no reputation in the UK with the trade mark DYNALITE and the Respondent further claims to be the owner of all the goodwill and reputation of the trade mark DYNALITE.

The Respondent claims that when it changed its company name to Dynalite Limited on 1 May 1996, there was no legal requirement for it to seek agreement in advance from the Complainant, so none was sought. The Complainant was informed of the

name change. No objections were ever raised or lodged by the Complainant with the Respondent regarding the name change.

On 1 August 1997 the Respondent registered the domain name <**dynalite.co.uk**>. The Complainant was informed of this and again made no objection. Without the knowledge of the Respondent, the Complainant proceeded to register the trademark DYNALITE in the UK in September 1997.

The Respondent submits that as the Complainant was not entitled to the benefit of the rights in said trademark DYNALITE in the UK, the Complainant's trademark application was filed in bad faith and the registration is vulnerable to be declared invalid under Section 47(1) of the Trade Marks Act 1994, having regard to Section 3(6) of that Act.

The Respondent claims to have developed the name DYNALITE from nothing and states that it became a highly successful enterprise, employing 20 people with an annual turnover of Stg. £3 millions in the year 1999/2000. The Respondent claims that it became the leading company in the design, supply, commissioning and maintenance of architectural lighting control systems in the UK, having been involved in major projects such as the Millennium Dome, Windsor Castle, Bluewater Retail Shopping Park, Trafford Park RSC.

The Respondent claims that the Complainant sought various means of taking this business into its direct control. These means included selling directly to the Respondent's customers in the Middle East, and making several attempts to force the Respondent to hand over its business in Europe without compensation. The relationship between the two companies deteriorated over a period of approximately two years to the point where the Complainant terminated the distribution agreement in May 2000, giving one years notice.

Consequently the Respondent had to find a replacement supplier. The Respondent co-operated with a British company Zero 88 Lighting Ltd, to jointly develop a new range of lighting control products for both the entertainment and architectural lighting market segments. Both Zero 88 Lighting Ltd and the Respondent were acquired by iLight Group Plc on the 31 December 2000. The Respondent then changed its trading name to iLight Ltd on 1 March 2001.

The Respondent claims that it has by its own investment, skill and dedication over an eight year period built a strong and loyal customer base that has considerable goodwill value. In addition to providing new solutions and products and services it continues to maintain several millions of pounds worth of systems that it engineered and supplied to its customers, which included products manufactured by the Complainant.

The Respondent states that at no time has the domain name <**dynalite.co.uk**> been offered for sale by itself. The offer made was for the sale of the Respondent company, along with its goodwill and not just the domain name. This offer was rejected by the Complainant.

The Respondent states that the Complainant believes that because it is the owner the trademark DYNALITE in the UK, it also owns the business developed by the Respondent. The Respondent submits that this is not the case and argues that it has rights to the name DYNALITE because it (the Respondent) introduced the brand name DYNALITE to the UK in 1993 and has traded as DYNALITE since 1996. Furthermore the Respondent registered said domain name <**dynalite.co.uk**> on 1 August 1997.

The Respondent points out that the Complainant applied to register the trademark DYNALITE in the UK on 21 August 1997, which is subsequent to the date on which the Respondent commenced trading under the mark DYNALITE and using said domain name. The Respondent claims to have a good case to apply for a declaration of invalidity against the Complainant's said trademark registration.

The Respondent claims that its parent company the iLight Group plc continues to own other trading entities known as Dynalite Limited and Dynalite International Limited., and therefore the right to trade as DYNALITE. The Respondent claims that this shows that iLight Group plc, and the companies it owns, have at least equal rights to the name DYNALITE.

The Respondent submits that as with telephone and fax numbers, use of email *via* the <**dynalite.co.uk**> domain name is a vital part of communication with the Respondent's customers. Most of these customers were customers of the company when it was named Dynalite Limited. As a result the contact details they use, and continue to use, includes email addresses using the <**dynalite.co.uk**> domain name. The change of name has been widely advertised along with our new contact details, however a large number of customers still contact the Respondent *via* the <**dynalite.co.uk**> domain name. The Respondent states that the www site accessible at the <**dynalite.co.uk**> address is used to inform the Respondent's existing customers that it has changed its name to iLight Limited.

The Respondent submits that the Complainant has established a company in the UK, called Dimtek Limited., to sell the Complainant's DYNALITE product, which the Respondent accepts that the Complainant is entitled so to do. However as this new company promotes itself as DYNALITE, the Respondent alleges that there has been some confusion in the marketplace. The Respondent denies that the confusion is a result of the Respondents www site at the <**dynalite.co.uk**> Internet address. The Respondent denies that it has ever claimed to have "taken over" the Complainant.

The Respondent submits that it has not, and is not, infringing the trademark of the Complainant. It is the Respondent's responsibility to convey its change of name to its customers. This is done by several means, including advertising in trade magazines, as well as the company's www site. As the Respondent's customers have been used to visiting its www site at the <**dynalite.co.uk**> address, the Respondent has used this www site to explain the change of name. This is a more informative way than a simple automatic redirection to the Respondent's new www site at the <ilight.co.uk> address.

The Respondent submits that it is the responsibility of Dimtek Limited to promote that it is now the supplier of the Complainant products. Its www site at

<dimtek.co.uk> gives the impression that Dimtek Limited is DYNALITE, and includes the phrase “trading as Dynalite” on most pages on the site. The Respondent alleges that this is very misleading. The Respondent claims that Dimtek Limited is not entitled to trade as DYNALITE in the UK, and the Complainant trades as DYNALITE but not in the UK.

The Respondent submits that if the Complainant wants to avoid confusion this should be made clear on its www site. The Respondent alleges that the Complainant has failed to make out a case against the Respondent as required by the terms of the DRS Policy. In particular, it has failed to demonstrate that the Respondent’s registration was abusive, as defined in the DRS Policy. At the time the Respondent registered said domain name <dynalite.co.uk>, the Complainant’s had no rights to the name DYNALITE in the UK. The Complainant applied to register DYNALITE as a trade mark only after the date on which the Respondent registered said domain name <dynalite.co.uk>. The Respondent submits that the Complainant has failed to put forward any evidence to demonstrate that it had any rights in the UK in respect of which use by the Respondent would be to take unfair advantage or be unfairly detrimental. Accordingly, the Respondent submits that its registration of <dynalite.co.uk> is not an Abusive Registration.

The Respondent submits that this Complaint is an attempt at reverse domain name hijacking.

## **6. Discussion and Findings:**

### General

To succeed in this Complaint the Complainant must prove to the Expert pursuant to paragraph 2 of the DRS Policy, on the balance of probabilities, first, that it has rights, as defined in paragraph 1 of the DRS Policy, in respect of a name or mark identical or similar to the domain name in dispute and, secondly, that said domain name, in the hands of the Respondent, is an Abusive Registration, as defined in paragraph 1 of the DRS Policy.

### Complainant’s Rights

In this case the first limb of that test is straightforward. The Complainant is the proprietor of registered trade mark DYNALITE, details of which are set out above. The domain name <dynalite.co.uk> comprises the name or mark <dynalite> and the suffix <.co.uk>. In assessing whether or not a name or mark is identical or similar to a domain name, it is appropriate to discount the domain suffix, which is of no relevant significance and wholly generic.

The Respondent has alleged that this trademark registration is vulnerable to attack. This is not a matter for this Expert to decide.

This Expert therefore finds that the Complainant has rights in respect of the registered trademark DYNALITE, which is identical to the said domain name <dynalite.co.uk>

and the Complainant has therefore satisfied the first limb of the test as set out in paragraph 2.a.i of the DRS Policy.

### Abusive Registration

This leaves the second limb to be decided, *viz.* whether the said domain name <**dynalite.co.uk**> is an Abusive Registration in the hands of the Respondent?

Paragraph 1 of the Policy defines “Abusive Registration” as:-

“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.”

A non-exhaustive list of factors, which may be evidence that the domain name is an Abusive Registration is set out in paragraph 3.a of the Policy as follows:

“Circumstances indicating that the Respondent has registered or otherwise acquired the Domain Name:

- A. primarily 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. primarily for the purpose of unfairly disrupting the business of the Complainant;”

Paragraph 4.a of the DRS Policy sets out how the Respondent may demonstrate in its Response that the domain name in issue is not an Abusive Registration in the following terms:

“A non-exhaustive list of factors which may be evidence that the Domain Name is not an Abusive Registration is as follows:

- i. Before being informed of the Complainant's dispute, the Respondent has:



- A. ...
- B. been commonly known by the name or legitimately connected with a mark which is identical or similar to the Domain Name;
- C. ... “

The DRS Policy cannot be used to litigate all disputes involving domain names. See where issues arose in relation to gTLD's in Oki Data Americas, Inc. v. ASD, Inc. (WIPO Case No. D2001-0903 November 6, 2001) where the respondent was authorised to deal in and repair the Complainant's products.

In the present case, there are issues between the Parties that go much further than the Respondent's entitlement or otherwise to register the domain name in dispute. There is a clear dispute as to the ownership of the goodwill in the business name and trademark DYNALITE and it would appear that the Respondent does not accept the validity of the Complainant's trademark registration.

The Parties were in a close commercial arrangement from the date of the exclusive distributorship on or about 8 June 1993 until this relationship was terminated early in the year 2000. During this time the Respondent changed its name to Dynalite Limited and apparently traded with the Complainant and third parties using that name, albeit as a party to an exclusive distributorship arrangement, for a number of years.

Paragraph 4. of the DRS Policy sets out a non-exhaustive list of certain factors, set out *supra*, which may be evidence that a domain name is not an Abusive Registration. One of the factors listed at paragraph 4.a.i.B is where a respondent “before being informed of the Complainant's dispute”, has “been commonly known by the name or legitimately connected with a mark which is identical or similar to the Domain Name.”

In the facts as outlined in the Parties submissions in this case, it is common cause that the Respondent has been commonly known by the name Dynalite Limited from 1 May 1996 to 23 February 2001. Furthermore from 8 June 1993 until at least the date of termination of the exclusive distributorship arrangement, the Respondent was legitimately connected with the DYNALITE trademark, albeit within the exclusive distributorship arrangement.

According to the Complaint, there was no dispute between the Parties until the month of February 2001 when the Complainant terminated the distribution agreement. The Complainant would appear to have accepted the existence of the Respondent's domain name registration up until that date, again albeit within the exclusive distributorship arrangement. This may be understandable given the relationship that existed at the time of registration.

In any event it is clear that before being informed of the Complainant's dispute the Respondent was commonly known by the name Dynalite Limited and legitimately

connected with a mark DYNALITE, albeit within the context of an exclusive distributorship.

While the Complainant may well have a remedy in another *forum*, in making this determination, this Expert is restricted to applying the DRS Policy and finds that the Complainant has failed to establish that said domain name <**dynalite.co.uk**> in the hands of the Respondent, is an Abusive Registration as defined in paragraph 1 of the DRS Policy. The Complainant must therefore fail in its application

## 7. **Decision**

In light of the foregoing findings, namely that the Complainant has failed to establish that said domain name <**dynalite.co.uk**>, in the hands of the Respondent, is an Abusive Registration as defined in paragraph 1 of the Policy, the Complainant's application must be refused.

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James Bridgeman

Date: 18 February 2002