

# **JAMES SANDIFORD (MOTORCYCLES) LIMITED**

- v -

## **KJM LIMITED**

Nominet UK Dispute Resolution Service

DRS 141

JAMES SANDIFORD (MOTORCYCLES) LIMITED - v - KJM Limited

Decision of Independent Expert

### 1. **Parties**

Complainant: James Sandiford (Motorcycles) Limited  
Address: Units 21-22 Farrington Court  
Farrington Road  
Burnley  
Lancashire  
Postcode: BB11 5SW  
Country: UK

#### **Contact Details**

Contact: Mr. Timothy Gray  
Business name: Clough & Willis Solicitors  
Address: 2 Manchester Road  
Bury  
Lancashire  
Postcode: BL9 0DT  
Country: UK

Respondent: KJM Limited  
Address: 2 Toogood Lane  
Wrightington  
Wigan  
Postcode: WN6 9PL  
Country: UK

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

<montesa.co.uk> (“the disputed Domain name”)

### 3. **Procedural Background:**

The Complaint was lodged with Nominet UK (“Nominet”) on December 5, 2001 and hard copies of the Complaint were received by Nominet on December 17, 2001. Nominet validated the Complaint and notified the Respondent of the Complaint on December 17, 2001, giving him 15 days within which to lodge a Response. A non-standard email response was received by Nominet on December 18, 2001 with a hard copy thereof on December 24, 2001. A copy of the email response was forwarded to the Complainant on December 21, 2001. A non-standard email reply to the response

was received from the Complainant on December 27, 2001 with a hard copy thereof on the same day. A reply to this was received from the Respondent on December 28, 2001. Nominet initiated some mediation documents on December 28, 2001 with further documents on January 18, 2002. It would seem that an acceptable resolution through mediation was not achieved, for on January 31, 2001 the Complainant paid to Nominet the appropriate fee for a Decision by an Expert pursuant to paragraph 6 of the Nominet Dispute Resolution Service Policy (“the Policy”).

On January 31, 2002 the undersigned, Mr. David H Tatham (“the Expert”) confirmed to Nominet that he knew of no reason why he could not properly accept the invitation to act as an 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. He was subsequently selected by Nominet as the Expert for this case.

#### **4. Outstanding Formal/Procedural Issues (if any)**

The letter from Nominet appointing the Expert states that only the initial complaint has been checked for validity and that it is up to the expert to decide on how much weight should be given to any non-compliant or incomplete submissions. Nominet’s published Procedure for the conduct of proceedings under the Dispute Resolution Service (“the Procedure”) refers only to a Complaint (paragraph 3), a response which must be filed within 15 days (paragraph 5), and a reply by the Complainant which must be filed within 5 days (paragraph 6).

In this case, the Respondent filed 2 responses, both within the time allowed. The second one was sent to the Complainant on December 21, 2001 and his reply was received on December 27, 2001. This is nominally 6 days not the 5 allowed for under the Procedure, but as this included 2 Bank Holidays it is in compliance with the Procedure. There are no rules relating to a Respondent’ reply to a reply from a Complainant, but in this case the Respondent filed two such replies. The first came only 1 day after the Complainant’s reply and in any case contained no new material. The Expert will therefore take it into account. The second of the Respondent’s replies was received by Nominet 5 days after the mediation had commenced, so it will be ignored by the Expert.

#### **5. The Facts**

The Complainant is a dealer in and importer of motorcycles. By virtue of an exclusive agreement with Montesa Honda, S.A. of Spain, it is the only authorised importer into the UK of a type of motorcycle manufactured by Honda called Montesa, and it has been so authorised since 1967. Montesa Honda, S.A. owns the trade mark MONTESA and supports the Complainant's application.

On 20 December 2001 the Applicant received a telephone call from an individual previously unknown to it called "Lee", who stated that he had registered the domain name <[www.montesa.co.uk](http://www.montesa.co.uk)>and was offering it for sale to the Applicant. The Respondent then faxed to the Applicant a copy of the Domain name Registration certificate. Thereafter the Respondent sent a fax to the Applicant with a picture of a new motorcycle stating that "...I don't know how to offer this item to your selves. Its difficult to place a price on a name especially Without doing yourself out of pocket.

This would be nice though!" An arrow pointed to a picture of a trail bike with a list price of £3,300.00 The Applicant offered the Respondent £250.00 The Respondent replied by email suggesting £2500.00. The applicant made a further offer of £500.00 The Respondent suggested £2000.00. Thereafter the Respondent activated the web site.

The disputed Domain Name was registered on December 23, 1999, and according to the copy of the relevant page which was supplied to the Expert as part of the papers provided by Nominet, it dissolves to a website promoting the Respondent, KJM Superbikes.

## **6. The Parties' Contentions**

### *Complainant*

The Complainant believes that the domain name is identical to one in which it has rights and that the registration is an abusive registration because:

1. It was acquired by the Respondent for the purpose of sale on to the Applicant and was only used as a web address once the Complainant had indicated that it was not prepared to purchase the disputed Domain Name for £2,000.00 (the lowest price offered by the Respondent)
2. The offer of the disputed Domain Name to the Complainant for £2,000.00 was at a price in excess of the Respondent's documented out of pocket expenses.
3. The use of the disputed Domain Name by the Respondent is likely to confuse potential purchasers of Montesa motorcycles as to the status of the Respondent (which is not an authorised dealer) and so disrupt the business of the Complainant.

The Complainant further believes that the Respondent has not made use of the domain name in connection with a genuine offering of goods or services. The web site which has been uploaded to the <[www.montesa.co.uk](http://www.montesa.co.uk)> address appears to be identical to the Respondent's main site <[www.kjmsuperbike.co.uk](http://www.kjmsuperbike.co.uk)> and the Applicant believes the Respondent has only uploaded this same material in order to pressurize the Complainant into buying the domain name.

### *Respondent*

The Respondent filed a written response in which it stated that it too is an importer of motorcycles which it claims come from all over the world, and that it owns various domain names which are used to sell these motorcycles. It activates the names at various times depending on what stock it is trying to sell. It sells all the well known names such as Honda, Suzuki, Yamaha, Kawasaki, Ducati, Royal Enfield, Aprilia, Triumph, MotoGuzzi, Huskvarna, Gilera, etc. It is not in the business of selling domain names but if someone was willing to pay enough money for one of them, it would be prepared to consider it, like any other business deal.

The Respondent does not dispute that the Complainant has an exclusive agreement with Montesa Honda of Spain, but alleges that the same can be said for all the other official importers of motorcycles into the UK, yet it sells all their machines. It keeps up to 1500 motorcycles in stock at all times so it needs to capture customers in as wide a spectrum as possible, and the internet is just one way in which the Respondent does this. It considers that its domain names are a good way of selling its motorcycles and it apparently puts a higher value on them than does the Complainant.

The Respondent alleges that it was involved in a previous domain name dispute involving the domain name <[royalenfield.co.uk](http://royalenfield.co.uk)>. It defended the dispute by arguing that the Complainant wanted to lessen the competition against them and that tying up the domain name would do this. In that case the eventual ruling was in the Respondent's favour.

The Respondent also contacted the Complainant again after it had received a copy of the Complaint stating that it was still open to resolve the dispute but that "we spent a lot of time and money on this new web site, we cant just leave it now".

#### *Complainant*

The Complainant replied to the above response by emphasizing that it was the only authorised dealer in Montesa motorcycles in the United Kingdom. It was not aware whether or to what extent the Respondent traded in such motorcycles, and it made no concessions or admissions as to the legality of any such sales. It further emphasised that it was not attempting, through the use of these dispute proceedings, to prevent the Respondent from trading, but it alleged that it would be misleading to the public for the Respondent to seek, by use of the disputed domain name to indicate that it was connected in any way with Montesa Honda of Spain which, it alleged, the disputed domain name did. "The Respondent is not 'Montesa' any more than it is 'Ford' or 'Rolls-Royce'".

The Complainant further alleged that the history of the Complaint did not accord with the Respondent's allegations that it registered the disputed domain name primarily for its own business use and the Complainant points in particular to the Respondent's communications with the Complainant concerning the possible sale of the disputed domain name and the fact that the disputed domain name was only activated when the negotiations between the parties broke down.

The Complainant also pointed out that the Respondent could not, as it says, have spent a lot of time and money on creating and setting up a website under the disputed domain name because this site is identical to the Respondent's other site.

The Complainant also averred that it had no knowledge of any earlier dispute which, it alleged, was not binding in these proceedings.

#### *Respondent*

In an email to Nominet dated December 28, 2001, the Respondent stated verbatim "please note web site is now activated [www.montesa.co.uk](http://www.montesa.co.uk) more work as being carried out into this site, its due to be loaded soon."

In a further email to Nominet dated January 2, 2002 the Respondent stated verbatim "But please note web site is currently running and product of montesa and others are now shown. Finally activating our web site as enabled us to sell quite a few more units in the last month we sold more trails bikes than we done all year. Making us more aware to this market place. We've now decided to stock the new Montesa 315R @£3499 deliver anywhere in uk as with many others."

## **7. Discussion and Findings**

### *General*

According to paragraph 2 of the Policy, in order to succeed in this Complaint, the Complainant has to prove to the Expert that, on the balance of probabilities -

- i the Complainant has rights (as defined in paragraph 1 of the Policy) in respect of a name or mark which is identical or similar to the disputed domain name; and
- ii the disputed domain name is an Abusive Registration (as defined in paragraph 1 of the Policy).

#### *Complainant's Rights*

There is no doubt that the disputed domain name is identical to the trade mark MONTESA as it is customary in domain name disputes to disregard the suffix '.co.uk' as it is no relevant significance and because it is generic. Therefore the only question to be answered is whether or not the Complainant has rights in MONTESA.

Attached to the Complaint was a copy of an exclusive Distributorship Agreement between the Complainant and Montesa Honda, S.A. In this Agreement the Complainant is granted the exclusive right "to import, distribute, sell and repair the PRODUCTS within the TERRITORY under the TRADEMARKS". The PRODUCTS are defined as "MONTESA motorcycles and its spare parts and accessories", the TERRITORY is Great Britain, and the TRADEMARKS are the words MONTESA and COTA. This particular Agreement entered into force on July 15, 1997 but the Complainant stated in its Complaint that it had been the only authorised importer of Montesa machines since 1967. The term of the current Agreement was for 1 year but it is automatically extended for like periods unless terminated by either of the parties. There is no indication that it has been terminated and the Complainant refers to it in the present tense, so the Expert is proceeding on the assumption that it is still in force and effective.

The Complainant refers in the Complaint to the trade mark MONTESA as being registered. However no registration certificate was provided as part of the Complaint. Nevertheless prior registration is not a requirement of the Policy, which asks only that a Complainant prove that he "has Rights in respect of a name or mark which is identical or similar to the Domain Name". In the opinion of the Expert the Complainant does have the exclusive right to utilise the trade mark MONTESA in the UK in connection with its business of importing and selling motorcycles from Montesa Honda, S.A. It is also clear from the exchange of emails during the initial negotiations between the Complainant and the Respondent that the former could only act, and was only prepared to make a purchase of the disputed Domain Name, with the approval of Honda Montesa, S.A., which has been given.

Consequently the Complainant has satisfied the Expert concerning the first leg of the Complaint that it does have rights in a name or mark which is identical to the disputed Domain Name.

#### *Abusive Registration*

In paragraph 3 of the Policy is a non-exhaustive list of factors which may be evidence of an Abusive Registration

Paragraph 3(a)(i)A appears to be the most pertinent in this case, and the Expert will deal with this first. This paragraph states that the Respondent has "registered or otherwise acquired the Domain Name 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".

According to the Complaint, the first that the Complainant knew about the disputed Domain Name was when someone telephoned saying that he had registered the disputed domain name and was offering it for sale. This person turned out to be Mr. Lee Mason who has signed all the communications in this case from the Respondent. His initial price for the disputed Domain Name was a trail bike priced at £3,300 (or perhaps the equivalent in cash; this was not made clear). The Complainant counter-offered with £250 and the negotiations continued until the Complainant's highest offer was £500 and the Respondent's lowest price was £2,000. The Respondent justifies his high price by stating that he had spent considerable sums of money on developing the website but this does not seem to be borne out by the facts and he provides no evidence. As the Complainant says, the site is no different from the Respondent's main site at <[www.kjmsuperbikes.co.uk](http://www.kjmsuperbikes.co.uk)>. The Expert is credulous that it could have cost as much as £2,000 to develop it.

The fact that the negotiations were initiated by the Respondent, and not as the result of an objection from the Complainant is very telling, and in the opinion of the Expert the above related history of the negotiations is clear evidence of an attempt to sell the disputed Domain Name for more than the Respondent's out-of-pocket expenses.

The Respondent's reference to an earlier dispute is irrelevant. The Complainant was not involved and has no knowledge of it; the Expert has not been acquainted with any of the details; its facts may therefore have been quite different; and of course it was decided at a time when the Policy was not in force. It could possibly be argued that this earlier dispute is evidence that the Respondent has "engaged in a pattern of making Abusive registrations" which is contrary to paragraph 3(a)(ii) of the Policy. However the Complainant has not raised this point and the Expert has some doubt whether one earlier case that was not decided under the Policy constitutes a 'pattern'.

The Complainant also contends that the use of the name by the Respondent is likely to confuse potential purchasers of Montesa motorcycles as to the status of the Respondent (who is not an authorised dealer in these machines) and so disrupt the business of the Complainant. This would seem to be a valid charge and if proved it would be in contravention of paragraph 3(a)(ii) of the Policy which reads: "Circumstances indicating that the Respondent is using the Domain name in a way which has confused people or businesses into believing that the Domain Name is registered to, operated, or otherwise connected with the Complainant.". Since the Complainant is the only authorised importer of Montesa motorcycles into the UK, any advertising which implies otherwise must be an infringement of this paragraph of the Policy. In the opinion of the Expert this is what the Respondent's use of the disputed Domain Name does, even though it should be noted that Montesa is not one of the makes of motorcycles listed on the website under the disputed Domain name, nor is it among the list of brand names mentioned in the Respondent's initial response. The Respondent states that other types of motorcycles are freely sold in the UK by unauthorised importers, but produces no evidence thereof.

In conclusion the Expert holds that the disputed Domain name is an Abusive Registration.

**8. Decision**

The Expert finds that the Complainant has Rights in the name MONTESA; that the name in which the Complainant has Rights is identical to the disputed Domain Name; and that the disputed Domain Name is an Abusive Registration in the hands of the Respondent. The Expert therefore directs that the disputed Domain Name <montesa.co.uk> be transferred to the Complainant.

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David H Tatham  
February 9, 2002