

# Nominet UK Dispute Resolution Service

DRS 00285

## **Sparco s.r.l –v- Steven Bennett**

### Decision of Independent Expert

#### **1 Parties**

Complainant: Sparco s.r.l  
Address: Corso Re Umberto I,1  
Turin  
Postcode: 10121  
Country: IT

Respondent: Mr Steven Bennett  
Address: 42 Millbrook Road  
Kingstown Industrial Estate  
Carlisle  
Cumbria  
Postcode: CA3 0EU  
Country: GB

#### **2 Domain Name**

sparco.co.uk (“the Domain Name”)

#### **3 Conclusion**

Based on the facts and analysis set out below, I conclude that the Complainant’s application to have the Domain Name transferred should not succeed.

#### **4 Procedural Background**

The Complaint was lodged with Nominet on 8 March 2002. Nominet validated the Complaint and notified the Respondent of the Complaint on 13 March 2002 and informed the Respondent that he had 15 days within which to lodge a Response. The Respondent lodged a Response on 5 April 2002 and the Complainant replied to that Response on 11 April 2002.

The Informal Mediation process then commenced, but did not lead to a negotiated settlement. In accordance with Nominet’s practice the Expert has not been provided with any of the materials, records or correspondence generated during the Informal Mediation stage.

On 14 May 2002, the Complainant paid Nominet the appropriate fee for a decision of an Expert pursuant to paragraph 6 of the Nominet UK Dispute Resolution Service Policy (“the Policy”).

On 15 May 2002, I, Simon Carne, the undersigned, (“the Expert”) confirmed to Nominet that I knew of no reason why I could not properly accept the invitation to act as expert in this case and further confirmed that I knew of no matters which ought to be drawn to the attention of the parties, which might appear to call into question my independence and/or impartiality.

## 5 Other Procedural Issues

In the documents I have been shown, I notice that the Respondent's post code is shown alternatively as CA3 0EU and as CA10 2PF. This ambiguity of post codes has not been raised by either of the parties as an issue. It is clear that the Respondent has received communications from Nominet and has responded to them and I leave the matter at that.

## 6 The Facts

The Complainant describes itself as having been trading in the UK since 1979, selling car accessories, car spare parts, fire-proof clothing for car racing and sportswear generally. It has submitted copy documents indicating that it is the registered proprietor of various UK Trade Mark Registrations. The Respondent has not sought to challenge any of these assertions and I therefore accept them as undisputed facts.

The Respondent says that he is in the business of purchasing products from both Sparco and one of its competitors, Belt & Buckle s.r.l (trading as Sabelt), for onward sale. The Claimant has not sought to challenge these assertions and I therefore accept them as undisputed facts also.

On 6 December 1999, the Respondent registered the Domain Name.

## 7 The Parties' Contentions

### *Complaint*

The substance of the Complaint is as follows:

- 1 The Domain Name will be used by the Respondent to promote the products of the Complainant's competitor, Sabelt.
- 2 In spite of "numerous" letters to the Respondent at two addresses identified by the Complainant, requesting transfer of the Domain Name, the Respondent has not replied.
- 3 The Complainant believes that, since registering the Domain Name, the Respondent has not used it.
- 4 The Complainant considers that the Respondent deliberately registered the Domain Name to take unfair advantage of the Complainant's goodwill in its trade marks in the UK, built up over long use.
- 5 The Complainant considers that the Respondent blocks the Complainant from using the Domain Name to promote its goods sold under the Complainant's *Sparco* Trade Marks.
- 6 Given the connection of the Respondent with the Complainant's competitor, Sabelt, the Complainant is concerned that the Domain Name could be used in a way which will confuse people, eg by selling the goods of Sabelt.

The Complainant also submitted a report by a firm of investigators, Magpi International Ltd. The central purpose of this report seems to have been to track down Mr Steven Bennett (ie the Respondent) and make enquiries about his business interests. The report is not, however, cited in the Complaint or in the Complainant's Reply to the Respondent's Response and I make no further reference to it.

### *Response*

The Respondent has responded broadly as follows:

- 1 In January 2000 at The Autosport International Show, the Respondent met Mr Enrico Glorioso, one of the owners of the Complainant, and "out of courtesy" advised him that he had purchased the Domain Name for his future use to promote and sell Sparco products in the UK.
- 2 The person to whom the Complainant sent all correspondence is a different Steven Bennett from the

Respondent, which is the reason why the Respondent did not reply to those letters.

- 3 The Respondent purchased the Domain Name as a potential platform to increase his sales, ie with a view to selling and promoting Sparco products, which he has been purchasing for more than 10 years from Sparco's "Official Importer." The Respondent purchases and sells Sparco products under his own name, Steve Bennett, not the company, Sabelt Racing, which he owns, so that there is no "intended confusion."
- 4 The "main Importer" of Sparco products also imports directly from Sabelt.
- 5 The Respondent's intention is to have two separate sites, each one exclusive to each brand so that there is no confusion, but neither web site is currently active.
- 6 The Respondent considers that owning the sabelt.co.uk domain name in addition to the Domain Name will give him a "competitive edge" and does not believe this to be an Abusive Registration.
- 7 The Respondent refutes "very strongly" the claim that he has misled any party.
- 8 The Complainant acquired in the last six months of 2001 "most of the .uk names." The Respondent also says he notes that the domain name, sparco.com, is owned by a computer accessory company in America.

### *Reply*

The Complainant has replied to the Response broadly as follows:

- 1 The Complainant cannot exclude the possibility that Mr Glorioso may have conferred with the Respondent, but he cannot recall the meeting. It is extremely doubtful that any agreement to allow the Respondent to register the Domain Name could have been reached at such a meeting at an exhibition. The Complainant denies that either Mr Glorioso or any other company representative has agreed to the Respondent or anyone else registering any domain name containing the word "Sparco."
- 2 The Respondent notes that one letter from the Complainant's representatives was sent to a wrong address. The Respondent has not, however, indicated why he did not reply to two separate letters sent to the correct address, requesting the Respondent to assign the Domain Name to the Complainant.
- 3 No matter how long the Respondent may have been selling the Complainant's goods, the Complainant does not believe that this gives him the legal right to register any domain name containing the Complainant's registered trade mark, in his own name. Neither the Complainant, nor any of its staff, have ever given the Respondent permission to do so.
- 4 In spite of what the Respondent says about his own dealings with both Sabelt and Sparco, the fact remains that the two companies are competitors. The possible appearance of the products of the one company on the site of the other (given that neither company has any means of enforcing what products the Respondent advertises on his proposed sites) could lead to a considerable degree of confusion in the minds of consumers of the products and damage the business and reputation of the Complainant.
- 5 Any reasonable person is almost bound to assume that the Domain Name is the Complainant's official UK site.
- 6 The proposed use by the Respondent of the Domain Name to "give the competitive edge in the future", ie as a "commercial platform" to extend the Respondent's business, is not use of the Domain Name in good faith.
- 7 The Complainant denies the Respondent's assertion that the Complainant has acquired "most of the .UK names". The only domain names owned by the Complainant are sparco.biz, sparco.cl,

sparco.de, sparco.info, sparcocafe.it and sparco.co.kr. The fact that the domain name sparco.com is registered by a computer company is irrelevant to these proceedings.

## **8 Discussion and Findings**

### *General*

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

### *Complainant's Rights*

In this case the first limb of that task is straightforward. The Complainant is the proprietor of registered trade mark rights in the name or mark *Sparco*. The Respondent does not challenge this. Indeed, the reason given by the Respondent for registering the Domain Name is his desire to conduct a business relating to the Complainant's products.

I find, therefore, that the Complainant has rights in respect of a name or mark, which is identical to the Domain Name.

### *Abusive Registration*

This leaves the second limb. Is the Domain Name, in the hands of the Respondent, an Abusive Registration? 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."

The arguments used by the two parties appear to me to revolve around three separate issues which, purely for convenience, I refer to as "blocking", "confusion" and "prior agreement over the Domain Name."

### **Blocking**

The Complainant argues that the Respondent is blocking the Complainant from using the Domain Name to promote its goods sold under the Complainant's *Sparco* Trade Marks.

It appears to be common ground that, since registering the Domain Name, the Respondent has not used it. This could be evidence that the Respondent registered the Domain Name as a blocking registration against a name in which the Complainant has rights, in which case the registration would fall within one of the factors set out in the Policy at paragraph 3(a)(i)(B) as evidence of an Abusive Registration.

The Respondent has, however, given a reason why he acquired the Domain Name (ie in furtherance of his existing business trading in products manufactured by the Complainant) and the Complainant has not offered any evidence or argument to refute that contention.

It seems to me to be fairly crucial to an analysis of this case that the Respondent has an existing business in the Complainant's goods. Without that business (or if the business had been entered into for the purposes of seeking to justify the registration of the Domain Name and not the other way around), the Complainant might be able to establish that the registration of the Domain Name had an abusive

purpose. In this case, however, the uncontradicted assertion of the Respondent is that he has carried on his business in the Complainant's goods for "more than 10 years."

The fact that the Respondent had not yet begun to use the Domain Name during the two years before the DRS procedures began is consistent with the Complainant's contention that the registration is for blocking purposes and might be persuasive in circumstances where the Respondent had an interest (legitimate or otherwise) in preventing the Complainant from using the Domain Name. In this case, however, where the Respondent has an existing business trading in products manufactured by the Complainant, I do not consider the failure to use the site as sufficient evidence that registration was entered into for blocking purposes.

The Complainant further argues that, in spite of "numerous" letters to the Respondent at two addresses identified by the Complainant, requesting transfer of the Domain Name, the Respondent has not replied. On the evidence submitted to me, the "numerous" letters appears to be a reference to three letters, copies of which were submitted with the Complaint.

There appears to be some confusion over the facts relating to these letters, in particular whether all of the letters, or only some of them, were sent to the same Steven Bennett as the Respondent and, if so, how many were sent to the wrong Steven Bennett. None of this, however, seems to be of any relevance. The registrant of a domain name is not obliged to respond to any or all enquiries from third parties (ie parties other than Nominet) regarding a domain name the registrant has registered.

I conclude, therefore, that the registration of the Domain Name is not intended to block the Complainant from using the Domain Name. In reaching this conclusion, I have not attached any weight to the Respondent's submission that Sparco acquired, in the last six months of 2001, "most of the .uk names." It seems to me that not only is this argument misconceived (the fact that alternative domain names are available does not make an otherwise Abusive Registration not abusive), but the facts underlying the argument are not substantiated (the Respondent has not identified even one domain name within the .uk range that has been registered by the Complainant and the Complainant has effectively denied that it has registered any .uk domain names).

### **Confusion**

The Complainant says that, given the connection of the Respondent with the Complainant's competitor, Sabelt, the Complainant is concerned that the Domain Name could be used in a way which will confuse people, for example by promoting the products of Sabelt and, more generally, that the Respondent deliberately registered the Domain Name to take unfair advantage of the Complainant's goodwill in its trade marks in the UK, built up over long use.

Once again, it seems to me to be fairly crucial to the analysis that the Respondent has an existing business in the Complainant's goods. If the business of the Respondent was, for all practical purposes, that of a competitor, one might surmise that registration of the Domain Name was entered into for the purposes of causing confusion with the Complainant's business. That is not the case here, however. The uncontroverted assertion of the Respondent is that he has been purchasing Sparco products for more than 10 years from Sparco's "Official Importer."

The Respondent also contends that "the main Importer" of Sparco products into the UK also imports directly from Sabelt. I do not regard this part of the argument as an essential element of the Respondent's case, but it is worth reminding oneself that whilst some businesses sell the products of only one manufacturer, this is by no means a universal rule, as evidenced by, for example, a department store or a supermarket. The Respondent has effectively asserted (without challenge by the Complainant) that a similar practice occurs in this area of trade also.

The Complainant seeks to advance its case by asserting that the two companies are competitors: the possible appearance of the products of one company on the site of the other (given that neither company has any means of enforcing what products the Respondent advertises on his proposed sites) could lead to a considerable degree of confusion in the minds of consumers of the products and damage the business and reputation of the Complainant.

It is not clear to me whether the Complainant is suggesting that the possible cross-over of products from one site to the other is likely to arise accidentally, or as the result of a deliberate practice by the Respondent. In my judgement, the first of these two cases (accidental cross-over) is not sufficient to establish that the registration is abusive, especially not where the accident has yet to happen.

The second case (deliberate crossover) is quite different. That could well amount to using the Domain Name in a manner which took unfair advantage of, or was unfairly detrimental to, the Complainant's rights, which would fall within the second limb of the definition of Abusive Registration.

In this case, however, the cross-over has not yet happened (there is no active site at the Domain Name address). If the Complainant is to establish, even on the balance of probabilities, that there is to be a deliberate cross-over use of the site by the Respondent (between the Complainant's products and its competitor's), there would need to be at least some evidence tending to suggest that such behaviour was likely, or was contemplated etc. The Complainant has adduced no such evidence. The Respondent has asserted in his Response that it is his intention is to have two separate sites, each one exclusive to each brand so that there is no confusion, and the Complainant has offered no evidence or reasoning to suggest that the stated intention is anything other than true.

The Complainant further argues that the proposed use by the Respondent of the Domain Name to "give the competitive edge in the future", ie as a "commercial platform" to extend the Respondent's business, is not a use of the Domain Name in good faith. The Complainant offers no reasoning to support such an argument. Indeed, I find it difficult to see what reasoning could be used to validate such an argument, which seems to me to be without any merit.

The Complainant also argues that any reasonable person is almost bound to assume that the Domain Name is the Complainant's official UK site. That is not a proposition I can accept without evidence of the content of the site. Since the site is not yet active, I do not see how the argument can succeed. If that argument was correct, simply on the basis of the site address and without regard to its content, it would apply equally to, for example, the site located at sparco.com. It is common ground that sparco.com is the domain name of a computer company in the US and it is the Complainant's own position (which I agree with) that this fact is irrelevant to the dispute being addressed here.

For the avoidance of any doubt, it is not my opinion that, in order to establish confusion, there has to be evidence of actual confusion having occurred. If that were the case, complainants would not be able to take steps to protect their businesses from the harm caused by confusion until the harm had commenced. That is not my interpretation of the term Abusive Registration. In this case, however, the Complainant's case is based upon nothing more than an assumption that the Respondent intends to use the site in a confusing manner in circumstances where there is a perfectly plausible (and proper) alternative explanation for the registration, an explanation which the Complainant has done nothing to displace.

Finally, although the Complainant has not made this argument, I note that this is not a paragraph 4(b) case where the burden of proof is reversed. Under paragraph 4(b) of the Policy, the burden of proof is shifted to the Respondent where the Domain Name (not including the first and second level suffixes – in this case .co.uk) is identical to the name in which the Complainant has rights (in this case, Sparco). Paragraph 4(b) is, however, restricted to cases where the site is, or is intended to be, used as a tribute or criticism site, which is not the case here.

### **Prior agreement over the Domain Name**

This last heading relates to some rather inconclusive evidence and argumentation put forward by the parties as to (a) whether the Respondent needs permission from the Complainant before the Respondent can register a Domain Name incorporating a name or mark in which the Complainant has rights and/or (b) whether such permission had been granted. I refer to paragraph 1 of the Respondent's Response and paragraphs 1 and 3 of the Complainant's Reply.

The parties' submissions appear to me to be based on the false premise that the parties can agree, or need to agree, between each other who is permitted to use the Domain Name. In the context of the DRS,

we are concerned only with the legal relationship between the Respondent and Nominet as set down in the Policy. Under the Policy, neither the conversation alleged by the Respondent to have taken place (see paragraph 1 of the Response), nor the absence of the permission referred to by the Complainant in paragraph 3 of the Reply, have any bearing.

I do not rule out the possibility that a registrant of a domain name (or a party contemplating registering a domain name) might enter into an agreement with a third party (ie other than Nominet) that the third party will not challenge the registration and I do not rule out that such an agreement might be a factor which could be taken into consideration under the Policy. The Respondent has not, however, argued that an agreement of that form was entered into and, insofar as the Respondent might claim that the conversation referred to in paragraph 1 of the Response could be so construed, I find that it is inherently unlikely that an agreement not to challenge the Respondent's registration of the Domain Name would be entered into orally and in the manner described by the Respondent, without either party following the matter up in writing.

## **9 Decision**

In light of the foregoing findings, namely that the Complainant has rights in a name or mark which is identical or similar to the Domain Name, but that the Domain Name, in the hands of the Respondent, is not an Abusive Registration, I direct that the Complainant's application to have the Domain Name transferred be denied.

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Simon Carne

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Date