

ADMINISTRATIVE PANEL DECISION

Rotec Engineering Pty Ltd v. Chris Hatin
Case No. D2010-1327

1. The Parties

The Complainant is Rotec Engineering Pty Ltd of Mordialloc, Victoria, Australia, represented by Maddocks, Australia.

The Respondent is Chris Hatin of Queensbury, New York, United States of America.

2. The Domain Name and Registrar

The disputed domain name <rotecradial.com> is registered with eNom, Inc.

3. Procedural History

The Complaint was filed with the WIPO Arbitration and Mediation Center (the "Center") on August 5, 2010. On August 5, 2010, the Center transmitted by email to eNom, Inc. a request for registrar verification in connection with the disputed domain name. On the same day, eNom, Inc. transmitted by email to the Center its verification response confirming that the Respondent is listed as the registrant and providing the contact details. In reply to a communication by the Center that the Complaint was not compliant with the formal requirements, the Complainant filed an Amended Complaint on August 16, 2010.

The Center verified that the Amended Complaint satisfied the formal requirements of the Uniform Domain Name Dispute Resolution Policy (the "Policy" or "UDRP"), the Rules for Uniform Domain Name Dispute Resolution Policy (the "Rules"), and the WIPO Supplemental Rules for Uniform Domain Name Dispute Resolution Policy (the "Supplemental Rules").

In accordance with the Rules, paragraphs 2(a) and 4(a), the Center formally notified the Respondent of the Complaint, and the proceedings commenced on August 16, 2010. In accordance with the Rules, paragraph 5(a), the due date for Response was September 5, 2010. The Respondent did not submit any response. Accordingly, the Center notified the Respondent's default on September 6, 2010.

The Center appointed Andrew D. S. Lothian as the sole panelist in this matter on September 7, 2010. The Panel finds that it was properly constituted. The Panel has submitted the Statement of Acceptance and Declaration of Impartiality and Independence, as required by the Center to ensure compliance with the Rules, paragraph 7.

4. Factual Background

The Complainant is an Australian private company founded in 2000 which designs and manufactures radial engines for the experimental and light aircraft market which it terms 'Rotec radials'. The Complainant's sales figures for all countries for the year ending June 30, 2009 were \$836,971 Australian Dollars. The Complainant's engines have featured in a wide variety of aviation magazines. Aircraft powered by the Complainant's engines have won numerous awards worldwide for design and construction. The Complainant actively participates in a range of public air shows to promote its products and through such activities has become widely known among aircraft enthusiasts in the experimental and light sport aircraft market. In March 2004 the Complainant, the Respondent and the Respondent's business partners entered into an agency relationship whereby the agents were offered discount rates on the Complainant's engines. The relationship began to break down in April 2006 and the Complainant terminated the agency relationship. The Respondent registered the disputed domain name on July 27, 2006. The website associated with the disputed domain name was initially used to provide content that was negative towards the Complainant, its business methods and products. However, as at the date of this Decision that content is no longer in evidence and the website currently contains (1) a graphic featuring a stylized version of the disputed domain name; (2) a hit counter; (3) a banner advertising web hosting services; and (4) the statement "This site is for sale".

5. Parties' Contentions

A. Complainant

The disputed domain name is identical or confusingly similar to a trademark or service mark in which the Complainant has rights; the Respondent has no rights or legitimate interests in respect of the disputed domain name and the disputed domain name was registered and is being used in bad faith.

The Complainant is the owner of the trademarks ROTEC RADIAL, ROTEC RADIAL ENGINES and ROTEC ENGINEERING through the accrual of common law trademark rights, having developed 'secondary meaning' and being recognized by the relevant sector of the public, namely actual and potential customers, distributors and business circles. Given the Complainant's position in its market and proliferate use of its trademarks, those in the relevant sector of the public would associate the term 'Rotec radial' with the Complainant. The absence of formal registration has no negative impact on the value of the Complainant's trademarks. The disputed domain name is identical to the Complainant's ROTEC RADIAL trademark and is confusingly similar to its ROTEC RADIAL ENGINES and ROTEC ENGINEERING trademarks on the basis that the words ENGINES and ENGINEERING denote the business activity of the Complainant, which is ignored for the purposes of a comparison between a domain name and a mark.

The Respondent is not authorized to use the Complainant's trademarks given that the agency arrangement was extinguished before the disputed domain name was registered. At no time has the Complainant given the Respondent any license, or express or implied consent to use the Complainant's trademarks for the disputed domain name or any other related manner. The Respondent is not using the disputed domain name in connection with a *bona fide* offering of goods or services but as a conduit to criticize the Complainant. The Respondent is not, and has never been, known by the 'Rotec radial' name. The use of the disputed domain name for a criticism site should not be regarded as a legitimate noncommercial use or fair use.

The disputed domain name was registered in bad faith as the Respondent had actual or constructive knowledge of the Complainant's trademarks and business at the time of registration, had intent to capitalize on the Complainant's notoriety to divert customers from the Complainant's website and did not seek the Complainant's consent to use the Complainant's trademarks. The Respondent adopted identical metatags and description information to those on the Complainant's website. The Respondent also used the disputed domain name to promote its own business.

B. Respondent

The Respondent did not reply to the Complainant's contentions.

6. Discussion and Findings

To succeed, the Complainant must demonstrate that all of the elements listed in paragraph 4(a) of the Policy have been satisfied:

- (i) the disputed domain name is identical or confusingly similar to a trademark or service mark in which the Complainant has rights;
- (ii) the Respondent has no rights or legitimate interests in respect of the disputed domain name; and
- (iii) the disputed domain name has been registered and is being used in bad faith.

A. Identical or Confusingly Similar

The Complainant states that it has no registered trademarks. However, it contends that it has unregistered or common law trademarks in the terms ROTEC RADIAL, ROTEC RADIAL ENGINES and ROTEC ENGINEERING by virtue of having established a "secondary meaning" in these identifiers. Paragraph 1.7 of the WIPO Overview of WIPO Panel Views on Selected UDRP Questions deals with this issue and provides as follows:

"What needs to be shown for the complainant to successfully assert common-law or unregistered trademark rights?"

Consensus view: The complainant must show that the name has become a distinctive identifier associated with the complainant or its goods and services. Relevant evidence of such 'secondary meaning' includes length and amount of sales under the mark, the nature and extent of advertising, consumer surveys and media recognition. The fact that the secondary meaning may only exist in a small geographic area does not limit complainant's rights in a common law trademark. Unregistered rights can arise even when the complainant is based in a civil law jurisdiction."

In the Panel's view, the Complainant has demonstrated that it has established a secondary meaning in the identifier ROTEC RADIAL which is the term by which it refers to its aircraft engines, on the basis of the following evidence: (1) significant sales of engines under this mark; (2) extensive media recognition in respect of unsolicited articles in the relevant section of the trade press both regarding the Complainant's engines themselves and in connection with various aircraft featuring those engines; (3) the Complainant's establishment of an international customer-base since commencing to trade in 2000 including Australia, the United States of America and other countries; and (4) the Complainant's activities at multiple aircraft shows which are the principal gathering places of aircraft enthusiasts, including designers and builders, who are the Complainant's typical customers and (5) the awards won at such shows by aircraft featuring the Complainant's engines.

Comparing the term ROTEC RADIAL to the disputed domain name, the Panel first disregards the top level domain ".com" as is customary in cases under the Policy on the basis that this is wholly generic. This leaves a comparison between ROTEC RADIAL and rotecradial. Given that whitespace is not permitted in a domain name for technical reasons and likewise that domain names are not case sensitive, the Panel finds that the disputed domain name is identical to a trademark in which the Complainant has rights. In light of this finding, it is not necessary for the Panel to examine whether the Complainant also has rights in the names ROTEC RADIAL ENGINES and ROTEC ENGINEERING as it contends.

Accordingly, the first element which the Complainant is required to prove in terms of the Policy has been established.

B. Rights or Legitimate Interests

Paragraph 4(c) of the Policy lists several ways in which the Respondent may demonstrate rights or legitimate interests in a disputed domain name:

“Any of the following circumstances, in particular but without limitation, if found by the Panel to be proved based on its evaluation of all evidence presented, shall demonstrate your rights or legitimate interests to the domain name for purposes of paragraph 4(a)(ii):

- (i) before any notice to you of the dispute, your use of, or demonstrable preparations to use, the domain name or a name corresponding to the domain name in connection with a *bona fide* offering of goods or services; or
- (ii) you (as an individual, business, or other organization) have been commonly known by the domain name, even if you have acquired no trademark or service mark rights; or
- (iii) You are making a legitimate noncommercial or fair use of the domain name, without intent for commercial gain to misleadingly divert consumers or to tarnish the trademark or service mark at issue.”

The consensus of previous decisions under the Policy is that a complainant may establish this element by making out a *prima facie* case against the respondent. In the present case, the Complainant states that the Respondent has not been authorized to use the Complainant’s ROTEC RADIAL trademark and that the Complainant has not provided any license thereof, or express or implied consent to the Respondent. The Complainant also notes that the Respondent is not commonly known by the ROTEC RADIAL name.

In addition to the above submissions, the Complainant discusses at length the Respondent’s use of the disputed domain name to publish a website critical of the Complainant and its business practices. The Complainant contends that such a use cannot confer any rights or legitimate interests upon the Respondent, with reference to paragraph 2.4 of the WIPO Overview of WIPO Panel Views on Selected UDRP Questions entitled “Does a respondent using the domain name for a criticism site generate rights and legitimate interests?”

As the Overview notes, the opinions of panels on this topic have diverged into two groups. The Complainant unsurprisingly prefers “View 1”, namely that the right to criticize does not extend to registering a domain name that is identical or confusingly similar to the owner’s registered trademark or conveys an association with the mark. This Panel also agrees with view number 1. Nevertheless, at the date of this Decision, the website associated with the disputed domain name does not contain any information which is critical of the Complainant. On the contrary, it appears as outlined in the Factual Background section above. Accordingly, the Respondent is not “using the domain name for a criticism site” in the wording of the WIPO Overview and in these circumstances the Panel does not consider it necessary to address the Complainant’s submissions on that topic.

On the basis of the Complainant’s initial submissions, the Panel is satisfied that the Complainant has made out a *prima facie* case that the Respondent has no rights or legitimate interests in the disputed domain name. The Respondent has not filed any response in the present case. The Respondent is presently offering the disputed domain name for sale and/or is using it to advertise goods and services via an advertising banner. The evidence shows that the Respondent was well aware of the Complainant’s rights by virtue of the initial agency relationship and that the Respondent clearly registered the disputed domain name with those rights in mind. In these circumstances, there does not appear to be anything in the present use of the disputed domain name which would demonstrate any rights or legitimate interests on the part of the Respondent and/or which counters the *prima facie* case established by the Complainant. The Panel

therefore finds that the Respondent has no rights or legitimate interests in the disputed domain name.

Accordingly the second element which the Complainant is required to prove in terms of the Policy has been established.

C. Registered and Used in Bad Faith

Paragraph 4(b) of the Policy provides four, non-exclusive, circumstances that, if found by the Panel to be present, shall be evidence of the registration and use of a domain name in bad faith:

“(i) circumstances indicating that you have registered or you have acquired the domain name primarily for the purpose of selling, renting, or otherwise transferring the domain name registration to the complainant who is the owner of the trademark or service mark or to a competitor of that complainant, for valuable consideration in excess of your documented out of pocket costs directly related to the domain name; or

(ii) you have registered the domain name in order to prevent the owner of the trademark or service mark from reflecting the mark in a corresponding domain name, provided that you have engaged in a pattern of such conduct; or

(iii) you have registered the domain name primarily for the purpose of disrupting the business of a competitor; or

(iv) by using the domain name, you have intentionally attempted to attract, for commercial gain, Internet users to your web site or other on line location, by creating a likelihood of confusion with the complainant’s mark as to the source, sponsorship, affiliation, or endorsement of your web site or location or of a product or service on your web site or location.”

In common with the section on rights and legitimate interests above, the Panel does not consider it necessary to examine the Complainant’s detailed assertions regarding the Respondent’s publication of a criticism site; no such material is currently displayed on the website associated with the disputed domain name and the Respondent has not filed a response which might have shed light on this matter.

It is evident to the Panel that the disputed domain name was registered by the Respondent during a dispute between the Parties following the termination of the agency agreement. It seems most probable to the Panel that the Respondent intended to hold the disputed domain name (and possibly to publish the criticism site to which the Complainant refers) in order to improve its position in the then ongoing settlement negotiations. This does not fit squarely into any of the individual circumstances described in paragraphs 4(b)(i) to (iv) of the Policy. However, these are expressed to be non-exclusive and the Panel is satisfied that in the present case the actions of the Respondent constitute registration and use in bad faith, given that they necessarily involve the deliberate targeting of the Complainant’s rights with a view both to disrupting the Complainant’s business and to unfairly improving the Respondent’s commercial position in negotiations.

The offering of sale of the disputed domain name is likewise indicative of registration and use in bad faith in terms of paragraph 4(b)(i) of the Policy, albeit that it is not clear whether this was the Respondent’s primary intent or merely something that the Respondent has chosen to do after the agency dispute was settled or after the present Complaint was filed.

In all of these circumstances, the Panel finds that the disputed domain name was registered and used in bad faith and accordingly the third element which the Complainant is required to prove in terms of the Policy has been established.

7. Decision

For all the foregoing reasons, in accordance with paragraphs 4(i) of the Policy and 15 of the Rules, the Panel orders that the domain name <rotecradial.com> be transferred to the Complainant.

A handwritten signature in black ink, appearing to read 'A. S. Lothian', with a stylized flourish at the end.

Andrew D. S. Lothian

Sole Panelist

Dated: September 16, 2010