



ADMINISTRATIVE PANEL DECISION

Princess Yachts International plc v Graham Stephens

LEADR Case No. auDA 08_07

Domain Name: www.princessyachts.com.au
Name of Complainant: **Princess Yachts International plc**
Name of Respondent: **Graham Stephens**
Provider: **LEADR**
Panel: **John A. McGruther**

1. THE PARTIES

- 1.1. The Complainant is **Princess Yachts International plc** (“P”).
- 1.2. The Respondent is **Graham Stephens** (“S”).

2. THE DOMAIN NAME, REGISTRAR AND PROVIDER

- 2.1 The domain name at issue is princessyachts.com.au (“the Domain Name”).
- 2.2 The Trademark, name, or service mark upon which complaint is based is common law mark and Australian trade mark application 1094943.
- 2.3 The provider in relation to this proceeding is LEADR (“Provider”).

3. PRELIMINARY MATTERS

- 3.1 Schedule A of the *.au Dispute Resolution Policy* (“auDRP”) applies to disputes which meet the requirements set out in Paragraph 4(a) of Schedule A of the auDRP. This

subparagraph 4(a) requires that any party holding a domain name licence “...submit to a mandatory administrative proceeding in the event that a third party (a “complainant”) asserts to the applicable Provider, in compliance with the Rules of Procedure that:

(i) [their] domain name is identical or confusingly similar to a name, trademark or service mark in which the complainant has rights; and

(ii) [they] have no rights or legitimate interests in respect of the domain name; and

(iii) [their] domain name has been registered or subsequently used in bad faith.

In an administrative proceeding, the complainant bears the onus of proof.”

4. PROCEDURAL HISTORY

4.1 The Procedural History in this matter is set out at Annexure “A” to this determination.

4.2 LEADR has appointed this Panellist as the sole panellist in the matter. The Panellist has had no prior knowledge of or association with either party and has no conflict of interest.

4.3 I deal with one matter briefly here. In a Response letter of 23 July 2007 to the Provider (“Response”) the Respondent submitted to the jurisdiction of this determination but asked that a point be “noted”. The Respondent felt that there may be “a slight conflict of interest” with the Provider “handling the case” by reference to a representative (Mr Mills) of the Applicant’s law firm, Freehills, “sitting on the Board” of the Provider. I am one of a number of potential Panellists of the Provider. My appointment, as is normally the case, involved no communication in any form with any member from time-to-time of the Board of the Provider. In terms of this determination as Panellist, I have no special professional association or any other association with or proximity to either Mr Mills, or Freehills, or with either party, or with any representative of either party. There is nothing to my knowledge that compromises my neutrality, impartiality, or independence in determining the matter. I am acting independently as Panellist and have no conflict of interest known to me in acting in that capacity here.

4.4 All procedural requirements appear to have been satisfied. The Panel has been properly constituted.

4.5 Certain written and related material has been submitted to the Panel as provided by the parties to the Provider. The observations in this determination arise singularly from the material so submitted and the submissions made. I have read all of the materials. There is no need that I traverse all of it in the reasons here given, but all of it has been noted and analysed.

4.6 Paragraph 15(a) of the auDRP Rules states:

“A Panel shall decide a complaint on the basis of the statements and documents submitted and in accordance with the Policy [the auDRP Policy], these Rules and any rules and principles of law that it deems applicable”.

5. FACTUAL BACKGROUND – The Complainant’s (P’s) Case

5.1 In submissions made with its complaint, P as Complainant essentially raised some of the following matters:

(a) It has sold motor yachts in Australia since 1995 under the trade mark *“Princess Yachts”* being the owner (amongst other trade mark applications) of TM application 1094943 for *“PRINCESS AND DEVICE”* in the goods and services category of yachts;

(b) Princess Yachts operates its primary website at URL princessyachts.com;

(c) As the common law rights owner in Australia of the trade mark *“Princess Yachts”* and as the owner of the aforesaid trade mark application 1094943 for *“PRINCESS”* (Yachts), the domain name *“princessyachts.com.au”* is identical or confusingly similar to a name and trade mark in which it has rights; and,

(d) For reasons argued in its submissions (and dealt with where requisite following) that the Respondent S:

(i) has no rights or legitimate interests in respect of the domain name;

(ii) that the domain name was registered and being used by S in bad faith;

- (iii) that the registration or acquisition by S of the domain name was primarily for the purpose of selling it.

5.2 P as Complainant seeks to have the domain name transferred to itself for the reasons argued.

6. FACTUAL BACKGROUND – The Respondent’s (S’s) Case

6.1 Within his submissions, the Respondent (S) essentially put:

- (a) Acknowledged that he registered the domain name in 2006;
- (b) Argues that P “*had some eleven years to register*” it but did not do so;
- (c) That he sold (as the partnership “*Yarra’s Edge Yachts*”) boats given by him the product range description of “*second hand princess yachts along with several other brands*”;
- (d) Asserts a right to the domain name;
- (e) Denies “*bad faith*” domain name use with reference to either “*making .. commercial gain by creating a likelihood of confusion*” or in acquiring the domain name for the primary purpose of selling it; and,
- (f) Resists the remedy now sought by the Complainant P.

7. DISCUSSION AND FINDINGS

Elements of a successful complaint

7.1 According to Paragraph 4(a) of the auDRP Policy, a person is entitled to complain about the registration or use of a domain name where:

- (i) *The domain name is identical or confusingly similar to a name, trademark or service mark in which the complainant has rights; and*
- (ii) *The respondent to the complaint has no rights or legitimate interests in respect of the domain name; and*
- (iii) *The respondent's domain name has been registered or subsequently used in bad faith.*

7.2 It is to be noted that the three elements of a complaint under Paragraph 4(a) of the auDRP Policy are cumulative; all of them must be proved if the complaint is to be upheld.

Is the Domain Name identical or confusingly similar to a name, trademark or service mark in which the Complainant has rights?

7.3 The Panel must determine whether, on the basis of the facts set out in Paragraph 4 above, the Complainant has rights in a relevant name, trade mark or service mark.

7.4 The auDRP Policy states:

“For the purposes of this policy, auDA has determined that a “name...in which the complainant has rights” refers to

- (a) *The complainant's company, business or other legal or trading name, as registered with the relevant Australian government authority;*
- (b) *The complainant's personal name.”*

7.5 I accept the trading and trade mark history that P recites in its submissions including at Part 5.1 thereof. That includes that P has been a major supplier since 1995 in Australia of yachts under the trade mark or name “*Princess Yachts*”, and has other Australian trade mark applications, including specifically the “*PRINCESS AND DEVICE*” trade mark application 1094943 for yachts. The Respondent S submits nothing against that history nor against the fact of P operating a primary “*Princess Yachts*” website at URL princessyachts.com. To my mind the Respondent submits nothing substantive against the rights of P as common law owner of the trade mark and reputation name “*Princess Yachts*” including within Australia.

- 7.6 Amongst the arguments of S is the assertion of an inferred right to register the domain name as P “*had some eleven years to register*” it but did not do so. This is not an especially relevant consideration, but in particular does not negate the right of protection against identity confusion which P as Complainant pleads here.
- 7.7 The auDRP Policy does not provide guidance as to the intended meaning of “*identical*” or “*confusingly similar*”. However, “*essential or virtual identity*” is sufficient. (*BlueChip Info Tech Pty Limited v Roslyn Jan and another* [LEADR case 06/03]).
- 7.8 Although it may appear that there is no exactitude as to what is contemplated in the term “*confusing*”, the test of “*confusing similarity*” could have reliable precedent in the trademark infringement case application of the expression, where the concept of “*deception*” contemplates consumers who may be deceived or “*caused to wonder*” about the source or origin of goods or services. (As, for example, noted in *Camper Trailers WA Pty Ltd v Off Road Equipment Pty Ltd* [LEADR 06/04]).
- 7.9 The Panel makes the following observations in no priority order.
- 7.10 The submitted chronology of P as Complainant, on the papers before the Panel, is accepted as to a very active commercial use and exposure, over a long period, including within Australia, of “*Princess Yachts*”, consistent with a range of trade mark applications including the specific trade mark application number referred to.
- 7.11 The Respondent S does not substantively contend otherwise. Reliably, on the balance of materials here, and a reasoned analysis of the commercial history, it is inarguable that P has acquired substantive common law rights in Australia to the title “*Princess Yachts*” consistent with the trade mark application, covering yachts, as referred to.
- 7.12 In his Response, with reference to the specific heading of “*confusingly similar*”, S appears to singularly argue only that his partnership of Yarra’s Edge Yachts (“YEY”) had “*.. done nothing more than register a domain name for a product that we are selling*”. This however does not address the substance of the complaint of P under this heading.

- 7.13 There is a commonality in the marketed product of the parties (yachts), as there is in the domain name description which the Respondent S chose to register “*princessyachts.com.au*”, by virtue of which the web searcher would be drawn to the Respondent S (through YEY) as the subject product promoter.
- 7.14 On the balance of material before the Panel, there is in the determination of the Panel, the real potential, and the actuality of, confusion of identity.
- 7.15 Accordingly, the Panel determines that the Complainant has satisfied the requirement of “*confusingly similar*” in Paragraph 4(a)(i) of the auDRP Policy.

Does the Respondent have any rights or legitimate interests in respect of the Domain Name?

- 7.16 Paragraph 4(c) of the auDRP Policy sets out particular circumstances (without limitation), which can demonstrate a Respondent’s “*rights or legitimate interests to the domain name for purposes of Paragraph 4(a) (ii).*”
- 7.17 One such issue to consider is whether the Respondent, prior to being notified of the subject matter of the present dispute, made “*bona fide use*” of the disputed domain names in terms of Paragraph 4(c)(i).\
- 7.18 P as Complainant sets out its arguments here relatively extensively, including historically, within Part 5.2 of its submissions. It is not necessary that I traverse all of it, but I make the following observations:
- (a) That as part of the partnership of YEY, S used the domain name as part of the URL for a prominent website heading “*Yarra’s Edge Yachts*”, which then listed a range of yachts for sale, inclusive of “*Princess*” brand, and other. I have seen the subject .html file website reference and studied the content of the Statutory Declaration of Mr Smith (Annex 4 to the submissions);
 - (b) P points to the interconnectedness of a potential consumer utilising “*URL www.princessyachts.com.au*” being directed to the website of S headed “*Yarra’s*

Edge Yachts". This is referred to, in part, within Annex 3 and Annex 4 of the submissions of P, the full content of which has been studied;

- (c) P also points to the interconnectedness of the menu "*Luxury Motor Yachts*" at the website of the Respondent "*URL www.yarrasedgeyachts.com.au*" illustrating effectively the contended use by S of the "*princessyachts.com.au*" domain name to direct consumers to a mirror of that section of the primary website of P;
- (d) On 22 May 2007, the solicitors for P sent a letter of demand to S (Annex 5 to submissions) alleging statutory breaches of the *Trade Practices Act* (Federal) and of the *Victorian Fair Trading Act* and demanding transfer of the "*Princess Yachts*" domain name. A number of events then occurred including:
 - (i) on 28 May 2007 S registered (Victoria) a business name "*Pre Loved Princess*";
 - (ii) S replaced its website content for the "*princessyachts*" domain name with new content (Annex 7 to submissions). This website carried a new heading "*Pre Loved Princess*" apparently then listing a description of "*second-hand Princess Yachts for sale*";
 - (iii) S did not update the domain name registration to alter the eligibility basis still remaining as "*Yarra's Edge Yachts*".
 - (iv) a note appeared at the foot of the webpage (in smaller font to the rest of the displayed material) reading: "*we are not authorised agents for new Princess*";
 - (v) contact details with reference to YEY did not change;
 - (vi) the web reference still remained at "*www.princessyachts.com.au*";
 - (vii) it would appear that some of these steps by S happened in consequence of, or in the context of, having received the legal letter of demand referred to

of 22 May 2007 (although, on the material before the Panel, it appears that the Respondent S did not otherwise specifically reply to the demand letter).

7.19 In his Response, S acknowledged the linking of the domain name “.. *to the luxury section of Yarra’s Edge Yachts website*”. S contends this was an “*interim measure*” to avoid additional costs.

7.20 S then indicates, having received the demand letter of 22 May 2007, he took steps to delete the link with the notation of the purported disclaimer of agency at the foot of his own web page referred to earlier.

7.21 The Respondent does not otherwise deny, or put in dispute, the substance of the other matters of which P complains.

7.22 Against that background and position, the Panel makes these further observations, again in no selected or priority order:

(a) It is not an appropriate or adequate defence for a domain name registrant to point to steps taken subsequent to notification of a dispute to support a registrant’s contention that he had “*rights or legitimate interests*” in the domain name. The Panel agrees. As was stated in *Aston Martin Lagonda Ltd v Frenbray Pty Ltd* (paragraph 33) (LEADR Case auDA 09-06): “*The relevant date for consideration of bona fide use is .. when the dispute first arose*” (and in circumstances where, in that case the website had also changed subsequently). *Aston Martin* also noted that the “*limited scope*” of the disclaimer was (in that case) “*significant*”. The relevant website examination operating under a domain name is as it appeared before the Complainant initiated the dispute or complaint (refer also *Houghton Mifflin Co v The Weathermen Inc* (WIPO Case D 2001-0211);

(b) Here, the Respondent does not point to any reliable or supportive evidence, in the view of the Panel, demonstrating legitimate use at the relevant time, that is, at the time of the first institution of the complaint by P, the substance of the S argument appearing to be directed towards steps only subsequently taken (in circumstances

not dissimilar to observations made in *Free TV Australia Ltd v Domain Services Pty Ltd* (auDRP13/06);

- (c) The Panel is not of the view that the purported limitation of sale by S of “*second-hand Princess Yachts*” establishes the requisite “*rights or legitimate interest*” in the domain name. For instance, it does not avoid, in the view of the Panel, the continued seeking to profit from continued domain name registration by trading upon acquired goodwill, including in the common law and trade mark rights and designations, of *P. Houghton Mifflin Co* Case (as referred to) reasserted this principle, in the view of the Panel, describing that “*at a minimum*”, if a domain name includes a complainant’s trade mark, the website must take steps to prevent confusion (including at paragraph 6B of that case). For example, it would be consistent with such prevention of confusion, for the website to contain a disclaimer, and which is both sufficient (in context and circumstances) and prominent;
- (d) The Panel agrees with the contention of the Complainant that the domain name website, originally complained of and unamended, contained no disclaimer at all, and further agrees with the contention that, when amended, the purported disclaimer of agency, was inadequate.

7.23 Illustratively, further, and consistent with prior authority, the Panel restates the principles from *Oki Data Americas Inc v ASD Inc* (WIPO-D2001-0903) which expressed, in determining the “*bona fide*” of the domain presentation, and analysis, at the minimum of the following. Summarising those principles they are:

- (1) *the respondent must actually be offering the goods or services at issue;*
- (2) *the respondent must use the site to sell only the trade marked goods; otherwise, it could be using the trade mark to bait Internet users and then switch to other goods;*
- (3) *the site must accurately disclose the registrant’s relationship with the trade mark owner; it may not, for example, falsely suggest that it is the trade mark owner, or that the website is the official site, if, in fact, it is only one of many sales agents; and*

(4) *the Respondent must not try to corner the market in all domain names, thus depriving the trade mark owner of reflecting its own mark in a domain name.*”

7.24 The Panel is of the view that the activities of S were contrary to, at least, principles (2) and (4) above.

7.25 In this context, the Panel also notes that S has not appeared to respond to the argument of P here that, in analysis of bona fide conduct, S has not apparently attempted to register any domain names for “*prelovedprincess.com.au*” or a variation of that.

7.26 The Panel also notes, not inconsistently in this context, the commentary at paragraph 5Ba of *Oki Data*, namely “*.. As numerous prior panels have held, the fact that a domain name wholly incorporates a complainant’s registered mark is sufficient to establish identity or confusing similarity..*”.

7.27 The Complainant P has a current trade mark application in the appropriate “*yachts*” category and has longstanding acquired and reputational common law rights, all well known previously (through prior agency and distributorship contacts in Victoria) to the Respondent S.

7.28 A complaint assertion by a complainant that a respondent is not eligible or entitled to hold a domain name is sufficient to place the burden on the Respondent to prove legitimacy. It is the view and determination of the Panel that the Respondent S has not, on the balance of reliable materials before the Panel, established on relevant principles, rights or legitimate interests in respect of the domain name.

7.29 Accordingly, the Panel finds that the Respondent has no right or legitimate interest in the domain name, and so Paragraph 4(a)(ii) of the auDRP Policy has been satisfied by the Complainant.

Has the Domain Name been registered or subsequently used in bad faith?

- 7.30 The Complainant P submits its position here in Part 5.3 of its submissions. S denies the contentions of bad faith. The Panel has noted and studied the context and content of all of the requisite material under this heading.
- 7.31 Paragraph 4(b) of the auDRP Policy sets out circumstances of “*evidence of the registration and use of a domain name in bad faith*”. This Paragraph contains four sets of circumstances, any one of which, if established, can constitute evidence of registration in bad faith. It is important to note also that it is a non-exhaustive list of circumstances such that, for example, the Panel is not necessarily constrained from a finding of bad faith should it arise (also by example) from not only any one or other of them, but from a combination of them, or indeed, upon the basis of other reliable material before the Panel inclusive of the illustrated list. So far as is pertinent here, the Complainant P makes specific and detailed contentions with reference to subparagraphs (i) and (iv) of Paragraph 4(b). The Panel deals with (iv) firstly, that is, that evidence of bad faith can be: “*By using the domain name, you have intentionally attempted to attract, for commercial gain, Internet users to a website or other online location, by creating a likelihood of confusion with the Complainant’s name or marks as to the source, sponsorship, affiliation, or endorsement of that website or location or of a product or service on that website or location*”.
- 7.32 The Respondent S denies the “*bad faith*” contentions by reference to a denial of any intent to make any commercial gain or by creating confusion and denies acquiring the domain name with the intent of selling it.
- 7.33 The Panel is satisfied that there is sufficient evidence for a finding with respect to Paragraph 4(b)(iv) of the auDRP Policy including for these reasons:
- (a) Prior to the demand letter of P of 22 May 2007 (described earlier) S was displaying for sale on the “*www.princessyachts.com.au*” website, prompted by S, a range of yachts, including of competitors of P. In consequence, potential purchasers or inquirers were effectively directed to part of the “*www.yarragedgeyachts.com.au*” website;

- (b) At this point, there was no effective or any disclaimer by S of any real, commercial or other association with the Complainant P. There appears to have been nothing equivalently or at all displayed by S to diffuse the prospect of the consumer impression of any association of YEY with the Complainant P. For instance, there was nothing exhibited by S, in the view of the Panel, to negate a strong inference of representation of YEY as having an approved or other association with the Complainant P as, for instance, as a distributor;
- (c) In further consequence, there was, in the view of the Panel, a resultant and parallel inference of representation to potential consumers of YEY as having complainant endorsement, which was not the fact;
- (d) In the absence of any Respondent initiative towards a clear website disclaimer, the Panel would concur with the Complainant submission that there was no effective attempt to diffuse or remove such confusion such that there was the real consumer potentiality, at the very least, of “*initial interest confusion*” (*AGDEST v Blogger Pty Ltd*, IAMA-3058(2007));
- (e) One reliable inference from some of the studied background by the Panel is that the Respondent was in effect capturing the custom of potential consumers who may have been seeking to access the Complainant’s website and, once captured, the inquirer diversion to the Respondent’s own site, or to a range of competitive products displayed on that Respondent site;
- (f) Customer diversion in this latter fashion has been commonly held to constitute bad faith, in relation to which the total context and history are accountable under this heading (for instance in *Napoleon Perdis Cosmetics v Jones* (DAU2006-0014-2007, including at paragraph C);
- (g) The Panel has also noted that there appears not to have been any substantive, or any, direct reply to the demand letter. The Respondent S pleads that he took certain initiatives at this time (discussed earlier, and again briefly following) but there is no direct or concurrent reply to it, it appears. Such a failure to a specifically invited response has been held to constitute some evidence of bad

faith, including supporting the inference of domain name registration and use as having been in bad faith (*NFL Properties Inc* Case D2000-0147-WIPO). The Respondent has argued that YEY “*also offered alternative brands*” of yachts as indicative of no bad faith intention, pointing to its expertise in yachts including of the “*Princess brand*”. The Respondent points to the steps he took after the demand letter to remove the website “*link*”, to set up a site under “*Pre-loved Princess*”, and to put the “*note*” of “*not authorised agents*” at the foot of the amended site;

- (h) In the view of the Panel, there can be no strong reliance by the Respondent on website amendments made consequent upon or after the demand letter. As stated earlier, Paragraph 4(c)(i) of Policy Schedule A, emphasises, including in determining bona fide use, that it is the facts in existence “*before any notice .. of .. dispute*” which is the pertinent benchmark. As stated in *Aston Martin Lagonda Ltd*, the relevant date for consideration is when the dispute first arose (including at paragraph 33). Certainly, the Panel is not restricted in looking at a host of factors in determining bad faith. In brief, the Panel does not accept, on the balance of reliable material before the Panel, that the Respondent’s “*alternative brands*” availability explanation counters the interconnectedness of the domain name to the YEY business, with the consequent reality of attraction of consumers, in effect by the utility of the reputation and goodwill of P in its products, and by use of the domain name.

7.34 In the Panel’s view, these matters taken together reliably establish that the Respondent registered the disputed domain names “*intentionally attempting to attract, for commercial gain, Internet users to a website or other online location by creating a likelihood of confusion*”.

7.35 Further, for completeness, the Panel concludes that the Respondent’s use of the domain name was in bad faith, in that it likely confused and diverted customers, including as to an affiliation with the Complainant which did not exist, such that bad faith registration, in the view of the Panel, may consequently be inferred (*Houghton Mifflin*).

7.36 For the reasons outlined above, the Complainant has satisfied the requirements of Paragraph 4(a)(iv) of the auDRP Policy.

7.37 The Panel notes that the Complainant P also argued for bad faith registration and usage on the basis of the contention of such being for the primary purpose of selling the domain name. The Panel has noted this argument. However, as the Panel has already determined bad faith by reference to Paragraph 4(b)(iv) of the Policy, it need not consider the additional argument which the Complainant has put here additionally under Paragraph 4(b)(i).

8 DECISION

8.1 The Panel concludes for the reasons stated:

- (a) that the domain name is identical with and confusingly similar to a name, trade mark, or service mark in which the Complainant has rights;
- (b) that the Respondent has no rights or legitimate interest in the domain name; and,
- (c) that the Respondent registered and used the domain name in bad faith.

8.2 For the reasons outlined, the Complainant has satisfied the elements of Paragraph 4(a) of the auDRP Policy.

9. RELIEF

Transfer of the Domain Name

9.1 The Panel orders that the domain name “princessyachts.com.au” be transferred to the Complainant.

Dated this 3rd day of August 2007

JOHN A McGRUTHER

Sole Panellist