



## ADMINISTRATIVE PANEL DECISION

### Sharp Corporation of Australia Pty Ltd v. Sharp Computing Services Pty Ltd

LEADR-auDRP 11\_09  
<sharp.com.au>

#### 1 The Parties

The Complainant is **Sharp Corporation of Australia Pty Ltd**, a wholly owned subsidiary of Sharp Kabushiki Kaisha which trades internationally as Sharp Corporation. It has a registered office in Huntingwood, NSW and was represented in the proceedings by Mr Stephen White of White SW Computer Law, of Sydney, NSW.

The Respondent is **Sharp Computing Services Pty Ltd**, a company with its registered office in Blackburn, Victoria. It was represented in the proceedings initially by Mr Ian Foulsham of Foulsham & Geddes, of Sydney, NSW and, from 21 January 2010, by Mr Andrew Macpherson of Macpherson Greenleaf of Sydney, NSW.

#### 2 The Disputed Domain Name and Registrar

The Disputed Domain Name is <sharp.com.au>. The registrar of the Disputed Domain is Melbourne IT.

#### 3 Procedural History

This is an administrative proceeding pursuant to the .au Dispute Resolution Policy originally adopted by auDA on 13 August 2001, and subsequently amended in March 2008 (“auDRP”); the auDA Rules for .au Dispute Resolution Policy (“Rules”) and the LEADR Supplemental Rules to Rules for .au Domain Name Dispute Resolution Policy (“LEADR Supplemental Rules”).

A LEADR Domain Name Dispute Complaint Form was filed with LEADR on or about 26 November 2009 under cover of a letter of that date. The letter was accompanied by the prescribed application fee and by a DVD which the cover letter claimed comprised “material in support of the complaint”. On 2 December 2009 the Complainant’s representative emailed additional information in response to a telephone conversation from LEADR in which certain deficiencies were advised. No hard copy of the Complaint was filed or, if filed, it has not been furnished to the Panel. Nor does the DVD supplied contain any document styled ‘Complaint’ which otherwise complies with paragraph 3(b) of the Rules. Nevertheless the DVD does contain, inter alia, a scanned copy of a statutory declaration dated 26 November 2009 by Stephen Wallace White and which, taken together with the correspondence of 26 November and 2 December, addresses most of the other matters required by paragraph 3(b) of the Rules.

LEADR has taken the complete Complaint to have been lodged on 2 December 2009, being the date on which the Complainant satisfied LEADR's request for additional information. The term "Complaint" is used in these reasons to refer to the aggregate of material supplied to LEADR by Mr White by letter, email and on DVD.

On 4 December 2009 LEADR forwarded a copy of the Complaint to both Melbourne IT and to the Respondent, and advised auDA of the Complaint.

The Panel has not received a copy of any communication with Melbourne IT but notes that, as at 4 January 2010, the WhoIs record for the Disputed Domain Name showed it to be locked with the reason given as "auDRP".

The Response was due 20 calendar days after the Respondent was first notified of the Complaint. Pursuant to Rule 3(b)(xii) the Complainant acknowledged that it did NOT serve a copy of the Complaint on the Respondent. It therefore appears that the only notice to the Respondent was by Express Post despatched by LEADR on 4 December 2009 from Sydney NSW to the Respondent's registered office in Blackburn Victoria. The Panel determined that the Complaint would have been delivered to the Respondent's registered office on or about 6 December 2009. Under Rule 5(a) the Response was due on 26 December 2009 or, in practice, the first business day thereafter, which was 28 December 2009.

On 22 December 2009 the Respondent's representative notified LEADR that he had only just received instructions from the Respondent and on those grounds and "also the time of the year" sought an extension of time for filing the Response to 8 January 2010. In seeking the Complainant's consent to that extension the Respondent's representative noted the Complaint's acknowledgement that the Respondent had previously been approached by the Complainant in 2001 in respect of the Disputed Domain Name. The Complainant did not agree to the requested extension of time, arguing that no "exceptional case" existed as required by Rule 5(d).

It appears that on the morning of 24 December 2009 LEADR communicated to the Respondent's representative that the Complainant had verbally refused consent to the requested extension of time. The Respondent's representative sent a fax to LEADR at 12.21 pm on 24 December 2009 apparently on the understanding that LEADR had refused the extension of time request. Included with that fax was a preliminary form of response with an indication that the Respondent wanted an extension of time until "the end of January 2010" to enable it to respond in sworn form to the 12 statutory declarations and fairly voluminous annexures that had been included on the DVD that contained the substance of the Complaint.

The Complainant's representative, in formally recording the Complainant's refusal of consent in a letter dated 28 December 2009, noted that his office was to be closed from 7 till 21 January 2010 and that any extension of time may prejudice his client's rights pursuant to Rule 12.

LEADR did not formally respond to the Respondent's extension of time request until 28 December 2009, presumably after having received the letter of that date from the Complainant's representative. On that day LEADR advised the Respondent's representative that it had granted an extension of time until close of business on the following day, 29 December 2009, for the Response to be filed.

The Panel was appointed on 28 December 2009 having advised LEADR that there was no conflict of interest with either of the parties. At that stage the Panel was advised by LEADR that no Response had been filed, it having been due “on 24 December 2009”.

On 4 January 2010 the Panel, having apprised itself of the circumstances and the apparent confusion as to the due date for a Response, ordered under Rule 10(c) that the Respondent have until Friday 15 January 2010 to file a substantive Response and any sworn evidence in support that it wished to file. The Panel did so on the basis that the Respondent claimed to have had the Complaint for “somewhat less than” 20 days as at 28 December 2009, that the festive season is disruptive to the normal course of commerce, that it is exceptional for a complainant to provide 12 statutory declarations on DVD in support of a complaint, for there to be no hard copy of a complaint filed, and for there to be no single document in which the requirements of Rule 3(b) are satisfied. In the Panel’s view it is unreasonable for a complainant not to provide the complaint in hard copy (as required by the Rules) or at least in the form of attachments that can conveniently be forwarded by email (as is the case with the eUDRP recently implemented by WIPO as the paperless form of the UDRP procedure). Once the logistics of handling a complaint require unusual steps to be taken for a response to be prepared, this Panel will regard the circumstances as exceptional for the purposes of granting an extension of time for a respondent to deal with the complainant’s material.

The Panel also ordered on 4 January 2010 under Rule 10(c) that all other applicable time periods under the auDRP and Rules be extended until close of business on 15 January 2010 or, if earlier, the date on which LEADR has a hard copy of the complete Response and supporting evidence.

On 14 January 2010 the Respondent’s solicitors filed a letter indicating that they had been unable to obtain instructions and that Mr Gregory Sharp, principal of the Respondent, was very ill.

On 20 January 2010 the Panel made four further orders under paragraph 10(c) of the Rules due to Mr Sharp’s alleged illness and the Respondent’s solicitors being apparently unable to obtain substantive instructions from anyone else:

3. That the Respondent have until 12 noon Sydney time on Friday 29 January 2010 to file a substantive Response and any sworn evidence in support that it wishes to file;
4. That all other applicable time periods under the Policy and Rules be extended by a further 14 days;
5. That no further requests for an extension of time for a Response be considered in the absence of a statutory declaration substantiating to the Panel’s satisfaction any assertion that the Respondent’s solicitors are unable to obtain instructions sufficient to respond to the Complaint, such statutory declaration to be filed and served by no later than 4 pm on Monday 25 January 2010;
6. That nothing in these or previous orders prevents the Panel from proceeding to determine the matter in the absence of a substantive Response filed and served by 12 noon on Friday 29 January 2010.

On 21 January 2010 the Respondent’s solicitors advised that they no longer acted for the Respondent and that it was now represented by Mr Andrew Macpherson of Macpherson Greenleaf in Sydney. The Panel directed LEADR to furnish to Mr Macpherson copies of the six orders made and to draw to his attention that the deadlines in orders 5 and 6 were imminent.

At 11.56am on 29 January 2010 a 20 page facsimile from Mr Macpherson to LEADR began transmission. The time stamp added to page 20 by the sending machine showed “12:00”. The fax contained a substantive Response to the Complaint together with two unsworn statutory declarations by Mr Sharp, and in respect of the latter of which two formal annexures were missing.

At 1.49pm on 29 January 2010 a 24 page facsimile from Mr Macpherson to LEADR began transmission. The time stamp added to page 24 by the sending machine showed “13:54”. Compared to the previous fax the later one contained the same substantive Response to the Complaint, with the same two statutory declarations by Mr Sharp, but now they were in sworn form and with all annexures present and complete.

Under the provisions of Rule 10(a), (b) and (c) the Panel accepts and proposes to consider the two-hour-delayed but complete form of the Response.

On 3 February 2010, after the preparation of this decision had commenced, the Complainant filed a submission seeking an “interlocutory decision” as to whether the Respondent would be granted further time to file evidence and seeking an order that, in that event, the Complainant could have a further 14 days within which to file additional material. The Panel directed LEADR to advise the parties that submissions had closed at 2 pm on 29 January 2010 and that the Panel’s decision would be available by 12 February 2010.

On 5 February 2010 the Complainant filed a submission purporting to respond to the Respondent’s 29 January Response. The submission did not address the Respondent’s allegation of Reverse Domain Name Hijacking. The Panel declines to receive the Complainant’s 5 February 2010 submission.

All other procedural requirements appear to have been satisfied.

#### **4 Factual Background**

The Sharp Corporation (“TSC”) commenced business in Osaka, Japan, in 1912 as a metal working business owned by Sharp Kabushiki Kaisha. Its current name was derived from the mechanical ever-sharp pencil invented by Tokuji Hayakawa in 1915. TSC’s international operations commenced with the establishment of a USA-based subsidiary in 1962. In 1971 Sharp Corporation of Australia Pty Ltd was established as a wholly owned subsidiary of TSC. On 30 January 1986 it was deregistered under the then Companies (Victoria) Code and, in what appears to have been a transfer of domicile from Victoria to NSW, re-incorporated under the Companies (New South Wales) Code as a wholly owned subsidiary of TSC under the same name.

TSC became registered as owner of various Australian trademarks between 1958 and 2006 and in May 2009 it certified that the Complainant had been licensed exclusively to use these marks in Australia generally from not long after their respective registration dates. Most of the marks registered after 1983 comprise the word “SHARP” in classes 1, 2, 7, 9, 11, 16 and 37.

The Respondent was incorporated in 1981 and it became the registrant of the Disputed Domain Name on 27 May 1997.

#### **5 Parties’ Contentions**

##### **Complainant**

The Complainant makes the following principal contentions:

**A. The Disputed Domain is identical or confusingly similar to a name trademark or service mark in which the Complainant has rights.**

- It has extensive trademark rights in “SHARP”
- It is well known and has spent large sums promoting the SHARP brand in Australia.
- The Disputed Domain Name is identical or confusingly similar to the SHARP brand.

**B. The Respondent has no rights or legitimate interests in respect of the Disputed Domain.**

- The Respondent cannot have any legitimate right or interest in the Disputed Domain Name because all uses of SHARP in connection with services associated with any of the goods in respect of which TSC’s trademarks are registered would constitute an infringement of TSC’s marks. An allied argument is that the Respondent cannot use ‘Sharp’ in connection with its business activities without the Complainant’s consent and therefore the Respondent can have no legitimate rights or interests in the Disputed Domain Name.
- Despite the Respondent having registered the Disputed Domain Name from 1997 there was no usage of a kind that would entitle the Respondent to the benefit of paragraph 4(c) of the auDRP because it was either parked and unused or it resolved to a site at which goods of the Complainant’s competitors were promoted.
- The Complainant has not given the Respondent permission to use any of its marks and the Disputed Domain Name was registered with knowledge of the Complainant and its activities in Australia.
- The Complainant also argues that the style of the Respondent’s name as recorded in the WhoIs record demonstrates that the Respondent has no rights because Sharp Computing Pty Ltd does not exist and never has existed. In fact the Complainant argues that as at 27 May 1997, the date on which the Disputed Domain Name was registered, the Respondent was not eligible to be the registrant by reason of the discrepancy between its real name and the style of its name shown in the register.
- The Complainant submits that, having established a prima facie case against the Respondent on this limb of the auDRP, the onus shifts to the Respondent to prove the legitimacy of its interest in the Disputed Domain Name, failing which the Complainant’s submissions have to be accepted.

**C. The Disputed Domain was registered or is being used in bad faith.**

- The Respondent must have known of the Complainant’s extensive business both in Australia and elsewhere at the time of registration of the Disputed Domain Name, from which it can be inferred that the Disputed Domain Name was registered in the full knowledge that it would be confused with the Complainant’s marks.

- The Complainant approached the Respondent in 2001 and asked for the Disputed Domain Name to be transferred. The Respondent's principal, Mr Sharp, is alleged to have said that "\$80,000 would be a good starting point" as the price for any transfer. The Complainant also claims that about a year earlier Mr Sharp had told a representative of the Complainant that the Disputed Domain Name was "worth millions" and that he was not prepared to transfer the name for \$20,000.
- The Respondent received some 4,000 emails apparently intended for the Complainant but mistakenly using the Disputed Domain Name in place of <sharp.net.au>. The Complainant contends that this evidence of widespread public confusion combined with the Respondent's demand for money for the misdirected emails also illustrates the Respondent's bad faith in continuing to hold the Disputed Domain Name.
- A physical visit to the Respondent's registered office did not reveal any evidence of the Respondent trading there
- Use of the Complainant's competitors' trademarks on the website to which the Disputed Domain Name resolves (after a lengthy period of non-use)
- The Respondent registered the Disputed Domain Name for the purpose of preventing the Complainant from reflecting its SHARP trademarks in a corresponding domain name
- The Respondent registered the Disputed Domain Name 40 years after the Complainant first registered its SHARP trademark in Australia

## **Respondent's Response**

The Response begins by noting that the Respondent has been in business for 30 years and has held the Disputed Domain Name for some 13 years.

The Response then goes on to address the Complaint by making the following main submissions:

- The Respondent was eligible to register the Disputed Domain Name by reason of its corporate name and the Complainant had equal opportunity to register the Disputed Domain Name prior to the Respondent's doing so. The principle of 'first [eligible] registrant gets the domain name' applied here as it does in most gTLD and cc2LD contexts
- The Complainant misrepresented the effect and coverage of its trademarks but, for the purposes only of these proceedings, the Respondent admits to there being confusion between "the names of the Complainant and the [Disputed Domain Name]"
- The Respondent's founder is Mr Greg Sharp, who has at all material times had expertise in the provision of computing services. He has since 1981 trades in computing products and services under the corporate name and style "Sharp Computing Services Pty Ltd". The Respondent thus claims to have and to have

had at all material times a legitimate right and interest in the Disputed Domain Name

- The Complainant's submissions that the Respondent is infringing its trademark (which are denied) are in any event not co-extensive with what the Complainant has to prove under the auDRP. In particular, the Respondent submits that both Mr Sharp and it would have defences under section 122(1)(a) of the Trade Marks Act by reason of Mr Sharp's name and the Respondent's name, and under s. 124 by reason of the Respondent's continuous use of its name as a common law trademark.
- The adoption of its founder's name is both legitimate and explicable, and negates any adverse inference that might otherwise be drawn as to the choice of the Respondent's name.
- The Complainant has waited at least 10 years before bringing any action, leading the Respondent to believe that the Complainant had no objection to its activities and both lending legitimacy to its continued use of the Disputed Domain Name as well as countering any finding of bad faith
- The Respondent has used the Disputed Domain Name for its business email for 13 years and that is a legitimate use that the Complainant has not addressed other than to accuse the Respondent of 'hijacking' the Complainant's email.
- The Respondent's use of the Disputed Domain Name for some 13 years is entirely inconsistent with the Complainant's assertion that it was registered in bad faith for the purposes of being sold to the Complainant for an amount in excess of the Respondent's out of pocket expenses.
- All Australian trademark registrations for the word mark "SHARP" post date the Respondent's incorporation. The Complainant's reliance on its 1958 registration for a stylised version of the word "Sharp" should be rejected.
- The Respondent was established well before the Internet had become established in commerce, and even its registration of the Disputed Domain Name in 1997 predated the widespread use of the world wide web by the commercial sector
- Any communications between the Complainant and the Respondent in which a monetary sum was mentioned for transfer of the Disputed Domain Name was in the context of threatened litigation by the Complainant and an attempt by the Respondent to negotiate a resolution of that threat. Indeed the Respondent asserts that the communications were without prejudice due to that context and ought not have been the subject of evidence to the Panel
- The Complainant has not seen fit to register sharp.com nor sharpcorporation.com, and had taken no steps by 1997 to apply for the Disputed Domain Name – indeed the Complainant has traded quite satisfactorily using <sharp.net.au>.
- The Respondent also alleges that to the extent that its correct name and style are not recorded in the register, there has been an unauthorised amendment. There has apparently been a complaint made to the Registrar in relation to this issue.

- The Respondent sought, in the preliminary response, a finding of Reverse Domain Name Hijacking against the Complainant.

## 6 Discussion and Findings

Paragraph 15(a) of the auDRP Rules requires the Panel to “decide a complaint on the basis of the statements and documents submitted in accordance with the auDRP, the Rules, and any rules and principles of law that it deems applicable.”

Paragraph 4(a) of the auDRP requires a Complainant to prove that:

- (i) the Disputed Domain is identical or confusingly similar to a name, trade mark or service mark in which the complainant has rights; and
- (ii) the Respondent has no rights or legitimate interests in respect of the Disputed Domain ; and
- (iii) the Disputed Domain has been registered or subsequently used in bad faith.

The onus of proof is on the Complainant in relation to all three of these elements.

### **Identical or Confusingly Similar to a trademark in which the Complainant has rights**

The Complainant is a very well known manufacturer and supplier of domestic and commercial electronic and electrical products, has ”SHARP” registered as a trademark in many countries, and it is beyond question that the Disputed Domain Name is identical to the Complainant’s “SHARP” trademark ignoring as one does the suffixed “.com.au” generic second level domain.

The Panel does not propose to cite the abundance of authority both under UDRP and auDRP to the effect that the g2LD “.com.au”, like the gTLD “.com”, can usually be ignored for the purposes of the comparison required under subparagraph 4(a)(i) of the auDRP. The reason for these UDRP and auDRP decisions is simply that the gTLD/g2LD elements of a domain name are fixed, and define the universe within which identity/similarity are judged.

The Complainant has made out the first limb of the auDRP.

### **Rights or Legitimate Interests in respect of the Disputed Domain Name**

It is apparent from the Internet Archive “Wayback Machine” (<http://web.archive.org/web/19981205145948/http://www.sharp.com.au/>) that the first use of the Disputed Domain Name goes back to at least 5 December 1998, and that the Ozemail-hosted virtual website to which the Disputed Domain Name then resolved was for a business styled ‘Sharp Computing Services’. Nevertheless, the test under the second limb of the auDRP is whether the Respondent has rights or legitimate interests in respect of the Disputed Domain Name 11 years later when the Complaint was lodged.

In this case the Panel is confident that the Respondent had a legitimate interest in respect of the Disputed Domain Name at the time it was registered, and for so long as it was used for business email and to promote the Respondent’s own business services. The Wayback Machine’s cached snapshots show that it was not until about September 2003 that the

Respondent had a web page that actively promoted its computer services business. Its initial form was very basic and appears to have been an Ozemail-provided template designed as a holding page. It was, nevertheless, a website owned by the Respondent and bearing its name. The form of website in use from September 2003 until mid March 2005 is best summarised by the following extract which appears in a prominent position on the site's home page:

We provide superior services to industry specialising in management information, operations research, financial modelling and business intelligence. Assignments consist of long term appointments as either senior consultants or project managers with many large corporations including BHP, Telstra, Royal & Sun Alliance, ANZ and Toyota.

Had that form of use continued the Complainant may have continued to tolerate the Respondent's registration of the Disputed Domain Name, and such use on any objective view demonstrated the Respondent's legitimate right and interest in the Disputed Domain Name.

The Complainant used a good deal of energy in arguing that the Respondent was infringing its trademarks, and asserted with some force that this required the Panel to find in the Complainant's favour. However, the Complainant's registration and use of its marks had a shaky start in Australia with a very long period during which its initial device mark with a cursive rendition of the word 'sharp' was its sole registration. Also, until more recently, the Respondent was not using its founder's name in connection with goods of a kind in respect of which the Complainant's 1958 registration was lodged. As the High Court of Australia made clear in *Campomar Sociedad Limitada v NIKE International Ltd* (2000) 202 CLR 45, the Nice classification system assumes to be acceptable multiple concurrent trademark registrations of the same trademark in relation to a diverse goods and services. For so long as the Respondent's use of 'sharp' remained within that 'safe harbour', its length of use of the Disputed Domain Name accorded it increasing legitimacy of right and interest.

Were it not for subsequent changes to the way that the Respondent used the website, the present dispute might not have arisen. However, the Wayback Machine shows that from mid March 2005 the Respondent's website no longer promoted computing services of the kind it promoted from September 2003, but from that time took the form of a "technology shop" an illustrative screenshot of which appears in the Complainant's evidence and is set out below:



As can be seen, the Respondent's website in this form displays the trademarks of a vast array of technology companies including some, such as Canon, Fuji Xerox, Kodak, Brother and others which are direct competitors of the Complainant. The Panel can readily understand why this change in the Respondent's use of the Disputed Domain Name could have excited the Complainant's renewed interest in the Respondent's activities.

Annexed to the statutory declaration of Mr McLennan, filed in support of the Complaint, are copies of further pages from the Respondent's Technology Shop site with details of specific products offerings from Canon such as printers. This use of the website seems to be somewhat removed from the computing services activity that preceded it and, on the face of it, not bona fide at all. It is on this basis that the Complainant seems to argue, without conceding that the Respondent ever had the requisite legitimate interest in the Disputed Domain Name, that a non bona fide use can also reflect a cessation of any legitimate interest either in fact or on a 'disentitling conduct' basis. This argument would have some force if it were not for the provisions of paragraph 4(c)(i) of the auDRP which relevantly provide:

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, is to be taken to demonstrate your rights or legitimate interests in the domain name for the purposes of Paragraph 4(a)(ii):

(i) before any notice to you of the subject matter of the dispute, your bona fide use of, or demonstrable preparations to use, the domain name or a name corresponding to the domain name in connection with an offering of goods or services;

The key issue for the Panel then becomes whether the Respondent obtains the benefit of that provision and, if so, whether it precludes a finding that such rights or legitimate interests as may have then existed can be lost by a subsequent bad faith use of the Disputed Domain Name.

It seems to the Panel that the Respondent's conduct immediately after registering the Disputed Domain Name, and long before any communication from or with the Complainant, was squarely within the kind of conduct envisaged by paragraph 4(c)(i) of the auDRP. In relation to its world wide web usage, up until March 2005, the Panel is similarly satisfied that the Respondent has the benefit of that provision of the auDRP. The Panel also finds that the Respondent's use of the Disputed Domain Name for its computing services business email was within the kind of conduct envisaged by paragraph 4(c)(i) of the auDRP. To the extent to which the onus of proof shifted to the Respondent to demonstrate the legitimacy of its interest in the Disputed Domain Name, it has successfully brought itself within paragraph 4(c)(i).

For more than 10 years the almost universal jurisprudence under the Uniform Domain Name Dispute Resolution Procedure (UDRP), on which the auDRP is based, has been to find for the respondent in such cases, even if there has been subsequent use in bad faith: <http://www.wipo.int/amc/en/domains/search/legalindex.jsp?id=11520>

Whereas under paragraph 4(a)(iii) of the UDRP, a complainant needs to show that a disputed domain name has been registered AND used in bad faith, under the auDRP bad faith use subsequent to a good faith registration can be disentitling. It may be possible to use that difference to argue that the auDRP should be interpreted to require the safe harbour usage of paragraph 4(c)(i) to continue for the life of the Disputed Domain Name

before a respondent can claim its benefit. However, that would require the Respondent to demonstrate by evidence that which the provision was intended to deem to exist. On balance, the Panel has come to the view that it is proper to follow the UDRP jurisprudence and not introduce a new principle into auDRP jurisprudence.

That is not to say that, in a court proceeding where evidence can be tested and a wider range of principles considered, the Respondent would succeed; but the auDRP, like the UDRP, is designed for clear cases and this proceeding is not such a clear cut case given that the Respondent was hardly a cybersquatter at the time of registration and for the first eight years of use of the Disputed Domain Name.

Accordingly, notwithstanding the Panel's view that, as at the date of the Complaint, and indeed for most of the last five years, the Respondent has *not* been making a bona fide use of the Disputed Domain Name in conjunction with its 'Technology Shop' website, the Complainant has not been able to displace the operation of paragraph 4(c)(i) with the consequence that the Complaint cannot succeed.

### **Registered or subsequently used in bad faith**

However, given the allegation of Reverse Domain Name Hijacking made by the Respondent, it is appropriate for the Panel to consider whether the Respondent has used the Disputed Domain Name in bad faith at some stage subsequent to its registration.

Paragraph 4(a)(iii) of the auDRP requires the Complainant to demonstrate that the Disputed Domain was *either* registered *or* subsequently used in bad faith.

It is plain from the Panel's findings in relation to the second limb of the auDRP that the Panel has come to the view that the Respondent registered and initially used the Disputed Domain Name in good faith. The Panel does not regard the Complainant's 1958 trademark registration as so powerful that Mr Sharp ought not have incorporated the Respondent to operate his computing services business, and for so long as that is all that he used the Disputed Domain Name to promote, his conduct may have remained uncontroversial.

The use of an accountant's office as the address of a company's registered office is a very common practice in Australia and the Panel draws no adverse inference from the Complainant's evidence that there was no sign of the Respondent operating its business at the address of its registered office. The main problem with that practice, as the Panel infers occurred in this case, is that there can be additional delay between service of important documents at the registered office and the time before they are brought to the attention of a responsible officer of the company. Had the Panel thought that the delay in Mr Sharp becoming aware of the Complaint was solely attributable to this arrangement, the Panel would not have granted the extensions of time referred to in the Procedural History section of this decision.

The discussions in 2000 and 2001 referred to in the Complaint resulted from approaches to the Respondent from the Complainant. The Panel does not regard the communications between the parties at that time as privileged and rejects the Respondent's creative submissions in that regard. Nor does the Panel find any evidence to support the Complainant's assertion that the Respondent registered the Disputed Domain Name so as to prevent the Complainant from reflecting its trademark in a domain name registration. As the Respondent fairly observes, the Complainant had plenty of opportunity to do so and was simply beaten to the Disputed Domain Name by the Respondent in circumstances

that have not been found by the Panel to involve any bad faith. It may be noted in passing that the date on which the Complainant registered <sharp.net.au> has not been disclosed in the evidence but a WhoIs archive search suggests that it was registered around September 2002 to “Sharp Coporation [sic] of Australia Pty Ltd”.

Had this been a proceeding under UDRP, the Complainant could not have succeeded on the third limb. However, as noted above, the auDRP differs from the UDRP in that a good faith registration, followed no matter how long after by use in bad faith, can entitle a complainant to succeed on the third limb. In the Panel’s view the post March 2005 use of the Disputed Domain Name to resolve to a website on which the predominant activity was the sale of products rather than the promotion of the Respondent’s computing services, being products directly competitive with those sold under the Complainant’s trademarks, bears all the hallmarks of bad faith use. Nowhere in the Response does the Respondent address this allegation in the Complaint and, although the Respondent originally had insufficient time to deal with the Complaint, the Panel’s exercise of its powers under Rule 10 to afford the Respondent additional time to answer the Complaint negated that disadvantage. It seems to the Panel that, had there been a good explanation for the change of use by the Respondent, it would have been prominently featured in the Response. The Panel infers from its absence that the Respondent had no explanation that would assist its cause.

The Panel sees clear evidence that the use of the Disputed Domain Name by the Respondent to attract Internet users to the Respondent’s website involves bad faith independently of the operation of paragraph 4(b)(iv) of the auDRP although the Panel also finds that provision made out.

On any objective view, the Complainant has made out paragraph 4(a)(iii) of the auDRP, and the Panel finds that, subsequent to March 2005, the Respondent has used the Disputed Domain Name in bad faith.

## **7 Reverse Domain Name Hijacking**

The Complainant is legitimately aggrieved by the use to which the Disputed Domain Name has been put since March 2005. Accordingly, the Respondent’s allegation of Reverse Domain Name Hijacking is rejected as disingenuous.

## **8 Decision**

The Complainant, solely by the operation of paragraph 4(c)(i) of the auDRP, has failed to substantiate paragraph 4(a)(ii). Accordingly, the Complaint must be denied.

Dated this 11th day of February 2010

 Philip N Argy

Philip N Argy

Sole Panellist