

## **ADMINISTRATIVE PANEL DECISION**

eScuba Pty Limited v. Underwater Australasia Pty Ltd  
Case No. DAU2022-0023

### **1. The Parties**

The Complainant is eScuba Pty Limited, Australia, represented by Gestalt Law Pty Ltd, Australia.

The Respondent is Underwater Australasia Pty Ltd, Australia.

### **2. The Domain Name and Registrar**

The disputed domain name <scuba.net.au> is registered with Domain Directors Pty Ltd.

### **3. Procedural History**

The Complaint was filed with the WIPO Arbitration and Mediation Center (the “Center”) on September 20, 2022. On September 20, 2022, the Center transmitted by email to Domain Directors Pty Ltd. a request for registrar verification in connection with the disputed domain name. On September 21, 2022, Domain Directors Pty Ltd. transmitted by email to the Center its verification response confirming that the Respondent is listed as the registrant and providing the contact details.

The Center verified that the Complaint satisfied the formal requirements of the .au Dispute Resolution Policy (the “Policy”), the Rules for .au Dispute Resolution Policy (the “Rules”), and the WIPO Supplemental Rules for .au 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 September 28, 2022. In accordance with the Rules, paragraph 5(a), the due date for Response was October 18, 2022. The Response was filed with the Center on October 12, 2022.

The Center appointed John Swinson as the sole panelist in this matter on November 7, 2022. 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 corporation. One of the Complainant's founders was Melinda Herndon who is also a current director of the Complainant.

In 1996, Melinda Herndon launched an ecommerce platform aimed at the diving industry, located at "www.scuba.com". In October 2019, the <scuba.com> business was sold. Whois records show that the <scuba.com> domain name is now owned by LP Scuba LLP of New York.

The Complainant was incorporated in 2010 and created the ESCUBA business in April 2010 as an Australian web-based multichannel distributor platform. The Complainant operates a website at "www.escuba.com.au" providing information and advertising about diving in Australia. This website has a directory of Australian dive shops, including Scuba Warehouse, Banana Coast Divers, Sydney Scuba and Compressor Services, Scuba Haven, Pro Dive and Abyss Scuba Diving.

In addition to <escuba.com.au>, the Complainant also currently owns <scuba.com.au> and <escuba.com>. The <scuba.com.au> domain name at one time redirected to <scuba.com> but now redirects to <escuba.com.au>. The <escuba.com> domain name redirects to <escuba.com.au>.

The Complainant registered the domain name <escuba.com.au> on March 23, 2010, and registered the domain name <escuba.com> on April 27, 2012. The Complainant acquired the domain name <scuba.com.au> on April 26, 2012.

The Complainant owns Australian trademark registration number 1399261 for ESCUBA in class 35 covering retail and wholesale services. This trademark registration was filed on December 10, 2010, and was entered on the register on January 8, 2013.

The disputed domain name was registered on July 4, 2002.

The Respondent is an Australian corporation. The Respondent's director is Tim Hochgrebe. In 2002, the Respondent started a dive directory business called "underwater.com.au". According to the Respondent, this business now has over AUD 1 million in revenue. This business operates online at "www.underwater.com.au". The Respondent also has other domain names, including <dive.net.au> which was registered in July 2002 and currently redirects to <underwater.com.au>.

The disputed domain name currently redirects to the Respondent's website at "www.underwater.com.au". There is a dispute between the parties as to when this redirection was established. The Complainant says that the disputed domain name was inactive until 2010, and was only redirected in 2010 or January 2011. The Respondent says that the disputed domain name was redirected to <underwater.com.au> before that date.

Tim Hochgrebe and his partner Wendy Hochgrebe obtained an Australian trademark registration for a logo comprising the word UNDERWATER and design that was filed on May 8, 2007, and was entered on the register on December 12, 2007. This is Australian Registration No. 1174848.

The Respondent was selling Sealife dive cameras prior to 2010. When the Complainant obtained the distribution rights for Sealife dive cameras in 2010, the Respondent signed up with the Complainant as a dealer for these cameras. It appears that the Complainant and the Respondent had a good relationship for a period of time.

The Complainant terminated the relationship with the Respondent and Tim Hochgrebe on or about March 2, 2021.

The Respondent provided evidence that the Complainant closed the Complainant's dive gear distribution business in late 2021. The Respondent initiated discussions with the Complainant to buy the Complainant's

business, and after an exchange of messages, no agreement was reached.

According to the auDA Priority Status Tool, both the Complainant and the Respondent have applied to register the domain name <scuba.au>.

There are other Australian businesses in the dive business with scuba-related domain names such as <scubadiving.com.au>, <scubaonline.com.au>, <scubadoctor.com.au> and <scubaworld.com.au>.

## **5. Parties' Contentions**

### **A. Complainant**

In summary, the Complainant made the following submissions:

On March 23, 2010, the Complainant officially launched its website at "www.escuba.com.au". The Respondent swiftly became a distributor in relation to the Complainant's business.

The Complainant owns the ESCUBA trademark registration, as set out above in section 4.

When the ESCUBA trademark application was examined, the Australian Trade Marks Office raised a distinctiveness issue pursuant to the former section 41(5) of the Trade Marks Act 1995 on the basis that with electronic forms of communication, it has become commonplace for traders to adopt trademarks featuring the prefix "e".

The Complainant filed evidence of use to resolve the objection and an endorsement that the trademark was accepted under the provisions of subsection 41(5) of the Act, meaning that the Trade Marks Office regarded the trademark as sufficiently distinctive having regard to the Complainant's use or intended use of the trademark.

The only difference between the Complainant's ESCUBA trademark and the disputed domain name is the "e" prefix, which the Australian Trade Marks Office itself regards as non-distinctive.

The ESCUBA trademark and the disputed domain name are aurally, phonetically, and conceptually confusingly similar.

It does not matter that the disputed domain name was registered prior to the Complainant's trademark.

Registration of a domain name before a complainant acquires rights in a trademark or name does not prevent a finding of identity or confusing similarity under the auDRP. The relevant time by which a complainant must establish its rights is at the time of filing the complaint.

The Complainant has not licensed or otherwise permitted the Respondent to use any of the Complainant's trademarks nor to apply for or use any domain name incorporating these trademarks. The Respondent has no registered trademark rights in or license to use the trademark SCUBA or variation of that trademark and neither the Respondent nor Tim Hochgrebe has any registered company or business name rights in SCUBA or a similar variation. The Complainant is not aware of any common law trademark rights that the Respondent holds in SCUBA or variation. The redirection of the disputed domain name to the Respondent's <underwater.com.au> website was by implication, for nefarious purposes.

Search results of the Internet Archive WayBack Machine for the disputed domain name in September 2022 show that the first capture of the disputed domain name is January 31, 2011, and this was directed to the Respondent's website at <underwater.com.au>.

The disputed domain name was inactive for many years since its registration. Notably, the Respondent redirected the disputed domain name to <underwater.com.au>, while the Respondent was an appointed distributor of the Complainant.

The Respondent does not make out any of the grounds in paragraph 4(c) of the Policy.

The Respondent has subsequently used the disputed domain name in bad faith.

The Respondent became an authorized distributor of the Complainant approximately one month after launch of the Complainant's Australian business. The Respondent activated the disputed domain name on January 31, 2011.

After the Complainant terminated the business relationship with the Respondent in March 2021, the Respondent directly contacted a major supplier of the Complainant to encourage the supplier to terminate their Australian distribution agreement with the Complainant.

The Respondent has now applied to register the domain name <scuba.au> based on the disputed domain name.

By applying to register the disputed domain name, the Respondent represented and warranted to auDA that the statements that the Respondent made in its domain name application are complete and accurate, including those as to its eligibility for a domain name in the open 2LD. The Respondent is not eligible to register and use the disputed domain name based on it being an exact match, abbreviation or acronym of the Respondent's name (or trademark). The Respondent elected to resolve to <underwater.com.au> in 2011, when the Respondent was the Complainant's authorized distributor, after some nine years of inactivity. Consequently, the Respondent did not satisfy the eligibility criteria. As the Respondent does not meet the relevant eligibility requirements, the Respondent was and is in breach of this warranty. auDRP panels have found this breach satisfies the requirement in paragraph 4(a)(iii) of the Policy that the domain name has been registered or subsequently used in bad faith.

## **B. Respondent**

In summary, the Respondent made the following submissions:

The Complaint is a vendetta against the Respondent, after the Respondent did not acquire the Complainant's business last year.

The Respondent acquired the disputed domain name over 20 years ago (along with many other scuba, dive and underwater domain names) and it has been an active asset of the Respondent's scuba diving marketing and sales business since 2002.

"Scuba" is a generic and descriptive acronym used in the dive industry and cannot be trademarked to prevent those in the dive industry from using it. SCUBA is an acronym for "Self-Contained Underwater Breathing Apparatus."

Australian Trademark No. 1527192 for SCUBA in class 25 (owned by Lululemon Athletica Canada, entered on register on August 20, 2014) includes, in the description of goods, the words "excluding all goods relating to scuba diving".

Redirecting traffic to the Respondent's main website at <underwater.com.au> is a common practice to protect a business niche and to generate traffic for the Respondent's main website. The redirection of the disputed domain name to this website was done in 2002. This was not captured by the Wayback Machine, which is inaccurate and cannot be relied upon to provide data as to first use or redirection of a domain name. Registrar records prove that the redirection was in place at least as early as 2008.

Nobody needs to trademark SCUBA to use this acronym in the dive industry.

It is ludicrous to suggest that a business can registered a generic term with “e” in front of it, and then use that to take over an existing business that uses that generic term.

The Respondent has been using SCUBA since 2002, and the Respondent has the right to use SCUBA just as much as others in the dive industry. The Respondent provided examples of others in the industry using SCUBA as part of a business name or domain name.

The Complainant praised the Respondent’s business ethics and customer service over the 10 years of the parties’ business relationship.

The Complainant closed its business in Australia in 2021, after 18 months of business losses.

The Complainant bullied the Respondent with the aim of having the Respondent drop its application for <scuba.au>.

The Respondent asks the Panel to make a finding of Reverse Domain Name Hijacking (“RDNH”). The Complainant’s effort to obtain transfer of the disputed domain name based on alleged cybersquatting of a generic word may itself be indicative of RDNH. See *WOW Audio Visual Superstores Pty Ltd v. Comono Pty Ltd*, WIPO Case No. DAU2007-0003.

## **6. Discussion and Findings**

Paragraph 4(a) of the auDRP provides that a complainant must prove each of the following elements:

- (i) the disputed domain name is identical or confusingly similar to a name, trademark 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 name; and
- (iii) the disputed domain name has been registered or subsequently used in bad faith.

The burden of proof of each element is borne by the Complainant.

Paragraph 15(a) of the Rules directs the Panel to decide the Complaint on the basis of the statements and documents submitted and in accordance with the Policy, these Rules and any rules and principles of law that the Panel deems applicable.

### **A. Identical or Confusingly Similar**

The first element that the Complainant must establish is that the disputed domain name is identical with, or confusingly similar to, the Complainant’s name, trademark or service mark.

There are two parts to this inquiry: the Complainant must demonstrate that it has rights in a name or mark at the date the Complaint was filed and, if so, the disputed domain name must be identical or confusingly similar to the name or mark.

For present purposes, the Complainant has proven that it owns a registered trademark for ESCUBA as discussed in section 4 above.

On the question of identity or confusing similarity, what is required is simply a visual and aural comparison and assessment of the disputed domain name itself to the Complainant’s trademarks: see, for example, *GlobalCenter Pty Ltd v. Global Domain Hosting Pty Ltd*, WIPO Case No. DAU2002-0001. This test is narrower than and thus different to the question of “likelihood of confusion” under Australian trademark law

which can require an assessment of the nature of the goods or services protected and those for which any impugned use is involved, geographical location, or timing. Such matters, if relevant however, may fall for consideration under the other elements of the Policy. *Argyle Diamonds Limited v. Domain Manager / Argyle Diamond Investments Pty Ltd*, WIPO Case No. DAU2021-0028.

Typically and as is appropriate in this case, it is permissible to disregard respectively the Top and Second Level Domains, “.net.au”, as a functional component of the domain name system.

The Complainant’s trademark ESCUBA is not identical to disputed domain name.

The word “scuba” is part of the Complainant’s trademark and is also included in the disputed domain name.

However, in view of the findings below, the Panel does not need to decide this issue.

## **B. Rights or Legitimate Interests**

The second requirement the Complainant must prove is that the Respondent has no rights or legitimate interests in the disputed domain name.

Paragraph 4(c) of the Policy provides that the following circumstances may be situations in which a respondent has rights or legitimate interests in a disputed domain name:

- (i) before any notice to the respondent of the subject matter of the dispute, the respondent’s *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 (not being the offering of domain names that you have acquired for the purpose of selling, renting or otherwise transferring); or
- (ii) the respondent (as an individual, business, or other organization) has been commonly known by the domain name, even if the respondent has acquired no trademark or service mark rights; or
- (iii) the respondent is 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.

These are illustrative only and are not an exhaustive listing of the situations in which a respondent can show rights or legitimate interests in a domain name.

The onus of proving this requirement, like each element, falls on the Complainant. Previous panels have recognized the difficulties inherent in proving a negative, however, especially in circumstances where much of the relevant information is in, or likely to be in, the possession of the respondent. Accordingly, it is usually sufficient for a complainant to raise a *prima facie* case against the respondent under this head and the burden of production will shift to the respondent to rebut that *prima facie* case. The ultimate burden of proof, however, remains with the Complainant. See, e.g., *GlobalCenter Pty Ltd v. Global Domain Hosting Pty Ltd*, *supra*.

The Complainant states that the Complainant has not licensed or otherwise permitted the Respondent to use any of the Complainant’s trademarks nor to apply for or use any domain name incorporating these trademarks. The Complainant also states that, after conducting searches, the Respondent has no registered trademark rights in or license to use the trademark SCUBA or variation of that trademark and that a search of the online company and business name register at the Australian Securities and Investments Commission (“ASIC”) on September 14, 2018, indicated that neither the Respondent nor Tim Hochgrebe has any registered company or business name rights in SCUBA or similar variation. The Complainant states it is not aware of any common law trademark rights that the Respondent holds in SCUBA or variation. The Complainant asserts that the redirection of the disputed domain name to the Respondent’s “www.underwater.com.au” website “was by implication, for nefarious purposes.”

The appropriate time to assess the Respondent's claim to rights or legitimate interests in the disputed domain name is at the time when the Respondent became aware of the dispute about the disputed domain name – which will be no later than the date of the filing of the Complaint, and may be earlier (e.g, upon receipt of a letter of demand from the Complainant). *Ogio International Inc v. Ogio Pty Ltd*, WIPO Case No. DAU2019-0011. Thus, whether or not the disputed domain name was redirected to the Respondent's domain name <underwater.com.au> in 2002, 2010 or 2011 is not relevant to the test for the second element.

On the Complainant's case, the disputed domain name has been redirected to the Respondent's domain name <underwater.com.au> since at least 2011 to the present time. The Respondent's domain name <underwater.com.au> is a legitimate business, relating to products used for scuba diving. The Respondent's <underwater.com.au> business has been operating continuously since 2002, well before the Complainant existed.

The Complainant appears to assert that the Respondent's redirection of the disputed domain name to its domain name <underwater.com.au> was for "nefarious purposes" and, by implication, such use of the disputed domain name by the Respondent was not *bona fide*. The Complainant's arguments on this point are puzzling. To the extent that the Complainant relies on bad faith use of the disputed domain name to show lack of *bona fides*, the Complainant fails in this argument for the reasons set out in section 6.C below. Without a doubt, "scuba" is a common term used in the dive business. The Merriam-Webster online dictionary defines "scuba" as "an apparatus utilizing a portable supply of compressed gas (such as air) supplied at a regulated pressure and used for breathing while swimming underwater." Additionally, the Panel notes that the Complainant itself has a history of redirecting domain names, as discussed above in section 4. Undertaking redirections of a group of domain names to a main website, as undertaken by both the Complainant and the Respondent in this case, is not necessarily evidence of bad faith, in particular when the disputed domain name consists of a dictionary term.

The Panel notes that the disputed domain name consists of the dictionary term "scuba", and that the Respondent operates a scuba dive related business, and uses the disputed domain name to generate website traffic for that business. This is a *bona fide* use of the disputed domain name.

Accordingly, the Panel finds that before any notice to the Respondent of the subject matter of this dispute, the Respondent's *bona fide* use of the disputed domain name in connection with an offering of goods or services demonstrates that the Respondent has rights or legitimate interests in the disputed domain name. Thus, the Respondent meets paragraph 4(c)(i) of the Policy.

The Complainant fails in respect of the second element of the Policy.

### **C. Registered or Subsequently Used in Bad Faith**

Unlike the UDRP, the requirements that the disputed domain name be registered or used in bad faith are disjunctive in the auDRP. That is, it is sufficient for the Complainant to show either that the disputed domain name was registered in bad faith or has been used in bad faith.

The Complainant did not argue that the Respondent registered the disputed domain name in bad faith. No doubt this is because the disputed domain name was registered by the Respondent over 8 years prior to the Complainant coming into existence. The Respondent could not have registered the disputed domain name in bad faith in such circumstances.

The Complainant's case in respect of use in bad faith fails. The disputed domain name is a dictionary term related to the Respondent's business. As stated above, there are many Australian dive businesses that use "scuba" as part of a domain name. The Respondent operates a scuba dive related business – it is not bad faith to use the disputed domain name to generate website traffic for that business. Moreover, the Respondent uses the dictionary term "scuba" in the disputed domain name, not the Complainant's trademark ESCUBA.

On no view of the facts has the Respondent used the disputed domain name in bad faith.

In addition, the Complainant makes an argument that the Respondent did not meet auDA's "2012-04 – Domain Name Eligibility and Allocation Policy Rules for the Open 2LDs" (the Eligibility Rules) and thus has acted in bad faith. The Panel disagrees. The Respondent, a scuba dive business, has a "close and substantial connection" to "scuba".

The Complainant fails in respect of the third element of the Policy.

#### **D. Reverse Domain Name Hijacking**

Paragraph 15(e) of the auDRP Rules provides that, if the panel finds that the complaint "was brought in bad faith, for example in an attempt at Reverse Domain Name Hijacking or was brought primarily to harass the domain name holder", the panel shall declare in its decision that the complaint was brought in bad faith and constitutes an abuse of the administrative proceeding. Paragraph 1 of the auDRP Rules defines "Reverse Domain Name Hijacking" to be "using the Policy in bad faith to attempt to deprive a registered domain name holder of a domain name".

In a declaration to the Australian Trade Marks Office in August 2012, where the Trade Marks Examiner had rejected the Complainant's ESCUBA trademark under section 41 of the Australian Trade Marks Act, the Complainant's director Melinda Herndon used "scuba" in the generic sense when she swore "I am very experienced in the scuba diving industry."

The Complainant knew that "scuba" was a dictionary term used by many dive businesses. The Complainant knew from the beginning that the disputed domain name was generic and that the disputed domain name described the activities for which the Respondent used it. The Complainant knew that the Respondent registered the disputed domain name many years before the Complainant existed. The Complainant knew that the Respondent operated a legitimate scuba dive business, established before the Complainant existed. Moreover, the Complainant (who was advised by a specialist trademark firm) would know that its ESCUBA trademark was limited and was unlikely to cover use by others of the word SCUBA, and that the Respondent's registration and use of the disputed domain name could not, under any fair interpretation of the facts, constitute bad faith.

The Respondent has used the disputed domain name for the whole period that the Complainant has existed, being 12 years, and during that time, there is no evidence that the Complainant has protested the Respondent's ownership or use of the disputed domain name until the filing of the present Complaint. In recent times, the Complainant has had other issues with the Respondent, and the Complaint appears to have been brought for collateral purposes.

The Panel declares that the Complaint was brought in bad faith and constitutes an abuse of the administrative proceeding.

#### **7. Decision**

For all the foregoing reasons, the Complaint is denied.

*/John Swinson/*

**John Swinson**

Sole Panelist

Date: November 21, 2022