

## **ADMINISTRATIVE PANEL DECISION**

### **Strategic Collections Pty Ltd v. Strategic Collection Services Pty Ltd Case No. DAU2023-0015**

#### **1. The Parties**

The Complainant is Strategic Collections Pty Ltd, of Australia, self-represented.

The Respondent is Strategic Collection Services Pty Ltd, of Australia represented by Nicholas Weston IP Lawyers, Australia.

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

The disputed domain name <strategiccollection.com.au> is registered with GoDaddy.com, LLC.

#### **3. Procedural History**

The Complaint was filed with the WIPO Arbitration and Mediation Center (the "Center") on March 3, 2023. On the same day, the Center transmitted by email to GoDaddy.com, LLC a request for registrar verification in connection with the disputed domain name. On March 6, 2023, GoDaddy.com, LLC 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 March 7, 2023. In accordance with the Rules, paragraph 5(a), the due date for Response was March 27, 2023. The Response was filed with the Center on March 24, 2023. An amended Response was filed on March 28, 2023.

The Center appointed Matthew Kennedy as the sole panelist in this matter on April 3, 2023. 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 a debt recovery agent based in Queensland. According to evidence from the Australian Securities and Investments Commission (“ASIC”) registers, the Complainant was incorporated in 2010 as “Cars Head Quarters Pty Ltd”; registered four business names related to cars and finance in 2014 and 2016; changed its company name to “Strategic Collections Pty Ltd” on November 18, 2020; and registered the Australian business name “Strategic Collections” on November 24, 2020. The Complainant also registered the domain name <strategiccollections.com.au> on July 8, 2020. On January 29, 2021 the Complainant filed an application for Australian trademark registration number 2151173 for a figurative mark featuring Lady Justice in an arc above the words “Strategic Collections” in colors (the “STRATEGIC COLLECTIONS figurative mark”), which was entered on the register on September 6, 2021 with effect from the filing date, specifying debt collection agency services; debt recovery, in class 36. That trademark registration remains current. According to a screenshot from the Internet archive presented by the Respondent, the Complainant’s domain name <strategiccollections.com.au> was parked with a web host and domain name registrar and did not resolve to an active website for the Complainant as recently as December 22, 2021. That domain name now resolves to a website for the Complainant that prominently displays the STRATEGIC COLLECTIONS figurative mark.

The Respondent is a debt collector agency based in New South Wales. It was incorporated on January 14, 2021.

The disputed domain name was registered on January 18, 2021. It resolves to the Respondent’s website, which prominently displays a logo featuring the word “Strategic” with, in smaller font, the words “Collection Services”. The website offers “Strategic professional efficient debt collection” and a list of services including strata levies debt recovery. The website displays the name, contact address and telephone number of the Respondent.

The Complainant sent a cease-and-desist letter dated November 29, 2022 to the Respondent. The Respondent, through a legal representative, replied by email on the same day, denying the claims, alleging that it did not rely on its website for new business, and proposing that both Parties include disclaimers on their respective websites. The Complainant replied on December 8, 2022, declining the Respondent’s proposal and offering to pay AUD 500 for the transfer of the disputed domain name. The Respondent, through the legal representative, replied by email on the same day indicating that the Complainant’s proposal was not agreed.

#### 5. Parties’ Contentions

##### A. Complainant

The disputed domain name is confusingly similar to the Complainant’s registered trademark STRATEGIC COLLECTIONS and its domain name <strategiccollections.com.au>. The Complainant has traded under the company name “Strategic Collections Pty Ltd” since November 18, 2020 as a debt recovery agent via various trade avenues including the website associated with <strategiccollections.com.au>. Registration of a domain name before a complainant acquires trademark rights in a name does not prevent a finding of identity or confusing similarity. The disputed domain name is differentiated by the mere removal of the “s” at the end of the Respondent’s domain prefix. An Internet user viewing the term “strategic collection” is likely to confuse it with the term “strategic collections”. The website associated with the disputed domain name offers services within the description of services in the Complainant’s trademark registration and offers a direct competitor service to the Complainant.

The Respondent has no rights or legitimate interests in respect of the disputed domain name. The Respondent has not made a *bona fide* use of the disputed domain name. The Respondent has intended to use the disputed domain name for commercial gain to misleadingly divert customers. It would appear that the disputed domain name is a deliberate misspelling of the Complainant’s domain name with the intention to

induce customers into believing it is the Complainant and an attempt to capitalize on the reputation, intellectual property and goodwill of the Complainant. The Complainant has not authorized the Respondent to use its registered trademark. The Complainant's business name and website were registered prior to the registration of the Respondent's business. To protect its brand and reputation, the Complainant further registered "strategiccollect" in the ".au", ".com", ".com.au", and ".net.au" domains, and "strategiccollections" in the ".au" and ".net.au" domains. The Complainant additionally owns the company "Strategic Collections Group Pty Ltd" which initially traded as "Strategic Collections". The Respondent has demonstrated by its own representation that its website is not used to attract business. The disputed domain name does not include its full business name, rather, it is the singular of the Complainant's domain name. This representation confirms the lack of *bona fide* use of the website connected to the disputed domain name. The Complainant has not authorized the Respondent to use its registered trademark and the Respondent ought to have known of the existence of the Complainant's business name, domain name, and website and that registering the disputed domain name would cause confusion amongst customers. The deliberate misspelling of the Respondent's name shows clear intent to free-ride off the Complainant's brand's reputation and capitalize on the accidental misspelling and confusion by consumers when searching for the Complainant's brand online.

The disputed domain name was registered or is subsequently being used in bad faith. By registering the disputed domain name, the Respondent has intentionally attempted to attract for commercial gain, Internet users to its website by creating a likelihood of confusion with the Complainant's domain name and trademark. A likelihood of confusion is high. The Complainant's trademark is distinctive being registered under the class 36 category of debt collection agency services and debt recovery, in this sense there are no obvious common or general meanings of the words in the trademark which water down or diminish the value of the trademark. The Respondent could not have registered the disputed domain name prior to January 14, 2021, which was after the Complainant's domain name and business name were registered. The Respondent ought to have known of the existence of the Complainant's brand due to its prior presence in the industry. The Respondent has not used its full business name in its domain name but, rather, the singular of the Complainant's domain name. It is highly probable as a result that the Respondent knew of the Complainant's brand and registered the disputed domain name with the intent to exploit Internet users' misspellings.

## **B. Respondent**

The Respondent registered the disputed domain name prior to the Complainant filing its trademark application. The Complainant thinks it is the "more appropriate" owner of the disputed domain name but that is not one of the tests and has never been one of the tests. The Respondent has registered its own name in good faith using functional and descriptive words to indicate its approach to its collections business, not seeking to benefit from the reputation, if any, in these words. The Respondent conducted desktop searches and concluded that there was no reputation in the generic words "strategic", "collection", and "services", that there were no prior or pending registered trademarks that were substantially identical with, or deceptively similar to, the disputed domain name for the same or similar goods or services, and the relevant names were allowed to be registered by ASIC and the Registry. It then got on with building a successful business in New South Wales. This is a classic case of honest use without ulterior motive.

The Complainant has not established that the disputed domain name is confusingly similar to a name, trademark, or service mark in which the Complainant has rights. The disputed domain name contains only part of the Complainant's trademark or name and that part is highly descriptive or generic. The Respondent chose the words in the disputed domain name because of their generic English meaning. The Complainant exclusively relies on putative rights in its trademark and domain name rather than any rights arising under Note 1 to the auDRP. The Complainant's assertion that it has traded under its company name since November 18, 2020 as a debt recovery agent via various trade avenues including the website is verifiably false as the Complainant's website was still inactive as at December 22, 2021, its Australian business name had not changed until November 24, 2020 and it only holds a licence as a "motor dealer" according to the Queensland Fair Trading licensing register.

The Complainant has not established a *prima facie* case of an absence of rights or legitimate interests in the disputed domain name on the part of the Respondent. The Respondent has registered the disputed domain name that is a match of its company name and was operating its business well before any notice of this dispute on March 7, 2023. By then, the Respondent had made two years' use of the disputed domain name as well as its company name in connection with a *bona fide* offering of goods or services. The Respondent was eligible to register the disputed domain name as it is perfectly acceptable for it not to contain the word "services" that appears in the Respondent's company name. See the definition of "match" in paragraph 2.4.4 of the .auDA Domain Administration Rules: Licensing. The highly descriptive nature of the disputed domain name must be taken into account. It is not unlikely that two companies should set up a business using the word "strategic" to describe their approach to providing similar services.

The disputed domain name was not registered in bad faith and has not been used in bad faith. The disputed domain name was registered less than two months after the Complainant registered its own domain name, a period which included the Christmas and Australian summer holidays, and the Respondent then set about briefing a web developer to build its website and obtain a licence to act as a debt collector. Its name is recognized by the 3,000 member Strata Community Association NSW where it is a member and sponsor. The Complainant's website was still inactive nearly a year after the Respondent commenced business. The Respondent took reasonable steps to ensure that it did not infringe any third party rights when choosing a name and was completely unaware of the Complainant's company or business name when it became the registrant of the disputed domain name. That being so, it was impossible for the Respondent to be motivated by bad faith toward the Complainant at the time when the disputed domain name was registered. There has been no use of the disputed domain name in bad faith as its use for the Respondent's debt collection business is entirely legitimate. There is no evidence that the Respondent pretended that it was the Complainant, tried to or in fact confused Internet users, sought to damage the Complainant or its business or engaged in any other bad faith activities. However, there is evidence that the Complainant is only licensed to operate as a motor dealer which is a completely different trade channel to debt recovery, which is a regulated activity. The evidence also shows that the Respondent is not interested in selling the disputed domain name. There is no evidence that the purpose of the registration was to disrupt the Complainant's commercial activity.

## 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. Failure to prove any one element will result in denial of the Complaint.

### A. Identical or Confusingly Similar

Based on the evidence presented, the Panel finds that the Complainant holds rights in the STRATEGIC COLLECTIONS figurative mark. The Panel notes that the first element of paragraph 4(a) of the auDRP is phrased in the present tense and considers it sufficient for the purpose of this element that the Complainant's trademark registration was in effect as of the date of filing the Complaint, as is the case here. See *Corporate Mobile Recycling Limited v. Mazuma Mobile Pty Ltd*, WIPO Case No. [DAU2011-0034](#). Although the STRATEGIC COLLECTIONS mark contains figurative components, these cannot be represented in a domain name for technical reasons and they do not render the textual components insignificant. Accordingly, the Panel will compare the disputed domain name with the textual components of the mark. See *Cambridge Nutritional Foods Limited and Cambridge Manufacturing Company Limited v. Cambridge Diet Pty Ltd*, WIPO Case No. [DAU2010-0021](#).

The Complainant also bases its claim on rights in the domain name <strategiccollections.com.au>. However, the Panel notes that a domain name, without more, is not a type of name referred to in the first element of paragraph 4(a) of the auDRP, as clarified by Note 1. The Panel may take that domain name and the associated website into account elsewhere in its evaluation of the Complaint.

The Complainant does not state that its claim is based on its registration of the business name “Strategic Collections” or its company name “Strategic Collections Pty Ltd”. However, its references to the business name in its arguments regarding other elements of the auDRP may imply that its claim is partly based on rights in that name. The Panel notes that this business name is registered with the relevant Australian governmental authority, *i.e.*, ASIC, as required by Note 1 to the auDRP. Accordingly, the Panel finds that the Complainant has rights in the business name “Strategic Collections”.

Turning to the comparison with the disputed domain name, the Panel notes that the disputed domain name incorporates almost the entirety of the business name “Strategic Collections” and the textual components of the STRATEGIC COLLECTIONS figurative mark, omitting only the plural “s”. This minor difference does not prevent a finding of confusing similarity between the disputed domain name and the Complainant’s name and mark. See *Telstra Corporation Limited v. Mikhail Doubinski and Yury Sharafutdinov trading as AAA Marketing World*, WIPO Case No. [DAU2006-0008](#).

The only additional element in the disputed domain name is the Secondary Level Domain (“2LD”) extension “.com.au”. The 2LD extension may be disregarded in an assessment of identity or confusing similarity for the purposes of the auDRP. See *BT Financial Group Pty Limited v. Basketball Times Pty Ltd*, WIPO Case No. [DAU2004-0001](#).

Therefore, the Panel finds that the disputed domain name is confusingly similar to a name and a service mark in which the Complainant has rights. The Complainant has satisfied the first element in paragraph 4(a) of the auDRP.

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

Paragraph 4(c) of the auDRP sets out circumstances which, without limitation, if found by the Panel to be proven based on its evaluation of all evidence presented, shall demonstrate that the Respondent has rights to, or legitimate interests in, a disputed domain name, for the purposes of paragraph 4(a)(ii) of the auDRP. The first of those circumstances is as follows:

- (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 [disputed] domain name or a name corresponding to the [disputed] domain name in connection with an offering of goods or services (not being the offering of domain names that [the respondent has] acquired for the purpose of selling, renting or otherwise transferring);

In the present dispute, the evidence shows that the Respondent has been using the disputed domain name in connection with an offering of services since before receiving notice of the subject matter of the dispute on November 29, 2022. Despite the Respondent’s initial response that it did not rely on its website for new business, the website associated with the disputed domain name presents the Respondent’s debt collection agency and clearly invites Internet users to get in contact and speak to a debt recovery specialist. The website prominently uses the word “Strategic” in a logo, in a tagline describing its services (“Strategic professional efficient debt collection”) and to refer to itself (“About Strategic Collection Services”). The website displays the contact address and telephone number of the Respondent. The Respondent provides evidence of its company name registration issued by ASIC on January 14, 2021; its Commercial Agent and Private Inquiry Agent licence issued by the NSW Police Force on February 13, 2021; a receipt for its website development dated March 9, 2021; its first client invoice dated April 14, 2021 and other client invoices presently pending; its listing in the Strata Community Association NSW directory as a debt collection service and a certificate of its sponsorship of that association dated July 1, 2022. These documents display the name “Strategic Collection Services” with or without the commercial status identifier “Pty Ltd”. Based on all

the evidence, the Panel finds that the Respondent has been using the disputed domain name in connection with an offering of debt collection services in New South Wales under the name “Strategic Collection Services” since at least April 2021.

The Complainant claims that the Respondent’s use of the disputed domain name is not *bona fide* but, rather, a deliberate misspelling of the Complainant’s domain name intended to induce customers into believing that the Respondent is the Complainant and an attempt to capitalize on the reputation, intellectual property rights, and goodwill of the Complainant. The Panel notes that the Respondent registered the disputed domain name on January 18, 2021, which was prior to the registration of the Complainant’s STRATEGIC COLLECTIONS figurative mark on September 6, 2021 and prior even to the filing of the Complainant’s application for that trademark on January 29, 2021. Nothing on the record indicates that the Respondent could have had the Complainant’s mark in mind at the time when it registered the disputed domain name. On the other hand, the disputed domain name was registered almost two months after the registration of the Complainant’s business name “Strategic Collections” on November 24, 2020 and that business name is the operational element of the Complainant’s domain name. However, the disputed domain name is not necessarily a misspelling of the Complainant’s business name: the Respondent uses “collection” as a mass noun whereas the Complainant uses “collections” as a count noun; both are grammatically correct.

In support of its claim that the disputed domain name is a deliberate misspelling, the Complainant alleges that it has traded under its company name since November 18, 2020 as a debt recovery agent via various trade venues, including the website associated with its domain name. However, while the evidence shows that the Complainant obtained registrations of its domain name, company name, and business name in 2020, nothing on the record of this proceeding shows that the Complainant actively used any of them at that time. On the contrary, the evidence from the Internet archive presented by the Respondent shows that the Complainant’s domain name was merely parked as at December 22, 2021, more than eleven months after the Respondent registered the disputed domain name. The only evidence of the Complainant’s actual use of the business name “Strategic Collections” is its cease-and-desist letter dated November 29, 2022 and a screenshot of the Complainant’s current website (submitted by the Respondent) that may date from 2023. Other correspondence from the Complainant uses the business name “financeone”. There is no evidence that the Complainant holds any trading licence other than a Queensland motor dealer licence. Based on this evidence, the Panel has no reason to find that the Complainant was trading as “Strategic Collections” either at the website associated with the Complainant’s domain name or otherwise, nor that it had developed a reputation in its company name “Strategic Collections Pty Ltd”, until after the Respondent began using the disputed domain name in connection with its offering of services. That being the case, the Panel is unable to draw the inference that the disputed domain name is a deliberate misspelling of the Complainant’s name.

The Respondent provides a credible explanation as to why it has been using the disputed domain name in good faith. It submits that it chose the words in the disputed domain name because of their generic English meaning. The Respondent was incorporated as “Strategic Collection Services Pty Ltd” in January 2021, four days before the registration of the disputed domain name. The disputed domain name contains the first two words of that company name, which the evidence shows are a common laudatory term used in Australian business and entity names (“strategic”) and a description of the nature of the Respondent’s services (“collection”). The Respondent has been using the disputed domain name in connection with the ordinary meaning of those terms. The disputed domain name omits the other word in the Respondent’s company name (*i.e.*, “services”) but, given the lack of distinctiveness of that word and the Complainant’s lack of reputation at the relevant time, the Panel considers it more likely that this omission was for reasons of convenience rather than to approximate the Complainant’s name.

The Panel has reviewed the website associated with the disputed domain name and sees no evidence that it is intended to impersonate the Complainant or otherwise confuse Internet users. The Respondent’s website prominently displays its own logo. Like the Complainant’s STRATEGIC COLLECTIONS figurative mark, the logo makes prominent use of the word “Strategic” and is displayed in black and blue but its figurative components comprise the stylized initials “SCS” in a cube formation which are dissimilar from the Complainant’s figure of Lady Justice. The logo does not make prominent use of other words. The Respondent’s website presents similar services to those of the Complainant but it does not appear to be a

direct competitor because the Respondent does not purchase third party debt that it then collects, unlike the Complainant. The Respondent uses the word “strategic” in a tagline that describes its services, as well as in its name (without the commercial status identifier) and it also displays its contact address and telephone. No reference is made to the Complainant. There is no evidence of actual confusion. There is no indication of bad faith.

Accordingly, the Panel finds that before any notice to the Respondent of the subject matter of this dispute, its *bona fide* use of the disputed domain name in connection with an offering of services within the terms of paragraph 4(c)(i) of the auDRP demonstrates that it has rights to, or legitimate interests in, the disputed domain name.

Therefore, the Panel finds that the Complainant has failed to satisfy the second element in paragraph 4(a) of the auDRP.

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

Given the Panel’s findings above under the second element of paragraph 4(a) of the auDRP, it is unnecessary to evaluate the third element.

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

The Respondent requests a finding of reverse domain name hijacking on the basis that (a) the Complaint was brought in circumstances where the Complainant knew it had no rights in the trademark when the disputed domain name was registered, and the name upon which it relied was still not trading at the end of 2021, and nevertheless brought the Complaint, (b) by the time of filing the Complaint, the Complainant had been informed of and otherwise should have been able to ascertain all the facts necessary to establish that the Respondent had legitimate interests in the disputed domain name, and (c) this is a classic “Plan B” case.

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 the present case, the Complainant included the following allegation: “Strategic Collections Pty Ltd has traded under such company name since November 18, 2020 as a debt recovery agent via various trade venues, including the website associated with its domain name”. However, while the Complainant changed to its current company name on that date, the Complaint made no attempt to substantiate the allegation that it had traded under that name since then. The statement was at least partly misleading because archived screenshots show that the Complainant did not use its domain name with its own website until over a year later. This was a material issue in dispute because, as the Complainant acknowledged, the Respondent registered the disputed domain name prior to the accrual of the Complainant’s trademark rights, and the Complainant sought to rely on the disputed domain name’s similarity to its own domain name. Accordingly, the Panel finds the quoted statement misleading as to a material issue in dispute.

The Panel notes that the Complainant is not represented by outside counsel and may have mistakenly believed that it could prevail based on the bare facts of its name registrations and the similarity of the Parties’ respective names and services. In view of the above, the Panel does not find that the Complaint was filed in bad faith or that it constitutes an abuse of this administrative proceeding.

## 7. Decision

For all the foregoing reasons, the Complaint is denied.

*/Matthew Kennedy/*

**Matthew Kennedy**

Sole Panelist

Date: April 17, 2023