

## **.nz Dispute Resolution Service**

**DRS Reference: 1075**

**Stock-X Systems limited v SiRCIT Pty Ltd**

### **Key words -**

*Identical or similar trade mark or name*

Registered mark – trade name – identical

*Rights*

Demonstrable preparations to use

*Unfair Registration*

Offer to sell, rent or otherwise transfer – non-monetary demands – unfairly disrupting the business of the complainant

### **1. Parties**

#### **Complainant:**

##### **Stock-X Systems Limited**

C/- Moore Stephens Markhams Hawkes Bay Limited  
405n King Street,  
Hastings  
NEW ZEALAND

Self-represented

#### **Respondent:**

##### **SiRCIT Pty Ltd**

PO Box 5920  
West End  
Queensland  
AUSTRALIA

Self-represented

### **2. Domain Name**

stock-x.co.nz (the "Domain Name")

### **3. Procedural history**

- 3.1 The Complaint was lodged on 22 April 2015. The Domain Name Commission (DNC), notified the Respondent of the validated Complaint on 24 April 2015. The domain was locked on 23 April 2015, preventing any changes to the record until the conclusion of these proceedings.
- 3.2 The Respondent filed a Response to the Complaint on 17 May 2015. The DNC so informed the Complainant on 18 May 2015. The Complainant did not file a Reply. The DNC informed the parties on 22 June 2015 that informal mediation had failed to achieve a resolution to the dispute.
- 3.3 The Complainant paid the DNC the appropriate fee on 30 June 2015 for a decision of an Expert, pursuant to Paragraph 9 of the .nz Dispute Resolution Service Policy ("the Policy").
- 3.4 Clive Elliott QC, the undersigned, ("the Expert") confirmed to the DNC on 01 July 2015 that he knew of no reason why he could not properly accept the invitation to act as expert in this case and that he knew of no matters which ought to be drawn to the attention of the parties, which might appear to call into question his independence and/or impartiality.

### **4. Factual background**

- 4.1 The Respondent registered the Domain Name on 11 June 2014.

### **5. Parties' contentions**

#### **5.1 Complainant**

- 5.1.1 The Complainant contends that as holder of the trade mark Stock-X (hereinafter referred to as "Complainant's Trade Mark"), it has rights to a domain name of the same name. The Complainant states that it registered the trade mark Stock-X two years before the registration of the Domain Name.
- 5.1.2 Trade mark registration number 954649 is dated 1 March 2012. The trade mark comprises the capital letters "STOCK – X" in a slightly inclined rectangular border, as follows:

**STOCK-X**

- 5.1.3 The Complainant's Trade Mark is registered in four classes, including in class 35 covering the provision of an Internet website for customers to conveniently view and purchase livestock and agricultural products

and in class 44 covering various agricultural services including veterinary services.

- 5.1.4 The Complainant contends that it has conducted and continues to conduct very significant and high profile activities in New Zealand, including issuing a prospectus as part of a successful capital raising exercise, along with significant media exposure of the business. It exhibits media articles and a copy of the above prospectus to support its claim.
- 5.1.5 The share offer prospectus referred to above is dated 15 April 2014. It indicates that Stock-X Systems Limited was being set up primarily to focus on livestock trading for farmers online through a dedicated Internet site. The proposal includes growing the Internet site and providing other opportunities for farmers in the use of the site including; classified advertising, merchandising, bulk importing to order and use of a database of information through trading.
- 5.1.6 The Complainant contends that the Respondent's registration of the Domain Name is unfair, under section 5.5.1(a), and specifically, transferring the Domain Name for consideration in excess of the Respondent's documented out of pocket expenses directly associated with acquiring or using the Domain Name.
- 5.1.7 The Complainant refers to an email dated 14th February 2015 from the Respondent to the Complainant, in reply to the Complainant's offer to reimburse the registrant expenses associated with registering the Domain Name. It is asserted the Respondent said it would require reimbursement for non-direct costs of registering the Domain Name.
- 5.1.8 The Complainant claims that the Respondent registered the Domain Name primarily to disrupt the Complainant's business.
- 5.1.9 The Complainant alleges that in a telephone discussion with the Respondent, the Respondent advised that it may have global ambitions for the use of the Domain Name. The Complainant suggests this is doubtful as it is a .co.nz domain name while the Respondent is based in Australia and does not hold the .com version or the .com.au version of the same name.

## 5.2 Respondent

- 5.2.1 The Respondent denies that it was its intention to frustrate the Complainant's organisation, and states that it registered an appropriate domain for a cloud based inventory optimisation system that it had under development "Stock Less Excess (stock - x). The Respondent contends that it selected "stock-x" as a suitable and available domain name unaware that the Complainant had failed to register the Domain Name. The Respondent notes that the Complainant did not seek to register the Domain Name for more than two years after the Complainant's trade mark was registered. The Respondent further

notes that the Complainant registered the domain name <stockx.co.nz, i.e. with no "-" in it.

- 5.2.2 The Respondent acknowledges that the Complainant, through Mr Aspinall, telephoned the Respondent and spoke to Mr Robertson. The Respondent says that Mr Aspinall's call was aggressive and the Complainant had a heavy handed and inappropriate approach.
- 5.2.3 Mr Robertson acknowledges that he told Mr Aspinall that he needed to assess the financial impact the transference of the Domain Name would have on the Respondent's on-going project. This necessitated the review of the costs related to any development, such as artwork and UI designs, along with any outward facing material related to the Respondent's in-progress software solution. Mr Robertson contends that subsequent to his discussion with Mr Aspinall, the Respondent has redesigned its marketing material and changed the wording to be clear that it was not related to the Complainant in any way.
- 5.2.4 The Respondent states that its branding / solution name is "Stock Less Excess", and advises that it will be using the "<" (less than) rather than the "-" (less/minus) in its site text, UI and material.
- 5.2.5 Respondent claims that it expected to be compensated by the Complainant for reworking this area of the solution.
- 5.2.6 The Respondent observes that the Complainant has not taken any steps to secure other related domain name combinations, for example, stock-x.kiwi and stock-x.net.nz. The Respondent notes that both are still available and suggests that if the Complainant was truly serious about the domain registration being unfair it would have already secured these domains.
- 5.2.7 The Respondent further asserts that it has taken the step of registering an alternate domain for customers outside of New Zealand pending the outcome of this Complaint and refers the Expert to its holding page for this development at <http://www.sircit.com/slx/>.
- 5.2.8 On the Expert accessing the holding page, the following message appeared:



## 6. Discussion and findings

- 6.1 The dispute is governed by the Policy issued by the office of the Domain Name Commissioner on behalf of DNC. The relevant portions of the Policy for present purposes are as follows:

"3. Definitions ...

**Unfair Registration** means a Domain Name which either:

- (i) was registered or otherwise acquired in a manner which, at the time when the registration or acquisition took place, took unfair advantage of or was unfairly detrimental to the Complainant's Rights; OR
- (ii) has been, or is likely to be used in a manner which took unfair advantage of or was unfairly detrimental to the Complainant's Rights.

#### **4. Dispute Resolution Service**

4.1 This Policy and Procedure applies to Respondents when a Complainant asserts to the DNC according to the Procedure that:

4.1.1 The Complainant has Rights in respect of a name or mark which is identical or similar to the Domain Name; and

4.1.1 The Domain Name, in the hands of the Respondent, is an Unfair Registration.

#### **5. Evidence of Unfair Registration**

5.1 A non-exhaustive list of factors which may be evidence that the Domain Name is an Unfair Registration is set out in paragraphs 5.1.1 - 5.1.5:

5.1.1 Circumstances indicating the Respondent has registered or otherwise acquired the Domain Name primarily:

(a) for the purposes of selling, renting or otherwise transferring the Domain Name to the Complainant or to a competitor of the Complainant, for valuable consideration in excess of the Respondent's documented out-of-pocket costs directly associated with acquiring or using the Domain Name;

(b) as a blocking registration against a name or mark in which the Complainant has rights; or

(c) for the purpose of unfairly disrupting the business of the Complainant; or

5.1.2 Circumstances demonstrating that the Respondent is using the Domain Name in a way which is likely to confuse, mislead or deceive people or businesses into believing that the Domain Name is registered to, operated or authorised by, or otherwise connected with the Complainant;

5.1.3 The Complainant can demonstrate that the Respondent is engaged in a pattern of registrations where the Respondent is the registrant of domain names (under.nz or otherwise) which correspond to well known names or trade marks in which the Respondent has no apparent rights, and the Domain Name is part of that pattern;

5.1.4 The Complainant can demonstrate that the Respondent has knowingly given false contact details to a Registrar and/or to the DNC; or

5.1.5 The Domain Name was registered arising out of a relationship between the Complainant and the Respondent, and the circumstances indicate that it was intended by both the Complainant and the Respondent that the Complainant would be entered in the Register as the Registrant of the Domain Name;"

6.2 In order to support a complaint under the Policy the Complainant must thus satisfy three elements:

6.2.1 Rights in respect of a name or mark (para 4.1.1);

6.2.2 Identity or similarity between that name or mark and the Domain Name (para 4.1.1); and

6.2.3 Unfair registration in the hands of the Respondent (para 4.1.2).

## 7. Procedural Issues

- 7.1 On 8 July 2015 the Expert, through the DNC, issued an email request to the Respondent's representative and copied the Complainant's representative, indicating that the Expert had read the Complaint, the Response and the reply and having done so, issued the following direction:

*"The Respondent denies bad faith registration and use of the stock-x.co.nz domain name and asserts that it registered the domain name for a cloud based inventory optimisation system that it had under development "Stock Less Excess (stock - x)". However, no evidence is provided to substantiate that claim. The Respondent is provided with the opportunity to substantiate that assertion with reliable evidence of use of the name or term "Stock Less Excess (stock - x) in the course of trade and to identify the date and manner in which such use occurred. The Respondent is given five days from the date of this procedural direction to provide such evidence, should it choose to do so."*

- 7.2 On 16 July 2015 the DNC advised the Expert that no response had been received from the Respondent.
- 7.3 Paragraph B15.1 of the Policy states that "The Expert will decide a Complaint on the basis of the Parties' submissions, the Policy and the Procedure." and paragraph B11.2 requires that "The Expert shall determine the admissibility, relevance, materiality and weight of the evidence." The Respondent was given the opportunity to substantiate its contention that the name or term "Stock Less Excess (stock - x)" had been used by it in the course of trade. The Expert takes its position to be that it has elected to not respond and to avail itself of the opportunity to substantiate and perhaps explain the manner in which it is alleged to have used the name or term "Stock Less Excess (stock - x).

## 8. Rights in respect of a name or mark

- 8.1 In terms of assessing whether the Complainant has Rights in respect of a name or mark which is identical or similar to the Domain Name the Expert first has to consider what the name or mark is, what it means and who has rights in it.
- 8.2 The expression "Rights" is referred to in the definition of "Unfair Registration" in paragraph 3 of the Policy and is directed to a Domain Name which "took unfair advantage of or was unfairly detrimental to the Complainant's Rights" in some way. The primary question is whether some disadvantage or detriment occurs vis-a-vis the Complainant's Rights.
- 8.3 Pursuant to paragraph 3 of the Policy the Complainant must establish the requisite Rights in order to establish that some form of disadvantage or detriment is likely to occur through the existence or use of the Domain Name by the Respondent.

8.4 The Complainant asserts it has rights in Complainant's Trade Mark, principally through its prior registration of the trade mark Stock-X. This trade mark registration number 954649 is dated 1 March 2012, which is approximately two years before the registration of the Domain Name. The Complainant also relies on the prospectus issued as part of its capital raising exercise. The share offer prospectus is dated 15 April 2014; namely two months before the registration of the Domain Name.

8.5 The Expert accepts that such registration and use of Complainant's Trade Mark is sufficient to establish adequate Rights in respect of a name or mark which is identical or similar to the Domain Name.

## 9. Identity or similarity

9.1 It is found that Complainant's Trade Mark is identical and certainly sufficiently similar to the Domain Name for the purpose identified above. This ground is thus established.

## 10. Unfair registration

10.1 As noted in paragraph 6.1 above, a number of factors may be taken into account as evidence that the Domain Name is an Unfair Registration. This requires the Expert to be satisfied that the Respondent has registered or otherwise acquired the Domain Name primarily for certain purposes. These are dealt with below.

10.2 However, before doing so it is necessary to assess Respondent's claim that the name or term "Stock Less Excess (stock - x)" has been used by it in the course of trade. Not only does Respondent make this claim it relies on the holding page referred to in paragraph 5.2.8 above to add credibility and weight to this claim.

10.3 In *Museum of New Zealand Te Papa Tongarewa v. Greg Nicolas*, (WIPO Case No. D2004-0288) the Hon Sir Ian Barker dealt with a situation similar to the present one. The Panel in that case was prepared to accept as a matter of judicial notice, that the building of the national museum of New Zealand (Te Papa) was a matter of considerable publicity throughout the country. In rejecting the respondent's contention that the domain name Te Papa had been registered by the respondent to create a website extolling the beauties and advantages of the many places he had visited and of New Zealand, Sir Ian Barker observed that:

*"The Exciting People and Places Around," the full name for the initials, does not immediately call to mind a website where Filipino migrant workers would find either inspiration as to other places where they might live or solace from their current adversities."*

10.4 Accordingly, the Panel in that case concluded that inference could be drawn that the name, "*The Exciting People and Places Around*" was one concocted to give legitimacy to the disputed domain name.

10.5 In the present case, Respondent was given the opportunity, at the discretion of the Expert, to substantiate and explain its alleged use of the name or term "Stock Less Excess (stock - x)". Under the present circumstances the inference that arises is that it does not have a reasonable explanation or if it has one it has chosen to not share it with the Expert.

11. **For the purposes of selling or transferring the Domain Names**

11.1 The Complainant refers to a series of communications which, in its submission, point to the Respondent seeking to sell or otherwise convey the Domain Names for an amount in excess of the actual registration cost.

11.2 For these purposes the Expert needs to be satisfied that the Respondent has sought to sell, rent or otherwise transfer the Domain Name to the Complainant for valuable consideration in excess of the Respondent's documented out-of-pocket costs directly associated with acquiring or using the Domain Name. The communications between the parties are somewhat equivocal on this issue, for example, in relation to the alleged requirement for reimbursement for so-called "non-direct costs" of registering the Domain Name. Nevertheless, it is sufficiently clear in the Expert's view that the Respondent was angling at a sale of the Domain Names in the manner contemplated above.

11.3 Under the circumstances the Expert is prepared to infer that the Respondent did indeed attempt to sell or transfer the Domain Name to the Complainant for valuable consideration in excess of the Respondent's documented out-of-pocket costs.

12. **For the purpose of unfairly disrupting the business of the Complainant**

12.1 The Complainant next contends that the Respondent has registered the Domain Name for the purpose of unfairly disrupting the Complainant's business. On balance, based on the overall circumstances and the lack of proper explanation or contradiction from the Respondent the Expert finds that a purpose for the registration of the Domain Name is to unfairly disrupt the business of the Complainant, thereby depriving the Complainant of the potential commercial value and benefit of the Complainant's Trade Mark and associated with that the Domain Name.

12.2 That is, on the basis that it would have been apparent from the share offer prospectus issued in April 2014 that Stock-X Systems Limited was being set up primarily to focus on livestock trading for farmers online through a dedicated Internet site. Clearly, a .co.nz domain



name corresponding to the Complainant's Trade Mark would be an advantage in the Complainant's hands and a potential disadvantage in a third party's hands, particularly if that party was interested in selling the Domain Name back to the Complainant at some future point and to make a profit in doing so.

**13. Decision**

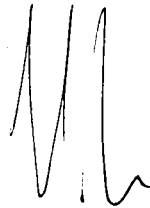
13.1 The Complainant has thus established each part of paragraph 4.1 of the Policy and is entitled to the relief sought. In the result, the Expert orders that the Domain Name be transferred from the Respondent to the Complainant.

**Place of decision:** Auckland, New Zealand

**Date** July 22, 2015

**Expert Name** Clive Elliott QC

**Signature**

A handwritten signature in black ink, appearing to be 'Clive Elliott', written over the printed name 'Clive Elliott QC'.