

.nz Dispute Resolution Service

DRS Reference: 109

Harcourts Group Ltd v Petrov Sergei

Key words –

Domain Name - www.wharcourts.co.nz

Rights - Complaint lodged by licensee of trade mark owner – licence expressly providing that licensee acquires no rights in trade mark – Complainant having no Rights to bring complaint

Procedure - Request under B12.1 of Procedure

1. Parties

Complainant:
Mr Jason Wills
Harcourts Group Ltd
Level 2
47 Riccarton Road
Riccarton
Christchurch

Respondent:
Mr Petrov Sergei
4-Skorina Avn
Minsk
Belarus

2. Domain Name/s

www.wharcourts.co.nz

3. Procedural history


- 3.1.** The Complaint was lodged on 28/06/2006 and InternetNZ, through the Office of the Domain Name Commissioner, notified the Respondent of the validated Complaint on 3/07/2006. The domain/s were locked on 28/06/2006, preventing any changes to the record until the conclusion of these proceedings.
- 3.2.** There was no response filed by the Respondent.
- 3.3.** The Complainant paid InternetNZ the appropriate fee on 24/07/2006 for a decision of an Expert, pursuant to Paragraph 9 of the InternetNZ Dispute Resolution Service Policy (“the Policy”).
- 3.4.** Mr Andrew Brown QC, the undersigned, (“the Expert”) confirmed to InternetNZ on 26/07/2006 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.

- 3.5. In its Complaint, the Complainant has listed two domain names as being in dispute – www.harcourts.co.nz and www.harcourts.co.nz. However it is apparent from the face of the Complaint that one of these (www.harcourts.co.nz) is in fact the Complainant's own website.
- 3.6. The Panel will therefore treat this as a simple mistake so that the only domain name in dispute is in fact www.www.harcourts.co.nz.
- 3.7. On 4 August 2006 the Expert issued a request pursuant to para B12.1 of the Policy and Procedure requesting the Complainant to provide documents in details in support of a claim in its Complaint that it had trade marked the domain name/word HARCOURTS. The request sought a response by 11 August 2006 and directed that the Respondent be given five working days to provide any Response to the information provided by the Complainant.
- 3.8. The Complainant provided a Response to the request on 11 August 2006. The Respondent did not make any Response.

4. Factual background

- 4.1. The information provided by the Complainant discloses that Harcourts International Limited, which is the parent of the Complainant, is the owner of the trade mark HARCOURTS in New Zealand, Australia, Europe (as a Community Trade Mark), South Africa and a number of countries in Asia. Most of the registrations are in class 36 in respect of real estate services.
- 4.2. In New Zealand, Harcourts International Limited (not the Complainant) is the owner of a series registration (comprising the word mark HARCOURTS and a logo mark containing the name) as follows:

Mark	No.	Application Date	Class	Specification
HARCOURTS 	206282	15/11/90	36	Services relating to the sale, purchase, rental and leasing of real estate; real estate appraisal, management, brokerage and agency services; investment and financial services relating to real estate; property management; valuation services; debt collection services

- 4.3. Although this mark was registered originally in the name of Harcourts Real Estate Limited, the Complainant advises through its solicitor that the mark is held by Harcourts International Limited.

- 4.4.** The Complainant, Harcourts Group Limited is a separate company. It is 80% owned by Harcourts International Limited, the other 20% is held by two senior executives of the Complainant through their respective family trusts. The Complainant's solicitor, Mr Peter McDonald advises that the Complainant is licensed by Harcourts International Limited to use and franchise the use of the HARCOURTS mark in New Zealand pursuant to a formal licence agreement dated 11 August 2006. A copy of the licence was provided.
- 4.5.** The Complainant's solicitor advised that "the trade mark HARCOURTS is used throughout New Zealand by franchisees of the Complainant operating 172 real estate agency offices. All of those franchised offices operate pursuant to written franchise agreements entered into by them with [the Complainant]".

5. Parties' contentions

a. Complainant

- 5.1.** The Complaint is very brief and reads (with spelling errors corrected):

"I confirm that Domain Name(s) in dispute are identical or similar to a name or mark in which I have Rights.

I confirm that Domain Name(s) in the hands of the Respondent is an Abuse of Registration.

A company from overseas has registered via Verisign a domain that is trade marked to our company. This is a case of lead advertising and the desired outcome is the domain is revoked ASAP.

Our domain name is www.harcourts.co.nz one of the most visited websites in New Zealand. The domain they have registered is www.wwwharcourts.co.nz quite clearly. They are trying to attract people who are trying to get to our website, but forgetting the [.]"

b. Respondent

- 5.2.** As noted, no Response was filed by the Respondent.
- 5.3.** The Panel has been provided with a printout of the disputed domain name and was indeed invited by the Complaint to look at the domain name. The homepage of the website contains a prominent picture of a puppy and the words"

"Welcome to wwwharcourts.co.nz".

For the best resources and information on the web"

- 5.4.** The homepage then has a series of headings:

Business
Entertainment
Homes
Legal

Cars
Finances
Insurance
Shopping

Education
Health
Internet

5.5. There is a search facility on site which reads “Haven’t found what you’re looking for? Then search here ...”.

6. Discussion and findings

6.1. The Policy and Procedure apply (Policy 4.1) where a Complainant asserts 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**

4.1.2 The Domain Name, in the hands of the Respondent is an Unfair Registration. The Complainant is required to prove to the Expert that both elements are present on the balance of probabilities (para 4.2).

6.2. The term “Rights” includes, but is not limited to, rights enforceable under New Zealand law: Policy para 3 Definition. This paragraph also defines “Unfair Registration” as follows:

“... 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.

Rights

6.3. The Complainant contends that the Respondent has registered a domain name “that is trade marked” to it. Further, the Complainant claims that its domain www.harcourts.co.nz is “one of the most visited websites in New Zealand”.

6.4. The information supplied by the Complainant demonstrates that the trade mark HARCOURTS is a registered trade mark in New Zealand in respect of real estate services in class 36. The owner of the mark is Harcourts International Limited, not the Complainant.

6.5. The licence supplied by the Complainant is dated 11 August 2006 which is after the date of the Complaint. However the term of the licence is expressed as commencing from “1 April 2003”.

6.6. The licence demonstrates that the trade mark HARCOURTS is in fact licensed by the owner of the mark, Harcourts International Limited to the Complainant. The grant contained in the licence gives to the Complainant:

“(i) the exclusive right to negotiate and enter into Franchise Agreements for the use of the Property within the Territory; and

(ii) in connection therewith the right to use the Property within the Territory.”

“Property” is defined to mean the trade marks HARCOURTS or HARCOURTS REAL ESTATE or any variation. The Territory is defined to mean New Zealand.

6.7. The critical issue for this Complaint is whether the Complainant, as licensee, has any “Rights” in the name or mark HARCOURTS sufficient to enable it to sustain this Complaint. As the terms of the Policy require, these Rights include, but are not limited to rights enforceable under New Zealand law.

6.8. In this regard, the licence agreement of 11 August 2006 between Harcourts International Limited and the Complainant is very specific. It expressly provides that the Complainant, as licensee, does **not** acquire any rights whatever in the trade mark HARCOURTS or any goodwill in it. Clause 11.2 of the licence states:

“... The Licensee does not have and shall not obtain any rights in law or equity or interest in the Marks or any registration thereof or any goodwill relating thereto.”

6.9. This could not be more explicit as to the Complainant licensee’s position. The terms of the licence also accord with the general law that where a trade mark is licensed then “in the absence of agreement to the contrary or other supervening factors, the goodwill in the business so carried on by the licensee under the licensed name or mark will accrue to the **licensor** rather than the licensee”: *Wadlow The Law of Passing Off* (3rd edition) para 3-119.

6.10. In these circumstances and faced with the explicit wording of the licence, the Expert has no alternative but to find that the Complainant has no rights to the HARCOURTS name either in respect of the registered trade mark or at common law (so as to sustain a claim for passing off or under the Fair Trading Act 1986). The party having those rights is Harcourts International Limited.

Unfair registration

6.11. In view of the previous finding, it is unnecessary for the Expert to go on and consider the issue of unfair registration.

7. Decision

7.1. The Expert is bound to conclude on the express terms of the licence agreement provided as part of the Complaint that the Complainant does not have any Rights in the name or mark HARCOURTS sufficient to enable it to sustain the Complaint. All these rights accrue to Harcourts International Limited and that party should have been the Complainant.

7.2. Accordingly the Expert is obliged to dismiss the Complaint.

Date 18 August 2006
Expert Name Mr Andrew Brown QC

Signature