

.nz Dispute Resolution Service

DRS Reference: 1095

**Syntech Distributors
Limited**

v

**Industrial Minerals (NZ)
Limited**

Key words – identical trade mark – unfair registration – blocking registration - transfer

1. Parties

Complainant:

Syntech Distributors Limited
PO Box 19-341
12B Saunders Place
Avondale
Auckland
New Zealand

Represented by: Ms Amber Davis of Simpson Western, Solicitors, Takapuna

Respondent:

Industrial Minerals (NZ) Limited
148 Bush Road
Albany
Auckland 0632
New Zealand

Represented by: Mr John Armstrong of Armstrong Murray, Solicitors, Takapuna)

2. Domain Name/s

www.syntech.co.nz

3. Procedural history

- 3.1.** The Complaint was lodged on 19 May 2015 and Domain Name Commission (DNC), notified the Respondent of the validated Complaint on 21 May 2015. The domain/s were locked on 21 May 2015, preventing any changes to the record until the conclusion of these proceedings.
- 3.2.** The Respondent filed a Response to the Complaint on 12 June 2015 and the DNC so informed the Complainant on 16 June 2015. The Complainant filed a Reply to the Response on 25 June 2015.

- 3.3. The DNC informed the parties on 13 July 2015 that informal mediation had failed to achieve a resolution to the dispute
- 3.4. The Complainant paid the DNC the appropriate fee on 20 July 2015 for a decision of an Expert, pursuant to Paragraph 9 of the .nz Dispute Resolution Service Policy (“the Policy”).
- 3.5. Sir Ian Barker QC, the undersigned, (“the Expert”) confirmed to the DNC on 22 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. The Parties

- 4.1. The domain name registration details supplied by the Registrar and the name of the Respondent cited in the Complaint describe the Registrant and the Respondent as “Industrial Minerals”. It has been well-established in the domain name jurisprudence in New Zealand that a domain name must be registered to a legal person. Business names, trading names, brand names and organisational names do not of themselves denote a legal person. The registrant must be identifiable individuals over 18 years of age or properly constituted organisation. The Complainant submitted that the actual registrant was a company called Industrial Minerals (NZ) Limited which like the Complainant is a supplier of abrasive blasting equipment and consumables and is a direct competitor of the Complainant.
- 4.2. The Registrant contact details on the Whois search of the domain name is evan@industrial-minerals.co.nz. The Complainant’s allegation as to the true Registrant was not refuted in the Response. Accordingly, the Expert will consider that Industrial Minerals (NZ) Limited is the proper Respondent and Registrant and the intituling will reflect that decision.
- 4.3. The Expert notes that the principle that a domain name must be registered in the name of a legal person (i.e., an individual or an individual or a properly constituted organisation) was well-established in *The Wicked Cult Limited v Escape Rentals Limited* DRS 353 (the “*Wicked Campers* case”). In this decision, which was given on 17 February 2009, the learned Expert gave reasons as to why a legal person needed to be shown on the Register as the owner of the domain name.

“At best they (i.e. business names etc) are a mask behind which the inquirer might be able to find the actual legal person or persons involved. That is why public registers of property are invariably confined to legal persons. Land, personal property and trade marks are good examples. If Domain Names are to have the status of legally recognisable intellectual property the same principles must apply.”

- 4.4. The principles enunciated in the *Wicked Campers* case have been accepted in numerous subsequent cases under the New Zealand domain name dispute system where sloppy registration practices have resulted in a registrant as named not being a legal person.

- 4.5. It is particularly disappointing that the Registrar in the *Wicked Campers* case (Freeparking Limited) is the same Registrar as in this present case. It seems that this Registrar has not accepted the necessity to register a domain name in the name of a legal person despite being told at paragraph 4.7 of the *Wicked Campers* case “*The Registrar should have insisted on the name of an identified person or company*”.

5. Factual background

- 5.1. The Complainant was incorporated on 20 December 1989 and is in the business of supplying surface finishing equipment and associated consumables. It registered the domain name <syntechnz.com> on 6 March 2005. The Complainant owns a New Zealand trade mark for the word SYNTECH with a deemed date of registration of 1 September 2010.
- 5.2. The disputed domain name was acquired by the Respondent on 15 February 2015 from Syntech Computers Limited, which operated a different area of business to the Complainant. The disputed domain name had been registered to Syntech Computers Limited on 17 April 1997.
- 5.3. After the death in 2014 of the director of Syntech Computers Limited, the Complainant made approaches through an intermediary to purchase the disputed domain name from Syntech Computers Limited. On 24 October 2014, the Complainant’s agent advised that the estate of the deceased director of Syntech Computers Limited was at that time reluctant to relinquish the name. The Complainant had no further opportunity to purchase it and it was subsequently acquired by the Respondent on 15 February 2015.
- 5.4. The disputed domain name is currently hosted by a service operated by Freeparking Limited that offers “free parking” of domain names. No website for the Respondent’s business is currently accessible through the disputed domain name.
- 5.5. Ms Linda Bettle, the Complainant’s office manager, deposed in an affidavit that the disputed domain name had displayed an exact copy of the Respondent’s own business website at a date after the Respondent had acquired the disputed domain name. She also deposed that the domain name blastone.co.nz had formerly accessed a website which was an exact copy of the Respondent’s website at <mineralscorp.com>.
- 5.6. A letter from the Complainant’s lawyers followed requiring this website to be taken down. The Respondent then arranged the free parking. As a result the disputed domain name no longer refers to the Respondent’s business.

6. Parties’ contentions

Complainant

- 6.1. The Complainant submits that there is an “unfair registration” in that the disputed domain name reflects the name of the Complainant’s registered trade mark: that the Respondent registered and acquired the domain name as a blocking registration after the Complainant had attempted to acquire it. The Respondent is not using the disputed domain name at present and has no legitimate use of the domain name but is using a parking service.

- 6.2. The Respondent is a direct competitor of the Complainant. Any use of the disputed domain name would be a breach of the Complainant's trade mark and may also constitute passing off. The Complainant alleges that the Respondent is engaged in a pattern of registration of domain names which correspond to marks for which the Respondent has no apparent rights. It refers to Ms Bettle's affidavit and claim that the Respondent's actions are clearly intended unfairly to disrupt the business of the Complainant.
- 6.3. In support of the allegation that the Respondent has engaged in a pattern of registration of domain names corresponding to marks which the Respondent has no apparent rights, the Complainant instances the registration of the domain name *blastone.co.nz* also naming "Industrial Minerals" as the registrant. Blast One International (Blast One) is a direct competitor to both the Complaint and the Respondent. It is a large United States company with offices in New Zealand and Australia specialising in the supply of blast cleaning equipment and predictive coating systems. It owns the domain name *blast-one.com*. The Complainant further alleges that the director of the Respondent has also registered company names similar to that of its direct competitors, Syntech Limited and Blast One. A company called Blastone NZ Limited was registered on 4 March 2015. Kay Thornton is shown as sole director. Its business is shown as "*industrial machinery or equipment wholesaling*".

Respondent

- 6.4. The name Syntech is generic. The disputed domain name had previously been used by a software company. "Synthetic" and "technical" are words that can be used in many areas of business and do not identify specifically with the business carried on by the Complainant.
- 6.5. The Respondent has incorporated a company called "Syntech" Limited on 4 March 2015. Syntech Limited has a right to use the disputed domain name as a fair use in a way consistent with the generic and descriptive character of the name.
- 6.6. The claim of "parking" by the Respondent of the disputed domain name is incorrect. The domain name was hosted by Freeparking Limited before the transfer. It is a requirement of Freeparking Limited for the transfer of any domain name hosted by Freeparking Limited that it is to be transferred to an account holder of Free Parking. The transfer to Mr Thornton at Freeparking Limited was done at the recommendation of the then owner.
- 6.7. Registration of the company, Syntech Limited, had not been completed at the time of the purchase of the disputed domain name so the transfer was made or intended to be made to Mr Thornton and held in an account with Freeparking Limited. Upon registration of Syntech Limited, the disputed domain name was to be transferred to that company. Syntech Limited will be selling online software applications which is the same business carried on by the previous owner of the disputed domain name. Accordingly, this business will not be in conflict with the Complainant's trade marks.
- 6.8. The Respondent has already assured the Complainant of this and has offered to provide undertakings that it would not use the disputed domain name in a manner which breached the Complainant's trade mark.

- 6.9. The domain name has been in legitimate use for some years since April 1997. It is intended to be used by the Respondent for the same use. Accordingly, claims of parking and blocking are not valid. The Complainant has not provided full disclosure. The Respondent's lawyers offered to provide undertakings that the Respondent would not breach any trade mark.
- 6.10. The Respondent produced what it called two "statutory declarations". The first signed by Evan Thornton claimed that the disputed domain name was purchased and registered with Freeparking Limited with the intention that it would be transferred to Syntech Limited's control and ownership upon Syntech Limited's incorporation. The other signed by Kay Thornton, claimed that the disputed domain name will be used for the purposes of buying and selling software applications under the control of Syntech Limited and will not be used or have any association with the Complainant or its goods. These were not property statutory declarations since there was no indication that the witness was a person entitled to take statutory declarations under the Oaths & Declarations Act 1957.
- 6.11. The Complainant's claims for Unfair Registration are incorrect. The Complainant cannot demonstrate that an actual offer to purchase was made of the domain name of the Complainant: in any event, that is irrelevant. The disputed domain name had been in use for a number of years and will be used for a business completely different from that of the Complainant. There will be no disruption of the Complainant's business or confusion because the disputed domain name will continue to operate in the same class of business it has done since 1997.
- 6.12. There is no pattern of unfair registration. The Complainant does not have a registered .co.nz domain. It has been using a .com domain. Another company registered in New Zealand, Syntech NZ Limited uses the domain name syntechnz.co.nz which appears to be almost identical to the Complainant's domain name. There are a number of registered companies in New Zealand containing the name Syntech.
- 6.13. The Complainant has no more right than any other company to the disputed domain name. There are multiple name options that can be registered. No breach or use of the Complainant's trade mark will occur because of the undertakings. Syntech Limited has a legitimate use for the domain name.
- 6.14. Syntech Limited has changed its address and its apparent association with Industrial Minerals (NZ) Limited. Mr Thornton undertakes that he will promptly change the ownership of the disputed domain name to Syntech Limited so there can be no confusion. Referring to Ms Bettle's affidavit, the Respondent says that at no stage was any instruction issued to direct the disputed domain name to the sites as mentioned.
- 6.15. Industrial Minerals Limited has no interest, financial control or shareholding in Syntech Limited. They are separate legal entities.

Complainant's Reply

- 6.16. Syntech is not a generic term. The Complainant has rights in Syntech because of its registered trademark. The Respondent purchased the disputed domain name and failed to develop a website over the following four months.

- 6.17. The Respondent says that it intends to use the site to sell computer software. Four months is a reasonable time for it to have least developed a temporary website, but there is no evidence to show that has occurred.
- 6.18. At some point after the disputed domain name was transferred from the previous registrant to the Respondent, the website displayed an exact copy of the Complainant's website as per Ms Bettle's affidavit. This allegation was not refuted. Nor was the allegation regarding Blast One refuted. Accordingly, the disputed domain name has not always been held by Freeparking Limited since the Respondent acquired the disputed domain name.
- 6.19. With regard to the Respondent's undertakings, the Respondent has still to transfer the domain name to Syntech Limited and in any event transfer of the name to Syntech Limited does not cease to make the registration of the transfer unfair. It does not provide an answer to the Complainant's concerns.
- 6.20. The Complainant notes that the sole director of the Respondent was previously the sole director of Syntech Limited. The current sole director is said to be Mr Thornton's wife. Mr Thornton provided the Response – not his solicitors. There can be no confidence that Syntech Limited is a separate and unrelated company to the Respondent.
- 6.21. The Respondent's main motivation in acquiring the disputed domain name was to block the Complainant from acquiring the domain name and to mislead, confuse and deceive others pursuant to clauses 5.1.1(b) and 5.1.2 of the Policy. The Complainant has not provided any evidence to suggest it purchased the software business of the previous registrant. All that is shown is that it acquired the disputed domain name. The Respondent has never been in the business of selling computer software. Syntech Limited's business classification is industrial machinery or equipment wholesaling which is in direct competition with the Complainant and the Respondent. One cannot be confident the Respondent intends to use the domain name to carry out the same type of business as the previous registrant. The Complainant had no issue with the previous owner of the disputed domain name it was not a direct competitor and was in the software business.
- 6.22. The Complainant further submits that the Respondent is engaged in a pattern of registration pursuant to clause 5.1.3 of the Policy and has acquired the domain names as a competitor to the Complainant's business of supplying surface finishing equipment associated with consumables. The Respondent provided no Response to the Complainant's allegations in Ms Bettle's affidavit nor has the Respondent acquired a number of Syntech-related websites. The domain <syntechnz.co.nz> is owned by a company not in the same business as the Complainant. Unlike the Respondent, the Registrant of that domain is not connected with a competitor of the Complainant's.

7. Discussion and findings

- 7.1. The dispute is governed by the Policy issued by the office of the Domain Name Commission Limited on behalf of the Domain Name Commissioner. Critical portions of the Policy for present purposes are these':

"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*
 - 4.1.2 *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."*

- 7.2. It will be seen that to support a complaint of this kind the Complainant must satisfy three elements:
- (a) Rights in respect of a name or mark (para 4.1.1);
 - (b) Identity or similarity between that name or mark and the Domain Name (para 4.1.1); and
 - (c) Unfair registration in the hands of the Respondent (para 4.1.2).

8. Rights in respect of a name or mark

- 8.1. There is no doubt that the Complainant has rights in respect of the trade mark "syntech". That in itself satisfies the first requirement.

9. Identity or similarity between the name or mark and the Domain Name]

- 9.1. The second requirement is to show that the Complainant's name or mark is identical or similar to the Domain Name.
- 9.2. The complainant's trade mark and the disputed domain name are identical. The second requirement is satisfied.

10. Unfair Registration

- 10.1. The third requirement is unfair registration. In the Expert's view, the Complainant has made out a case of blocking registration contrary to the Policy, Paragraph 5.1.1(b) with the potential of unfairly disrupting the business of the Complainant contrary to Paragraph 5.1.1(c).
- 10.2. The Complainant is in a strong position because it has a registered trade mark for Syntech. The expression "syntech" does not strike the Expert as being generic. The argument that Syntech is a generic term and therefore is not capable of being trade-marked is irrelevant. Unless and until the trade mark registration is revoked, the Complainant's trade mark rights endure. There is no application to rescind the trade mark nor does it appear that there was any objection to it being granted. The actions of the Respondent in forming a company with a name identical to the trade mark and acquiring a disputed domain name which is also identical to the trade mark may cause the Respondent problems under trade mark law which is not necessary for the Expert to canvas, let alone determine in the present proceedings.
- 10.3. However, the acquisition of the disputed domain name and the registration of a company with the name Syntech all point to the desire by a competitor to block the acquisition by the Complainant of the disputed domain name. The unchallenged evidence of Ms Bettle that the Respondent had at one stage before transferring the disputed domain name to Freeparking Limited reproduced the Complainant's website on the website accessed by the disputed domain name indicates an intention by the Respondent unfairly to disrupt the business of the Complainant or to use the disputed domain name. Such a website is likely to confuse, mislead or deceive people or businesses into believing that the disputed domain name is registered and operated or authorised by or otherwise connected with the Respondent.
- 10.4. Ms Bettle's evidence relating to Blast One, another competitor, is powerfully confirmatory of this proposition. No refutation by the Respondent was given to the contention that Complainant's website had at some stage been reproduced on a website accessed by domain name blastone.co.nz. To say

blithely that there was no directive to this effect is not good enough. A registrant of a disputed domain name must take responsibility for the contents of any website accessed by the disputed domain name.

- 10.5. Nor can undertakings of the kind proposed on behalf of the Respondent be satisfactory. Neither the Expert nor DNC has the authority of a Court to enforce undertakings; nor can any assignee from the Respondent be bound by such undertakings.
- 10.6. Accordingly, the Expert concludes there is an unfair registration of the disputed domain name.

11. Decision

The Complaint is upheld. I direct that the disputed domain name, syntech.co.nz be transferred to the Complainant or its nominee.

Place of decision Auckland

Date 6 August 2015

Expert Name Hon Sir Ian Barker QC

Signature

