

## **.nz Dispute Resolution Service**

**DRS Reference: 1110**

**Warehouse Stationery  
Limited**

**v**

**Domforce Ltd**

### **Key words –**

*Identical or similar trade mark or name*

Registered mark - unregistered mark - well-known mark - similar - misspelling

*Unfair registration*

Unfair registration – unfair use– likely to confuse, mislead or deceive - blocking registration – presumption of unfair registration –

### **1. Parties**

#### **Complainant:**

Warehouse Stationery Limited  
26 The Warehouse Way  
Northcote  
Auckland  
New Zealand

#### **Respondent:**

Domforce Ltd  
Suite 508,  
Marina Towers  
Newtown  
Barracks Road  
Belize City  
Belize

### **2. Domain Name**

[www.warehousestationary.co.nz](http://www.warehousestationary.co.nz)

### **3. Procedural history**

- 3.1. The Complaint was lodged with the Domain Name Commission (DNC) on 29 June 2015.
- 3.2. DNC manages and administers the .nz domain name space on behalf of InternetNZ. InternetNZ has ultimate responsibility within New Zealand for the .nz domain name space.
- 3.3. The disputed Domain Name was locked on 30 June 2015, preventing any changes to the record until the conclusion of these proceedings.
- 3.4. DNC notified the Respondent of the validated Complaint on 01 July 2015, advising that the Respondent had 15 working days until 22 July 2015 to respond.
- 3.5. No response was filed by the Respondent.
- 3.6. On 27 July 2015 DNC advised both parties of the Complainant's right, given the lack of response from the Respondent, to refer the dispute to expert determination. The Complainant exercised that right by paying the appropriate fee pursuant to Paragraph 9 of the .nz Dispute Resolution Service Policy ("the Policy").
- 3.7. Robert Fisher QC ("the Expert") was appointed to determine the dispute on 14 August 2015 by letter copied to both parties. Prior to his appointment the Expert confirmed that he knew of: (a) no reason why he could not properly accept the invitation to act as expert in this case; and (b) 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 Complainant is a large and well-known New Zealand owned company. It retails stationery, office and school supplies both online and from around 65 physical stores nationwide. It is part of a larger retail group, The Warehouse Group, which operates a further 169 stores across New Zealand under The Warehouse and Noel Leeming brands. The Warehouse Group began retailing in 1982. Its first dedicated stationery store opened in 1991.

4.2. The Complainant and its parent group has owned the registered trade mark 'Warehouse Stationery' since December 1997. It has at various times over the years (2006, 2009, 2012 and 2013) extended the mark to cover an increasingly wide range of products, services and brand extensions. At all times its mark has included class 35, defined as:

services in wholesaling and retailing; research services; advisory and consultancy services; all the foregoing relating to the business/office (including home office) business and/or in connection with the electronics/communication industry

4.3. The Respondent is a limited liability company with a street and postal address in Belize, a country in Central America.<sup>1</sup>

4.4. The disputed Domain Name is currently registered with InterNetX GmbH, a German domain name registrar. It is parked at a parking site run by parkingcrew.net. According to Whois the parkingcrew.net domain name is itself prohibited from client transfer by ICANN. Unlike commercial parking sites such as Freeparking, the disputed Domain Name site provides no information on the third party which generates the 'Sponsored Listings' available on the site. All the site states is:

The Sponsored Listings displayed above are served automatically by a third party. Neither the service provider nor the domain owner maintain any relationship with the advertisers. In case of trademark issues please contact the domain owner directly (contact information can be found in whois).

4.5. Internet users who enter the disputed Domain Name in the address bar of their browser are directed to a list of 'sponsored listings' which advertise a variety of stationery and office supply websites. The listed websites include one labelled 'Warehouse Stationery' which redirects to [www.oony.co.nz/warehouse-stationery](http://www.oony.co.nz/warehouse-stationery). The sites listed refer to products such as printers, laptops, office machines, office paper & labels, ink cartridges, school stationery and 'cheap modern office furniture'.

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<sup>1</sup> According to the website of Fidelity Overseas Ltd, a company sharing the physical address of the Respondent, Belize "is a typical, straightforward and cost-efficient offshore tax haven... [which] offers a package of legislation that is both modern and robust."

4.6. 'Stationary' is a common misspelling of 'stationery'. The Oxford Dictionaries online includes the pair in its list of "commonly confused words".<sup>2</sup> The Complainant provided one example of such misspelling from a customer. The customer wrote by email to the Complainant on 6 May 2015, attaching a screen shot of the disputed Domain Name landing page and saying:

One of my colleagues typed  
www.warehousestationary.co.nz into their browser and up  
popped this page. We always used to have a redirect to  
www.warehousestaionery.co.nz as the incorrect spelling  
was invariably the most commonly typed.

I just wonder if someone has inadvertently overlooked this  
and is no longer paying for the domain name? Click on the  
links when the page presents and you will get a whole  
heap of competitor sites appearing.

Not flash ...

4.7. The Complainant says that it previously owned and maintained the disputed Domain Name but that ownership lapsed inadvertently due to staff changes.

## **5. Complainant's contentions**

5.1. The Complainant submits that:

- Because the disputed Domain Name was previously owned and maintained by the Complainant, consumers may assume it is still associated with, or endorsed by, the Complainant;
- The links to competitors advertised on the disputed Domain Name are intended to mislead and deceive consumers into believing they are dealing with the Complainant or a subsidiary;
- The registration is misleading, deceptive and unfair.

## **6. Respondent's contentions**

6.1. The Respondent made no submissions.

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<sup>2</sup> Oxford University Press at <[www.oxforddictionaries.com/words/commonly-confused-words](http://www.oxforddictionaries.com/words/commonly-confused-words)>.

## 7. Discussion and findings

7.1. The dispute is governed by the Policy issued by DNC on behalf of InternetNZ. Critical 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
- 4.1.2 The Domain Name, in the hands of the Respondent, is an Unfair Registration.

7.2. To support a complaint of this kind the Complainant must therefore 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).

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

7.3. The Complainant has demonstrated rights in respect of the name “Warehouse Stationery” by virtue of its registered trade mark WAREHOUSE STATIONERY (and extensions) (trade mark numbers 285713; 758070; 809364; 969961; 980027; and 980029).

7.4. The Complainant also has common law rights in the name Warehouse Stationery. The brand has been widely promoted for nearly 25 years.

7.5. This requirement is made out.

b. *Identity or similarity between name or mark and Domain Name*

7.6. The second requirement the Complainant must satisfy is to show that its name or mark is identical or similar to the Domain Name. In this instance the trademarked name "WAREHOUSE STATIONERY" is identical bar one letter to the name used in the disputed Domain Name, www.warehousestationary.co.nz. The minor spelling difference between the two is the subject of common error and confusion, as discussed above.

7.7. This requirement is made out.

c. *Unfair registration in the hand of the Respondent*

7.8. The third requirement is unfair registration. On that subject the Policy provides:

**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;"

7.9. Two forms of unfair registration require consideration in this case:

- i. Registration for the purposes of sale, blocking or disrupting (para 5.1.1); and
- ii. Use of domain name to represent a connection with the Complainant (para 5.1.2).

i. *Registration for the purposes of sale, blocking or disrupting*

7.10. Whether this was an unfair registration in terms of para 5.1.1 of the Policy turns on the Respondent's primary purpose in registering the domain name. The question is whether the Respondent's ultimate objective was to persuade the Complainant, or a competitor of the Complainant, to purchase domain name rights from the Respondent (para 5.1.1(a)) and/or to prevent the Complainant from registering the same domain name in its own right (para 5.1.1(b)) and/or in the meantime to use the domain name with incidental and consequential disruption to the Complainant's business as an incentive to the Complainant – or a competitor - to make the purchase (para 5.1.1(c)).

7.11. As there can never be direct proof of the Respondent's state of mind at the time of registration the question is whether the circumstances justify an adverse inference.

7.12. The circumstances here include internet practices and use of "pay per click" (PPC) and parking sites since the mid-2000's. The upsurge of international activity in that field is well documented.<sup>3</sup> Typically a person seeking to exploit someone else's existing goodwill in a name will register a domain name which includes that name or something deceptively similar to it. Where the similarity is designed to capture

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<sup>3</sup> In such determinations as *Express Scripts, Inc v Windgather Investments Ltd/Cartwright* WIPO Case No. D2007-0267; *Asian World of Martial Arts Inc v Texas International Property Associates* WIPO Case No. D2007-1415; *Grundfos A/S v Texas International Property Associates* WIPO Case No. D2007-1448; *Serta Inc v Charles Dawson* WIPO Case No. D2008-1474; and *Credit Industriel et Commercial SA v Demand Domains, Inc* WIPO Case No. D2009-1184.

accidental variants of the original through internet user typos it is sometimes referred to as “typosquatting”.<sup>4</sup>

- 7.13. Having registered the domain name the registrant “parks” it with a domain name parking service provider. The service provider generates a PPC landing page. The PPC landing page may itself incorporate sponsored links or offer the choice of a series of named goods or services which in turn link to a series of sponsored links. In either case the links are usually selected through a service such as Google AdSense without active input by the registrant. When the user clicks on one of the sponsored links the advertiser sponsoring the link makes a small payment. This “click-through revenue” may be retained by the parking company in return for free parking of the domain name or it may be split between the domain name parking service provider and the owner of the domain name.<sup>5</sup>
- 7.14. The registrant may have one or more commercial incentives for using a PPC site in that way. One is to gain a share of the revenue generated from advertisers through diversion of custom via the PPC site. Another is to sell the domain name to the rights owner at a profit. The rights owner may be pressured to buy in order to stop continuing confusion over, and dilution of, its own name, loss of custom through diversion to competitors located through the PPC site, inability to use the blocking domain name for its own purposes, and/or negative associations with inferior products or services. In that situation the rights owner will need to either meet the registrant’s asking price for the domain name or challenge the registrant’s right to the domain name by laying a complaint of the present kind.
- 7.15. The fact that there is an overlap between the domain name and that of the rights owner does not of itself indicate that a scheme of the above kind had been the registrant’s purpose when registering the domain name.<sup>6</sup> However it has become increasingly difficult to accept a registrant’s plea that it had adopted a domain name in ignorance of the fact that the same name was already associated with someone

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<sup>4</sup> As in *In Grundfos* where the complainant’s name was “Grundfos” and the disputed domain name “groundfos.com”.

<sup>5</sup> As, for example, in *Owens Coming v NA* WIPO Case No. D2007-1143)

<sup>6</sup> *Credit Industriel* at para 6.10.



else's goodwill. A few minutes with a modern search engine such as Google quickly avoid a misapprehension of the kind, quite apart from actual or constructive notice stemming from the trade mark register.

- 7.16. It is against that background that the facts of the present case are to be determined. Several factors then stand out. First, the Complainant's reputation associated with the name "Warehouse Stationery" was well established at the time the Respondent first used the modified version to register the domain name. It is difficult to believe that the Respondent was unaware of that. The elementary step of checking through a search engine such as Google would have made it obvious, quite apart from the opportunity to search the trade marks register.
- 7.17. Secondly it was foreseeable that use of the Domain Name in this way would divert custom from the Complainant to competing sites. That was likely once the Domain Name was linked to a PPC landing page with a range of products and services directly competing with the Complainant. Even if the selection of advertisements on display at the PPC landing site was chosen by some independent organisation or algorithm, a registrant cannot deny ultimate responsibility for the diversion of custom to a competitor.<sup>7</sup> As was said in *Grisoft, s.r.o v Original Web Ventures Inc* WIPO Case No. D2006-1381:

Although the web pages were automatically generated by DomainSponosr's (sic) software of searches made by visitors, this system is inherently likely to result in the display of sponsored links in the field in which a company whose mark corresponds to the domain name is active, including that company's competitors. It is thus a system which is likely to enable the registrant to obtain click-through commissions from the diversion of Internet users who are confused where (as here) the second level domain ("SLD") is identical to the mark of a company which has been used on a substantial scale for a number of years.

- 7.18. The Respondent is ultimately responsible for the content of the website, however generated.

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<sup>7</sup> See *Grundfos* supra at p 20 and cases there cited.

- 7.19. Thirdly it was always foreseeable that the confusion and diversion of business resulting from the association of the domain name with PPC sites in that manner would come to the attention of the Complainant. That in turn must have suggested to the Respondent at the time of registration that there was a reasonable prospect of an approach from the Complainant with a view to purchase.
- 7.20. Fourthly, the disputed Domain Name is a New Zealand one yet the Respondent is a company in Belize, registered in Germany. There is no evidence of any legitimate connection between the Respondent and the conduct of business in New Zealand.
- 7.21. When those circumstances are viewed in combination it is reasonable to conclude that the Respondent registered the domain name primarily for the purposes of selling to the Complainant or a competitor along with the associated purposes of blocking the Complainant from registering the same name and disrupting the Complainant's business. The purpose is to encourage the Complainant to purchase the domain name from the Respondent to the latter's profit. These are all forms of unjustified registration for the purposes of para 5.1.1 of the Policy.

*ii. Use of domain name to represent a connection with the Complainant*

- 7.22. Although no other ground is required, it is also apparent that the Respondent is using the domain name in a way that implies a connection with the Complainant. Entering the url "www.warehousestationary.co.nz" in the url line of a browser currently leads to a site with 'warehousestationary.co.nz' displayed at the top. That is followed by hyperlinks labelled 'Related Links' or 'Ads' which relate to stationery and office supplies and such labels as 'And Office Supplies'; 'Cheap Laptop'; 'Cheap Modern Furniture'; 'Office Printer'; 'Ink Cartridges' and 'Warehouse Stationery'. Diversion of the Complainant's business to competitors is a necessary consequence.
- 7.23. The Respondent is therefore using the Domain Name in a way which is likely to confuse, mislead or deceive people into believing that the Domain Name is in some way connected with the Complainant for the purpose of para 5.1.2 of the Policy.

**8. Decision**

8.1. The Complaint is upheld. The disputed domain name "warehousestationary.co.nz" is to be transferred to the Complainant or its nominee.

**Place of decision** Auckland

**Date** 28 August 2015

**Expert Name** Hon Robert Fisher QC

**Signature**

A handwritten signature in blue ink, appearing to read "R. Fisher", is written over the signature label.