

## **.nz Dispute Resolution Service**

**DRS Reference: 156**

### **National Manager, TeachNZ, Ministry of Education v David Powell**

Key words – unregistered mark – similar – unfair use – prior relationships between the parties – unfairly disrupting the business of the complainant – respondent having no genuine interest in domain name – evidence of events more than three years prior to filing complaint – registered trade mark owned by unrelated third party – cancellation rather than transfer.

#### **1. Parties**

Complainant:

Mrs Irene Lynch  
National Manager, TeachNZ, Ministry of Education  
45 Pipitea Street  
Thorndon  
Wellington

Respondent:

Mr David Powell  
17 Beech Close  
Hull  
GB (UNITED KINGDOM)

#### **2. Domain Name/s**

teachnz.co.nz ("the Domain Name")

#### **3. Procedural history**

The Complaint was lodged on 4/12/2006 and InternetNZ, through the Office of the Domain Name Commissioner, notified the Respondent of the validated Complaint on 5/12/2006. The domain/s were locked on 5/12/2006, preventing any changes to the record until the conclusion of these proceedings.

The Respondent filed a Response to the Complaint on 8/01/2007 and InternetNZ so informed the Complainant on 8/01/2007. The Complainant filed a Reply to the Response on 18/01/2007. InternetNZ informed the parties on 31/01/2007 that informal mediation had failed to achieve a resolution to the dispute.

The Complainant having paid the appropriate fee to InternetNZ, on 14/02/2007, Mr Warwick Smith ("the Expert") was appointed by InternetNZ to decide the Complaint under the provisions of the Dispute Resolution Service Policy issued by InternetNZ ("the Policy"). The Expert finds that he has been properly appointed in terms of the Policy.

By Procedural Direction No 1 issue on 28 February 2007, the Expert requested from the Complainant a further statement identifying the “Rights” (as defined in paragraph 3 of the Policy) on which the Complainant relies. The Respondent was given the opportunity to file a further statement in reply, and the time for the Expert to give his decision in the case was extended to 13 March 2007.

The Complainant has duly provided a further statement (with numerous email attachments), and the Respondent has filed a reply to that further statement.

#### **4. Factual background**

##### *The Complainant*

The Complainant is in effect the New Zealand Ministry of Education. In 1996, the Complainant established a “TeachNZ” unit, to be responsible for teacher supply covering early childhood education, and primary and secondary education, in New Zealand.

As described in the Complainant’s further statement, the TeachNZ unit has the following roles.

- (i) Promoting teaching as a profession, including promotion to actual or prospective Maori teachers and teachers from the Pacific Islands.
- (ii) Promoting teacher supply initiatives.
- (iii) Promoting TeachNZ scholarships, and processing scholarship applications and administering grants.
- (iv) Informing overseas teachers of employment opportunities in key shortage subjects and areas in New Zealand.
- (v) Dealing with enquiries from members of the public interested in teaching, and from overseas teachers interested in obtaining positions in New Zealand schools.

In 1997, TeachNZ established a website at [www.teachnz.govt.nz](http://www.teachnz.govt.nz) (“the Complainant’s website”), to support the work of the TeachNZ unit. The Complainant’s website was intended, inter alia, to provide teachers and potential teachers with information about teaching opportunities in New Zealand, how to apply for New Zealand teaching positions, details of requirements and processes, and how to communicate with TeachNZ staff to obtain support and advice.

In its further statement, the Complainant states that the TeachNZ unit has an advertising/promotion budget to carry out the above work, of \$2.2 million. It appears from the Complainant’s website, and from a

number of documents (including advertisements) provided by the Complainant with its further statement, that the advertising and promotion is carried out under a "TeachNZ" brand name with a distinctive logo.

The TeachNZ advertising includes a total of 13 to 14 weeks of television advertising each year, spread over three different periods within the year. Radio advertising is also used.

The Complainant also operates an 0800 telephone number for inquiries, being the number "0800 TeachNZ". Callers to the 0800 number are provided with an information pack containing various materials outlining such things as teacher education programmes available in New Zealand, application forms for TeachNZ scholarships, etc. A call centre is employed to administer and co-ordinate the responses to calls on the 0800 line. The Complainant says that it received over 5,000 calls on its 0800 "TeachNZ" line, between 1 July 2005 and 30 June 2006.

The Complainant's website is the only website that provides details of all the teacher education programmes offered by institutions approved by the New Zealand Teachers' Council.

Other promotional activity undertaken by the Complainant using the TeachNZ brand and logo, include the following:

- (i) Banner advertisements on the Complainant's website, including links taking the website visitor to the Complainant's TeachNZ television advertisements.
- (ii) TeachNZ scholarships are promoted through television, radio, print, and on the Complainant's website.
- (iii) The National Manager of the TeachNZ unit makes two trips to the United Kingdom each year, to source teachers for New Zealand schools. TeachNZ has stands at emigration fairs and New Zealand Opportunities Expos in major cities in the United Kingdom. Seminars are also run in several major cities in the UK each year.

### *Trade Marks*

The Complainant does not have any registered trade mark – its claim is based on alleged unregistered rights in the mark TEACHNZ, based on its use of that mark over the period since 1996.

In the course of conducting a standard online search for any "TeachNZ" trade mark which might be registered with the Intellectual Property Office of New Zealand, the Expert noted registered Trade Mark No 749107, being a device mark registered with effect from 6 June 2006 by one David Wolf-Rooney. The device mark consists of the words "Teach NZ",

superimposed over an oval shape containing what appears to be a human eye. The dark oval shape is in turn superimposed on a light square background. The registration is in international class 35, and the specification includes:

*“Advertisement services relating to the recruitment of education personnel; advisory services relating to personnel recruitment; employment services including employment information accessible online; collection of curriculum vitae and compilation of personnel vacancy information; information services relating to education employment ... assistance relating to recruitment and place of education staff ... consultancy relating to education personnel recruitment ... internet dissemination of information relating to the recruitment of teacher graduates ...”*

The Expert drew this registered trade mark to the parties' attention in the Expert's Procedural Direction No 1, and the Complainant addressed the issue in its further statement.

The Complainant advised that, early in 2006, Mr Wolf-Rooney lodged an application for a trade mark which included the expression “TeachNZ”. The Ministry of Education objected, and the Complainant has provided a copy of the Ministry's notice of opposition to that application. However the notice of opposition does not relate to the registered Mark No 749107 referred to by the Expert – the Ministry's opposition related to Trade Mark Application No 743945, which was for a similar “TeachNZ” device mark, with the expression “TeachNZ” appearing over a dark oval shape superimposed on a light square background, but without the human eye.

In its further statement, the Complainant explains that the national manager of the TeachNZ unit went overseas on TeachNZ business after the Ministry's notice of opposition was lodged, and the Ministry's legal team were asked to lodge an application for a trade mark for the Ministry's TeachNZ logo. According to the further statement, when the National Manager returned to her office several weeks later, she discovered that Mr Wolf-Rooney had immediately lodged a second application (with a variation of his earlier logo). According to the further statement, that second application had been advertised and the time for objections had already passed. The Complainant says that the matter is “still with the Ministry's Legal Division”.

The Ministry's notice of opposition to Mr Wolf-Rooney's Application No 743945, was substantially lodged on the basis that use of the proposed mark would be likely to deceive or cause confusion, contrary to s 17(1)(a) of the Trade Marks Act 2002. The notice of opposition described the source of the likely deception and confusion, in terms including the following:

*“The Ministry has been using its own unregistered mark incorporating the term ‘Teachnz’ since 1996. The term has been currently used widely since 1996 in the TeachNZ’s letterhead, website, television advertisements, radio advertisements, collateral and resources and print advertisements, including overseas advertising. Our advertisements are in phone books and yellow pages throughout New Zealand.*

*The Ministry of Education has preferred overseas teacher recruitment agencies which are approved by the Ministry. Their services are free to teachers. The applicant proposed trade mark would readily imply that his business operations have the endorsement of the Ministry in the same way that our preferred overseas teacher recruitment agencies do.*

*... It is also likely that the use of the proposed trade mark would mislead NZ Principals that this organisation is part of the TeachNZ Unit of the Ministry.”*

The notice of opposition also noted the Ministry’s belief that that the application may be made in bad faith, as the applicant was known in the recruitment sector and was likely to know that the phrase “Teachnz” was likely to deceive and confuse (s 17(2) of the Trade Marks Act 2002).

#### *The Respondent and the Domain Name*

The Respondent is a teacher, who now lives in the United Kingdom. He arrived in New Zealand in 2000 to take up a teaching post. It appears that the move to New Zealand did not work out for the Respondent – there were difficulties in having the Respondent’s Masters Degree from Oxford University recognised by the New Zealand Qualifications Authority. The Respondent eventually returned to the United Kingdom.

Not long after arriving in New Zealand in 2000, the Respondent registered three domain names. One of them, at [www.powell.co.nz](http://www.powell.co.nz), appears to have been for purely personal use. The other two were nzqa.co.nz and the Domain Name. The Domain Name was registered on 24 January 2001.

After the Domain Name was registered, it was pointed to a website which the Respondent says consisted only of a single holding page (“the Respondent’s website”).

The Respondent says that in the early years after the Domain Name was registered, the Respondent’s website was receiving some erroneous traffic which was related to the Complainant’s advertising campaigns, and which was intended for the Complainant. He says that, when that became apparent, he offered to forward such enquiries to the Complainant’s staff. He says that, despite what he apparently saw as an

absence of courtesy on the part of the Complainant's staff, he cooperated with them to redirect such enquiries to the Complainant. (The Respondent produced in support of that statement an email exchange between himself and Ms Robyn Smith of the Complainant, in December 2003. In the email, Ms Smith thanked the Respondent for providing her with details of email addresses for persons who had mistakenly contacted the Respondent's website when they were seeking to access the Complainant's website.)

The Respondent says that this "forwarding arrangement" continued long after he had moved away from New Zealand, and into 2004. He says that it was a voluntary arrangement, under which he forwarded messages "out of consideration and courtesy for the people involved". He stopped the arrangement in 2004, and indicated on the Respondent's website that he was no longer dealing with any misdirected enquiries. The statement on the Respondent's website read:

*"There is currently neither the time nor the inclination to deal with enquiries here. Please direct enquiries elsewhere."*

In more recent times, the Domain Name has resolved to the website at [www.sedo.co.uk](http://www.sedo.co.uk) ("the sedo website"). The Respondent says that the operators of the sedo website provide a service whereby links are generated to other websites, which are listed on the sedo website under various category headings. The Respondent says that a commission is paid to him depending on the traffic generated by the Domain Name. He says that the content of the sedo website, including the various hyperlinks to other sites, is created by Sedo, and not by the Respondent.

The Complainant attached to the Complaint an extract from the sedo website which had been downloaded on 24 November 2006. The "sedo" name and logo appear on this web page, immediately below the statement:

*"The Domain teachnz.co.nz may be for sale by its owner! More details ..."*

Immediately above that statement, the visitor to the sedo website can make use of a search facility, where a number of click-on categories are listed under the heading "Popular Searches". The "popular searches" include "Teachnz", "Porn", "Free Sex", "Erotic Pictures", and a number of other similar categories. The web page produced by the Complainant also provides a number of sponsored links to employment recruitment sites, immediately below another statement that the Domain Name "may be for sale by its owner".

The Respondent acknowledges that some of the links generated by Sedo have been pornographic, but says also that he has visited the web page on a large number of occasions using different computers, without encountering any such links. He says in his response that if

pornographic links do appear on the page, a polite message to him notifying him of that fact would be enough for him to take immediate action to have such links removed.

The Domain Name is presently locked, but the Respondent says that, if the Domain Name is returned to his control, he would “favourably consider any requests to cease using the Sedo parking page”, and that he would also consider placing a link to the Complainant’s website on the holding page of the Respondent’s website, until such time as the Domain Name is transferred to another party.

The Complainant produced a copy of a media statement issued in July 2005 by the Minister of Education. It appears from this media statement that the National Party candidate in the Hamilton West electorate, had mistaken the Respondent’s website for the Complainant’s website, and had issued a press statement to the effect that “the Ministry of Education’s TeachNZ website tells people to go away when they log on”.

#### *Commencement of Negotiations for the Purchase of the Domain Name*

The Complainant has produced copies of email correspondence in the period between March 2006 and August 2006, between the Complainant’s agent and the Respondent. The correspondence commenced with an email dated 20 March 2006, in which the Complainant’s agent expressed interest in buying the Domain Name. The Respondent promptly replied that he would consider any reasonable offer.

On 27 March 2006, the Complainant’s agent indicated to the Respondent that its client (which the agent identified as the Complainant) had allowed NZ\$1,000 in its budget to purchase the Domain Name. The Respondent replied on 31 March indicating that he was not willing to sell for any amount in the region of that offer.

On 8 May 2006, the Complainant increased its offer to \$2,000, stating that that was a final offer which would expire on 16 May, and that if it were not accepted, the Complainant would commence legal proceedings. The Respondent was not moved, either by the increased offer or by the threat of legal proceedings: he replied on 11 May 2006 advising that he had already rejected several offers in excess of \$2,000, and that, while he would prefer to transfer the Domain Name for a reasonable offer, if the Complainant elected to issue legal proceedings, they could be served on him at his address in the United Kingdom.

On 23 May 2006, the Complainant’s agent sent an email enquiring what the Respondent would see as a reasonable offer. The Respondent replied that he was hesitant about answering, having regard to the earlier statement from the Complainant’s agent that the \$2,000 offer was final.

On 16 August 2006, the Complainant increased its offer to \$3,000, rather than “go through a protracted legal process”. Mr Powell responded that he would not be bullied by threats of legal action into selling the Domain Name for less than what it was worth. The Complainant’s agent replied, enquiring if the Respondent thought the Domain Name would be worth \$4,000.

The negotiations appear to have ended with an email from the Respondent dated 26 August 2006, in which he said that he had already rejected an offer of NZ\$20,000, but would be willing to sell for NZ\$100,000.

In his Response, the Respondent asserts that the Domain Name has potential commercial uses, including recruiting teachers for agency work and recruiting for students for educational courses. He says that he has received enquiries from other parties who also recognise the value of the Domain Name, and that he has followed up the other enquiries by stating that he no longer wishes to use the Domain Name. He confirms that the highest offer so far received was for \$20,000, and that he rejected that offer. He expresses the view that the offer of \$20,000 was a conservative estimate of the Domain Name’s value, but clear evidence that the Domain Name does have a substantial commercial value and is not something to be transferred for a nominal payment. The Respondent says that he remains willing to transfer the Domain Name to the Complainant, but only at a price which reflects the Domain Name ‘substantial commercial value’.

In its reply, the Complainant says that it has received correspondence from individuals and organisations that it deals with, expressing concern that the Domain Name is being advertised in a manner that suggests that the Complainant has consented to the Domain Name being associated with adult themes.

*The domain name [nzqa.co.nz](http://nzqa.co.nz) and the website at [www.nzqa.co.nz](http://www.nzqa.co.nz)*

The Complainant has produced extracts from the website at [www.nzqa.co.nz](http://www.nzqa.co.nz), downloaded respectively on 29 November 2006 and 27 November 2001. Both extracts from the web page contain a bold heading:

*“NZQA “Experts” value Oxford degrees as worthless”*

Under that heading, there is an article setting out the Respondent’s view of the fact that he was apparently not told, before emigrating to New Zealand, that a degree held from Oxford University would not be recognised by the New Zealand Qualifications Authority. There is a hyperlink on this web page to a forum, where visitors to the website are encouraged to “speak out about any NZQA-related issue”. There follows a statement that any visitor to the website who wants to ask something



of NZQA should visit NZQA's site. A link is provided to the official website of NZQA.

The November 2001 page from the nzqa.co.nz website had a hyperlink at the top of the page to the website at [www.usedname.com](http://www.usedname.com).

## **5. Parties' contentions**

### **a. Complainant**

1. The Complainant has Rights in "teachnz", in that it is the owner of the unregistered trade mark TeachNZ for the purposes of promoting its interests in teaching in New Zealand:
  - 1.1 The Complainant was the creator of the name and mark TeachNZ.
  - 1.2 It has and continues to invest considerable sums in promoting the TeachNZ mark.
  - 1.3 The Complainant's creation and use of the name and mark TeachNZ pre-existed the Respondent's registration of the Domain Name.
2. The Respondent's purpose in registering the Domain Name was to unfairly disrupt the business of the Complainant:
  - 2.1 The Respondent's registration blocks potential teachers getting to relevant information, as many people assume that the Complainant's domain ends in ".co.nz" similar to many other New Zealand websites. The message on the Respondent's website saying that the Respondent had neither the time nor the inclination to answer the enquirer's questions, without providing any other online address to which enquiries might be directed, further evidences the Respondent's intention to unfairly disrupt the Complainant's business.
  - 2.2 The links to various "adult", and apparently pornographic, websites, have or will put off potential teachers, have been an embarrassment to the Complainant, and have caused confusion (a reference to the Minister of Education's media release in 2004).
  - 2.3 The linking of the Domain Name to the Sedo website, creates for the public an impression that the Complainant has either created or consented to the Sedo web page.

3. The Respondent is engaged in a pattern of registrations to which he has no right:
  - 3.1 In addition to the Domain Name, the Respondent has also registered [www.nzqa.co.nz](http://www.nzqa.co.nz), which he is not using. This is another example of a purchase of a domain name for reasons other than site development.
  - 3.2 The Respondent has created the holding page (containing his personal views) on this website in an attempt to make the registration appear legitimate. But the November 2001 hyperlink to the website at [www.usedname.com](http://www.usedname.com), a Domain Name trading service, is consistent with cybersquatting activities.
4. The Domain Name was registered as a result of or arising out of a relationship between the Respondent and the Ministry of Education:
  - 4.1 The Respondent only became aware of the Domain Name's availability, and only decided to register it after he arrived in New Zealand to take up a teaching position. His interest in education and dealings with the Complainant here in New Zealand are the only reasons for his discovering the Domain Name. The registration has therefore resulted or arisen out of a relationship between the parties.
  - 4.2 The Respondent registered the Domain Name as a result of his disagreement with the New Zealand Qualifications Authority. The frustration the Respondent shows on the website at [www.nzqa.co.nz](http://www.nzqa.co.nz) is a reason why he has not been willing to sell the Domain Name to the Complainant for less than \$100,000. The Respondent is motivated by both spite and greed.
5. The Respondent registered the Domain Name for the purpose of selling it to the Complainant for an excessive profit. His actions in forwarding enquiries received via the Domain Name to the Complainant, were merely self-serving. He was merely attempting to establish that the Domain Name was receiving hits by persons wishing to access the Complainant's website; in establishing that, the Respondent was attempting to demonstrate the value of the Domain Name for the Complainant in the hope that the Complainant would agree to buy the Domain Name from him for an excessive price.
6. The Respondent had no pre-existing or current right to use the Domain Name for any legitimate purpose. He has attempted to pass himself off as being associated with the Complainant, by

registering the Domain Name and creating web pages relating to the Complainant.

7. The Respondent's activities constitute misleading and deceptive conduct in trade, in breach of the Fair Trading Act 1986. The registration of the Domain Name by the Respondent is misleading and deceptive in that the large majority, if not all, of the traffic to the Domain Name is for the purpose of attempting to access the Complainant's website. The Respondent is in trade because he is attempting to sell the Domain Name for a profit. The value of the registration of the Domain Name is totally limited to the deception the Respondent has created, being that the Domain Name will take the user to the Complainant's website.
8. The Respondent has failed to comply with the procedures required by the Policy. Specifically, the Respondent's Response was late by 5 days when it was filed on 8 January 2007. That non-compliance supports the view that the Respondent has no right or legitimate interest in the Domain Name other than to sell it for an excessive profit.

**b. Respondent**

1. The Complainant has not claimed an exclusive right to the term "teachnz.co.nz", and has left the Domain Name unregistered for a number of years. If the Complainant had wished to have exclusive use of the term "TeachNZ", it should have registered that expression as a trade mark.
2. The option has always been open for Government Departments such as the Complainant to register domains ending in ".co.nz". Despite the Complainant's alleged recognition that a number of its prospects would naturally go to a website at the Domain Name, the Domain Name was unregistered and unused when the Respondent registered it in 2001.
3. The Respondent's ownership of the Domain Name has not been used to block enquiries intended for the Complainant. The opposite is true. The Respondent stopped the arrangement under which he redirected internet traffic to the Complainant only because his consideration in so doing was not being reciprocated in terms of politeness from Ministry employees and from some visitors to his website.
4. The Domain Name has a substantial commercial value, and it is not something to be transferred for a nominal payment. The Respondent would transfer the Domain Name to the Complainant at a price which reflected the Domain Name's substantial value. His price is not a retaliatory one.

5. Any links to adult or pornographic websites have not been created by the Respondent, and have been beyond his control. Prior to the commencement of the present dispute, no complaint had been made to the Respondent about any unsuitable content on the sedo website.
6. The Respondent never had any wish or intention to interfere with the operations of the Complainant.
7. The Respondent has never attempted to pass himself off as being associated either with the Complainant or with NZQA. The site at nzqa.co.nz has always had a link to the official NZQA site at nzqa.govt.nz. The Respondent has not and never would be associated with any deception that would lead visitors to believe that either the Domain Name or nzqa.co.nz was pointing to a Government site.

## **6. Discussion and findings**

### *Procedural Matters*

- (a) Lateness of Response - The Complainant submits that the Response should be disregarded, because it was filed 5 days late. In fact, the Respondent provided a faxed copy of his Response on 19 December 2006, and InternetNZ's Domain Name Dispute Resolution Service ("DRS") gave the Respondent until 3 January 2007 to file the hard copy of his response with DRS. However the Response was not received until 8 January 2007.

The Complainant acknowledges that it has not suffered any prejudice arising from this 5 day delay. Also, the Complainant was itself a few days late in submitting the hard copy of its Reply.

In those circumstances, the Expert exercises his discretion to accept and consider both documents (i.e., both Response and Reply).

- (b) Unsolicited material in the Complainant's further statement – By Procedural Order No 1, the Expert requested from the Complainant a further statement on a specific issue, namely the nature of the Rights on which the Complainant relies. In its further statement, the Complainant included a section headed "Part 2: TeachNZ/Ministry of Education and Mr David Powell", in which the Complainant has attempted to re-run or expand its various arguments against the Respondent. That material was not requested by the Expert, and has not been considered by

him in reaching his decision in this case. Similarly, to the extent that the Respondent's Reply to the further statement was directed to Part 2 of the Complainant's further statement, the Reply document has not been taken into account.

- (c) Inaccessible material in further statement - The Complainant submitted with its further statement numerous email attachments, which were attached to a number of separate emails. The Respondent says that the fifth, sixth and seventh emails contained media files that he was unable to view, whether under a current version of the Windows Media Player or with a current version of the Real Player.

The Expert notes that he was unable to open those media files either. It is for the Complainant to ensure that any material it submits is reasonably accessible, and, with these media files it has not met that standard. In the circumstances, the media files referred to have not been considered.

#### *Relevant Provisions of the Policy*

The Policy applies to Respondents when a Complainant asserts that:

- “(i) The Complainant has Rights in respect of a name or mark which is identical or similar to the Domain Name; and*
- (ii) The Domain Name, in the hands of the Respondent, is an Unfair Registration.” (Policy, paragraph 4.1)*

The Complainant is required to prove on the balance of probabilities that both elements are present (Policy, paragraph 4.2).

The expressions “Rights” and “Unfair Registration”, are both defined in paragraph 3 of the Policy.

The expression “Rights” includes, but is not limited to, rights enforceable under New Zealand law. The definition continues:

*“However, a Complainant will be unable to rely on rights in a name or term which is wholly descriptive of the Complainant's business.”*

The expression “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."*

At paragraph 5.1, the Policy contains a non-exhaustive list of factors which may be evidence that a domain name is an "Unfair Registration". The list includes the following:

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

- (i) 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;*
- (ii) as a blocking registration against a name or mark in which the Complainant has Rights; or*
- (iii) 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;*

*5.1.5 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."*

Paragraph 6.1 of the Policy sets out a list of factors which may be evidence that the Domain Name is *not* an Unfair Registration. This list, which is again non-exhaustive, contains the following:

*“6.1.1 Before being aware of the Complainant’s cause for complaint (not necessarily the Complaint itself), the Respondent has:*

- (i) used or made demonstrable preparations to use the Domain Name or a Domain Name which is similar to the Domain Name in connection with a genuine offering of goods or services;*
- (ii) been commonly known by the name or legitimately connected with a mark which is identical or similar to the Domain Name;*
- (iii) made legitimate non-commercial or fair use of the Domain Name; or*

*6.1.2 The Domain Name is generic or descriptive and the Respondent is making fair use of it in a way which is consistent with its generic or descriptive character.”*

Paragraph 5.4 of the Policy provides that the Expert: *“shall not take into account any evidence of acts or omissions amounting to unfair registration or use which occurred more than three (3) years before the date of the Complaint.”*

#### *Application of the Policy to the Facts of this Case*

##### *1. Rights*

The first question is whether the Complainant has “rights” in respect of a name or mark which is identical or similar to the Domain Name.

The Complainant is not the proprietor of any TEACHNZ registered mark (notwithstanding almost 10 years of apparently continuous use of that expression in its operations), and of course an unrelated third party (Mr Wolf-Rooney) has registered a *device* mark which prominently incorporates the expression “teachnz”.

However, it is uncontested that the Complainant has operated the Complainant’s website at the domain name teachnz.govt.nz since 1997, and that a unit of the Ministry has clearly been operating under the name “TeachNZ”. The Expert also notes that the Complainant has run extensive advertising campaigns using the name “TeachNZ”, and it is clear from the evidence that, from some time not long after the Domain Name was registered, some people looking for the Complainant’s website mistakenly visited the Respondent’s website. Those people

presumably associated the expression “TeachNZ” with the Complainant and its operations.

If it were not for the “TeachNZ” device mark registered by Mr. Wolf-Rooney, it would have been a fairly simple matter to conclude that the Complainant had established Rights in the expression “TeachNZ”. But the existence of that registered mark makes the matter more difficult. The registered mark prominently includes the expression “TeachNZ”, and there appears to be at least some overlap between the specification for the registered mark and some of the Complainant’s activities. In an administrative proceeding such as this, the Expert is hardly in a position to conclude that the registered mark has been wrongly registered.

Nevertheless, the evidence establishes that the Complainant has been using the expression “TeachNZ” since 1997, and it seems improbable that it would have been permitted to do so for that length of time if that use was inconsistent with any superior rights enjoyed by Mr. Wolf-Rooney. Accordingly, the Expert has looked more closely at the use the Complainant has been making of the expression “TeachNZ”.

It is apparent from the material produced with the Complainant’s further statement that it has made very extensive use of that expression in conjunction with its own device (referred to hereafter as “the Complainant’s logo”). The Complainant’s logo prominently features the expression “teachnz”, with the letters “nz” in a stylized, or italicised, form which is different from the font used for the word “teach” which appears immediately before it. Immediately below the “teachnz” appear the Maori language words “Akona a Aotearoa”. The text is superimposed over a curved shape. The Complainant’s logo seems to appear on all of the Complainant’s principle advertising documents, and on its letterhead, compliment slips, etc.

The device elements of the Complainant’s logo are very different from the device which forms part of the “teachnz” device service mark number 749107 registered by Mr Wolf-Rooney.

The Complainant’s evidence on this part of the case (including its failure to disclose at the outset the device mark registered by Mr Wolf-Rooney) is not particularly satisfactory. However, the Expert is mindful of the decisions of appeal panels operating under the (materially identical) provisions of the Nominet UK Dispute Resolution Service Policy used in the resolution of disputes over domain names registered in the .uk space, that the requirement under the Policy to demonstrate “rights” is not a particularly high threshold test. See, for example, the decision



of the appeal panel in *Seiko UK Limited v Designer Time/Wanderweb*; Nominet Case No DRS 00248. The *Seiko UK Limited* case was referred to in this Expert's own decision in the New Zealand DRS Case No 108, *B.O.P Memorials v Jones & Company Funeral Services*, where the Expert noted:

*"The purpose of the Policy is primarily to provide a quick and relatively cheap means of obtaining redress in circumstances of abusive or otherwise unfair registration of a domain name, and the level of proof required cannot reasonably be expected to be at the level which would be necessary to support a Court claim ...."*

Applying that relatively modest standard of proof, the Expert finds that the Complainant has produced sufficient evidence that, at the time it filed this Complaint, it is more likely than not that the Complainant had rights enforceable under New Zealand law in the Complainant's logo (which of course incorporates the expression "TeachNZ"). The Expert considers it more likely than not that, if some trader in New Zealand were to use the Complainant's "TeachNZ" logo mark in a misleading or deceptive way, the Complainant would be entitled to invoke section 9 of the Fair Trading Act to restrain the misleading or deceptive use. In that sense, the Expert is prepared to find that the Complainant has proved that it has a "Right" in the Complainant's logo.

Neither the Complainant's logo nor the expression "TeachNZ" could be regarded as wholly descriptive of the Complainant's activities. For example neither seems apt to describe the Complainant's activities in the area of granting and administering scholarships, and the device elements of the Complainant's logo are in any event sufficient to take the Complainant's logo outside of the "wholly descriptive" exception contained in the Policy's definition of "Rights".

2. *Is the Name or Mark Identical or Similar to the Domain Name?*

Effectively, the question is whether the Complainant's logo is *similar* to the Domain Name – clearly it is not identical.

The first point is that the ".co.nz" part of the Domain Name is generic, and is not to be taken into account in the comparison. Secondly, the expression "TeachNZ" is by far the most prominent part of the Complainant's logo, and of course it is incorporated entirely within the Domain Name. The other parts of the Complainant's logo are far less distinctive.

The Panel is also mindful of the fact that it is not possible to incorporate the device elements of a mark into a Domain Name.

Having regard to those considerations, the Expert finds that the Complainant's logo (which the Expert is satisfied is a "name or mark" for the purposes of the Policy), in which the Complainant has Rights, *is* similar to the Domain Name.

The Complainant has therefore succeeded in proving that it has Rights in respect of a name or mark which is similar to the Domain Name (Policy, paragraph 4.1(i)).

3. *Unfair Registration*

Under paragraph 4.1 of the Policy, the Complainant must show that, in the hands of the Respondent, the registration of the Domain Name is an Unfair Registration.

The definition of "Unfair Registration" is set out above. The Complainant must bring itself within at least one of the two alternative limbs of the definition.

The first limb is concerned with the situation when the Domain Name was registered or otherwise acquired. In this case, the Domain Name was registered by the Respondent as long ago as January 2001, and, under paragraph 5.4 of the Policy, the Expert is not permitted to take into account evidence of acts or omissions which occurred more than 3 years before the date of the Complaint. The date of the Complaint in this case is 29 November 2006, so the Expert cannot take account of any evidence of unfair registration or use which may have occurred before 29 November 2003.

The time limitation provided for in paragraph 5.4 of the Policy effectively disposes of the Complainant's complaints that:

- (i) The Respondent registered the Domain Name with the purpose of unfairly disrupting the business of the Complainant; and
- (ii) The Respondent is engaged in a pattern of registrations to which he has no right.

The only evidence of registrations of domain names by the Respondent is evidence of events occurring long before November 2003. Similarly, the act of registering the Domain Name with an unfair purpose (if such was the case) is something which occurred long before November 2003, and therefore cannot be considered.

Likewise, the argument based on registration for the alleged purpose of extracting an excessive price from the Complainant

does not avail the Complainant, because an essential ingredient of that argument is the act of registration itself, which cannot be taken into account because of the time limitation provision in Paragraph 5.4 of the Policy.

The Complainant also submits that the registration of the Domain Name has arisen out of a relationship between the Complainant and the Respondent. Even if that were so, it would not bring the Complainant with the example of unfair registration which is set out at paragraph 5.1.5 of the Policy – for that subparagraph of the Policy to apply, there must also be circumstances proved which indicate that both Complainant and Respondent intended that the Complainant would be entered in the Register as the Registrant of the Domain Name. There is no evidence of any such joint intention in this case.

The Complainant is on stronger ground with its arguments based on the Respondent's *use* of the Domain Name. Under the definition of Unfair Registration, a domain name will be an Unfair Registration if it 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. Under this part of the definition of Unfair Registration, the Expert can look at all evidence of how the Domain Name has been used by the Respondent over the 3 year period immediately preceding the date of the Complaint.

The Expert concludes, without difficulty, that the Respondent's use of the Domain Name after 29 November 2003 *has* been such as to take unfair advantage of the Complainant's rights, and has also been unfairly detrimental to the Complainant's rights.

As far as "unfair advantage" is concerned, the Expert notes that the Respondent has, after November 2003, used the Domain Name to point to the sedo website. He has done this for commercial gain, as he receives a payment which is dependent on internet traffic generated by that use of the Domain Name. The Respondent has known for a number of years, going back to a time not long after the Domain Name was registered, that a number of internet users keying in the Domain Name would be looking for a website operated by the Complainant. For some period, the Respondent posted a notice on the Respondent's website telling visitors looking for the Complainant's website that they had come to the wrong place. Subsequently, however, the Domain Name was pointed to the sedo website, where no such notice was posted. By the time an internet browser looking for the Complainant's website had arrived at the sedo website, the "hook" had been successful, and the internet browser was exposed to the various links to other sites which are available on the sedo website.

The Respondent has no personal interest whatsoever in the use or even the retention of the Domain Name – his only interest in it appears to be that he regards it as a valuable commodity which he can sell. In the Expert's view, he has not used the Domain Name in connection with any genuine offering of goods or services (or made demonstrable preparations to do so), and he has not made any legitimate or fair non-commercial use of the Domain Name. He has since November 2003 used the Domain Name for commercial gain (by pointing it to the sedo website), knowing that part of that commercial gain would be likely to come from internet users who were, at least initially, looking for the Complainant's website. The Expert is satisfied that those circumstances are sufficient to constitute the taking of an unfair advantage of the Complainant's Rights.

The Expert is also satisfied that the Respondent has used the Domain Name, since November 2003, in a way which has been unfairly detrimental to the Complainant's Rights. By pointing the Domain Name to the sedo website, the Respondent has allowed or permitted the Domain Name to be linked indirectly to "adult" websites. It is not clear from the evidence how long the links to adult websites have remained on the sedo website, but in the Expert's view it was unfairly detrimental to the Complainant's Rights in the Complainant's logo to have that logo linked (for some people looking for the Complainant's website) with pornographic or "adult" websites. While it may be said that few browsers looking for the Complainant's website would believe that the sedo website was the official website of the Complainant, the links to the adult websites have been at very least embarrassing to the Complainant. Weighed against the Respondent's complete lack of any genuine interest in the use of the Domain Name, that is sufficient for the Expert to conclude that pointing the Domain Name to the sedo website has been unfairly detrimental to the Complainant's Rights.

## **7. Decision**

The Expert has found that the Complainant has Rights in the name or mark which is the Complainant's logo, and that that name or mark is similar to the Domain Name. The Expert has also found that the Domain Name is an Unfair Registration in the hands of the Respondent. In normal circumstances, those findings would lead to a decision that the Domain Name should be transferred to the Complainant.

In this case, however, there is evidence that a third party, Mr Wolf-Rooney, has registered trade mark rights in a device mark which wholly incorporates the operative part of the Domain Name. There is insufficient evidence before the Expert for him to conclude that the Complainant has a better claim to the Domain Name than Mr Wolf-Rooney – appropriate Court proceedings or

proceedings before the Commissioner of Trade Marks may be necessary to determine that issue.

In those circumstances, the Expert concludes that the most appropriate action is for the Domain Name to be cancelled. Accordingly, the Expert orders, pursuant to paragraph 13.1 of the Policy, that the Domain Name teachnz.co.nz be cancelled.

**Place of decision** Auckland, New Zealand

**Date** 13 March 2007

**Expert Name** Mr Warwick Smith

**Signature**