

## **.nz Dispute Resolution Service**

**DRS Reference: 186**

### **Mountain Buggy Trademarks Limited v Campbell Gower**

Key words - domain name mountainbuggy.co.nz

registered mark – identical – generic – descriptive – likely to confuse, mislead or deceive – blocking registration – detrimental – non-use

#### **1. Parties**

Complainant:

Mountain Buggy Trademarks Limited  
Parkside Road  
Gracefield  
Lower Hutt  
New Zealand

Respondent:

Mr Campbell Gower  
102 - 112 Daniell Street  
Newtown  
Wellington  
New Zealand

#### **2. Domain Name**

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

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

The Complaint was lodged on 14/02/2007 and InternetNZ, through the Office of the Domain Name Commissioner, notified the Respondent of the validated Complaint on 19/02/2007. The domain was locked on 14/02/2007, preventing any changes to the record until the conclusion of these proceedings.

The Respondent filed a Response to the Complaint on 12/03/2007 and InternetNZ so informed the Complainant on 12/03/2007. The Complainant filed a Reply to the Response on 19/03/2007. InternetNZ informed the parties on 4/04/2007 that informal mediation had failed to achieve a resolution to the dispute.

The Complainant paid InternetNZ the appropriate fee on 4/04/2007 for a decision of an Expert, pursuant to Paragraph 9 of the InternetNZ Dispute Resolution Service Policy ("the Policy").

Dr Clive Trotman, the undersigned, (“the Expert”) confirmed to InternetNZ on 5/04/2007 that he knew of no reason why he could not properly accept the invitation to act as expert in this case and that he knew of no matters which ought to be drawn to the attention of the parties, which might appear to call into question his independence and/or impartiality.

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

The following information is taken from information and documentary evidence provided by the Complainant and the Respondent.

The Complainant trades in pushchairs and perambulators, also known as strollers or buggies, at least to the extent of licensing its trademark to a manufacturer and various sales agents. The Complainant owns the currently valid New Zealand trade mark MOUNTAIN BUGGY for pushchairs and perambulators, registration No. 248996, filed 11 May 1995.

The Respondent registered the disputed domain name in September 1999. The Respondent, Campbell Gower, is a director of Phil & Teds Most Excellent Buggy Company Limited (“phil&teds”), which is also involved in the sale of pushchairs and perambulators. The company was incorporated in January 1995 and has a website at [www.philandteds.com](http://www.philandteds.com).

In August 2006 the Complainant noted that the disputed domain name was parked. The Agent for Mountain Buggy Limited contacted the Respondent (in conjunction with his business) and the host (siliconBLUE Ltd) of the domain name, in legal terms, claiming infringement of intellectual property rights and seeking transfer of the domain name. An Agent acting on behalf of the Respondent replied to say that it was awaiting instructions from phil&teds, but did not communicate further.

#### **5. Parties’ contentions**

##### **a. Complainant**

The Complainant contends that it has rights to a name identical or similar to the disputed domain name that are enforceable under New Zealand law, including trade mark registration No. 248996 for MOUNTAIN BUGGY (evidence was annexed). The Complainant says it has a brand reputation and goodwill in New Zealand in connection with the trade mark MOUNTAIN BUGGY that is entitled to protection under the law of passing off. The Complainant says that in relation to such reputation and goodwill, the Respondent is in breach of at least sections 9, 13 and 16 of the Fair Trading Act 1986 and that the threshold for demonstrating sufficient rights is less than for passing off (*B.O.P. Memorials v Jones & Company Funeral Services*, NZ DRS Case No. 108).

The Complainant contends that the registration of the disputed domain name is unfair. Potential customers of the Complainant who find the disputed domain name see a message directing them to siliconBLUE and may be led on to the Respondent, which amounts to infringement of the Complainant's trademark and passing off.

A search for the domain name through the Domainz facility leads to contact details that are those of the Respondent and phil&teds. The Complainant says this may deceive or confuse potential customers.

The Complainant says the circumstances indicate that one reason the Respondent has registered and kept the domain name is to block registration by the Complainant (and its predecessors in business). The "mountainbuggy" part of the domain name has no natural or obvious relationship to the Respondent. The Complainant says the act of blocking is current and ongoing and thus something which falls within a period of three years prior to this Complaint. It amounts to a breach of registered trade mark rights, passing off, and a breach of the Fair Trading Act.

The Complainant contends that the Respondent, being a director of the New Zealand infant stroller company phil&teds, would undoubtedly have been aware of the business of the respondent (or its predecessors). The New Zealand market is not large and the respondent could be expected to know who his principle competitors are. In the unlikely event that Mr Gower was unaware of Mountain Buggy Ltd, he must be aware now in the light of the Complainant's August 2006 letter and the acknowledgment letter from AJ Park.

The Complainant suggests it is likely the Respondent will, in the future, seek to use the domain name for his own business as a competitor of the Complainant.

The Complainant cites: *DB Breweries v The Domain Name Company* (15 March 2001) High Court, Auckland, M724/00, Randerson J. (domain registration alone can constitute an infringement of trade mark rights. The registered domain had not yet been used to offer goods or services for sale, but the registration still considered a sufficient threat to allow an interlocutory injunction).

The registration subject to this complaint took place more than three years ago but, the Complainant contends, there has been ongoing use. In the DRS decision *InterCity Group (NZ) Ltd v Traction Group Ltd*, NZ DRS Case No. 101, the complainant argued that the Expert is able to have regard to continuing conduct based on the second limb of the definition of unfair registration. The Expert found unfair registration.

The Complainant cites *Oggi Advertising Ltd v MacKenzie* [1999] 1 NZLR 631; (1998) 8 TCLR 363 (the plaintiff was an outdoor advertising company which claimed a reputation in New Zealand. The first defendant registered the domain name www.oggi.co.nz. The Court considered the registration

opportunist or speculative and restrained the defendant from using that or any similar domain name or any domain likely to dilute the plaintiff's OGGI trade mark. The court ordered that the domain name be assigned to the plaintiff).

The Complainant cites Frankel and McLay's *Intellectual Property in New Zealand*, Butterworths, 2002, para 12.2.4: (Where a case is between genuine trade competitors, one of whom makes use of a domain name that is the same or similar to its competitor's trade mark or domain name, then there is likely to be deception or confusion).

The Complainant cites *BT v One in a Million* (from the above text), in which Lord Justice Aldous found that there was passing off where a cybersquatter defendant had registered domain names of well-known trade marks, and said: "*In short, the Court will not stand by and allow, what can be graphically called an "instrument of fraud" to remain in the hands of a trader, if it is likely the name could result in passing off.*"

The Complainant says the Respondent, as a trader in infant strollers, possesses an instrument of fraud.

The Complainant attaches a Statutory Declaration supporting the ownership and licensing of the relevant trademark. Also attached is a Statutory Declaration describing the background and success of the company Mountain Buggy Limited, which licences the relevant trademark from the Complainant and manufactures and sells product. Through the latter Statutory Declaration evidence is produced in support of many of the facts of the Complainant's case.

The Complainant requests the transfer to it of the disputed domain name.

## **b. Respondent**

The Respondent contends that he is the legitimate registrant of the disputed domain name.

The Respondent contends that, particularly in New Zealand, the term "mountain buggy" is generic for a three wheel stroller which is not a "jogger" (buggy with larger spoked wheels specifically made for the running market) but has the ability to go off-road as well as on pavements. He points out that the Complainant has said "*The Respondent ... is involved in the sale of pushchairs and perambulators (such goods are known as "strollers" or "buggies").*"

The Respondent says "*The trademark for 'mountain buggy' was registered [by the Complainant] at a time when the market for three wheel buggies was in its infancy and is analogous to someone creating the first off road bicycle and calling their company and trade marking "mountain bike". The term "mountain bike" now clearly refers to an entire product category and is a generic term to describe that category.*"

The Respondent contends that some originally trademarked words have become generic and unenforceable, citing *bikini swimsuit*, *esky cooler*, *escalator* and *kiwi fruit*. Likewise, he argues, “mountain buggy” has become generic.

The Respondent says he could not have commissioned an independent survey in time but according to his enquiries of retailers he deals with and users, a “mountain buggy” is a generic name for the three wheel buggy product class.

The Respondent concedes that he is the owner and CEO of Phil and Teds Most Excellent Buggy Company Limited but sees no reason for this to be proved. Because of his business he owns domain names including [www.mountainbuggy.co.nz](http://www.mountainbuggy.co.nz), [www.buggy.co.nz](http://www.buggy.co.nz) and [www.babycruiser.co.nz](http://www.babycruiser.co.nz).

The Respondent concedes that the Complainant has rights to a name that is identical or similar to the domain name, but contends that the Complainant has not provided any proof that the current registration is unfair, citing the Policy.

The Respondent says the domain name has always been parked since it was first registered in September 1999.

The Respondent denies that a third party (ocoloco) is used as an agent to forward traffic to him, and says the domain name is simply parked there. Silicon Blue is an Internet Service Provider and provision of its contact details is to advertise itself. The parked domain is not in use.

The Respondent dismisses the Complainant’s assertions that consumers will attempt to locate the Complainant through the WHOIS list for domain names. They will locate the WHOIS file for [www.mountainbuggy.co.nz](http://www.mountainbuggy.co.nz) and will find the contact details for Campbell Gower. There are no references to phil&teds in the WHOIS file and the procedure will not realistically lead to sales by the Respondent.

The term “mountain buggy” as a generic term for the three wheel buggy has a direct relationship with the Respondent and his business.

The Respondent says that for the Domain to be “likely” to be used in an unfair manner it would have to be in use in a way that would create a situation where this could happen. The domain is parked, inactive and highly unlikely to be used unfairly.

The Respondent, referring to cases cited by the Complainant, says that “Oggi” is a distinctive name which has no other meaning apart from the organisation’s name and is a proper noun. By comparison “mountain buggy” is made up of two ordinary words which each have meaning on their own and in combination with each other form the generic product class name for three wheel buggies.

The Respondent refers to the Complainant's citation from Frankel and McLay:

*"Where a case between genuine trade competitors, one of whom make use of a domain name that is the same or similar to its competitor's trade mark or domain name, then there is likely to be deception or confusion",*

and says in reply:

*"The key part of this phrase is "make use of" and once again we point to the fact that this Domain Name while registered by the Respondent, is and has always been parked, does not display a webpage and is not offering ecommerce or web services".*

The Respondent denies the Complaint and requests retention of the disputed domain name.

### **c. Complainant's reply to the Response**

The Complainant replies that the Respondent's claim that the words "mountain buggy" are a generic term for a three wheel stroller is unsupported by evidence and untrue. There is no evidence to substantiate the Respondent's anecdotal survey.

If "mountain buggy" was a generic term then the Intellectual Property Office of New Zealand (IPONZ) would never have allowed the complainant to register the words MOUNTAIN BUGGY and related logos as trade marks. IPONZ are the experts in deciding whether or not a mark is generic and therefore not capable of registration, and have admitted the trademark.

The Complainant disputes the claim that the domain name has not been used. Internet users have been given the message: *"If you need to know more about the requested domain please contact siliconBLUE and quote the domain name in your query."* The domain name was thus actively linked to a definite web page, which constitutes use. The Complainant means to say that siliconBLUE is the Respondent's agent and the above message is on behalf of the Respondent.

The Complainant replies that the domain name currently cannot be displayed, and repeats arguments that this, or the previous parking, or blocking activities, constitute use.

In its reply the Complainant repeats arguments that searches in the nature of a WHOIS enquiry can lead to the Respondent's business and ultimately to sales being converted unfairly to the Respondent, even if the enquirer knows the difference between the two businesses.

The Complainant says the fact that the domain name has been parked does not mean that it has not been used in an unfair manner. Furthermore, the Respondent's evident belief that "mountain buggy" is a generic term is good

cause for concern that he will use it, and the domain name, unfairly in the future.

## **6. Discussion and findings**

### *The Policy*

The InternetNZ Dispute Resolution Service Policy and Procedure apply to Respondents when a Complainant asserts in accordance with section 4 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 has made the above assertions and the dispute is properly before the Dispute Resolution Service (DRS). Paragraph 4.2 of the Policy requires the Complainant to prove to the Expert that both of the above elements are present on the balance of probabilities.

The Policy defines Unfair Registration as meaning 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.

The Policy defines rights as follows:

Rights includes, but is not limited to, rights enforceable under New Zealand law. 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 Policy at section 5 provides guidance in the form of criteria that may be evidence of unfair registration. Section 5 reads:

### **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 that 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;
- 5.2. Failure on the Respondent's part to use the Domain Name for the purposes of e-mail or a web-site is not in itself evidence that the Domain Name is an Unfair Registration.
- 5.3. There shall be a presumption of Unfair Registration if the Complainant proves that the Respondent has been found to have made an Unfair Registration in three (3) or more Dispute Resolution Service cases in the two (2) years before the Complaint was filed. This presumption can be rebutted (see paragraph 6.3).



- 5.4. In making their decision, 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.

The Policy also provides in section 6 a non-exhaustive list of criteria that may be evidence that a domain name registration is not unfair. In the present case there is no need to reproduce them.

### **Whether the Complainant has rights in the Name**

The trademark or Name in which the Complainant claims rights is "MOUNTAIN BUGGY". Copies of NZ Companies Office records submitted in evidence confirm that the Complainant as named is currently the owner of trademark registration No. 248996 (MOUNTAIN BUGGY). The Complainant clearly has rights in the Name.

### **Whether the Name is similar to the disputed Domain Name**

The disputed domain name is mountainbuggy.co.nz. The level and country code identifiers ".co" and ".nz" respectively may be disregarded because they are inevitable parts of the domain name. What remains is "mountainbuggy" which, as conceded by the Respondent, is identical to the Complainant's trademark. On this point the Complainant succeeds in the terms of Paragraph 4.1.1 of the Policy.

### **Whether the Domain Name, in the hands of the Respondent, is an Unfair Registration**

#### *Unfair Registration (i)*

Under paragraph 4.1.2 of the Policy the Complainant has to prove unfair registration. The first limb of the definition of unfair registration concerns the motives of the Respondent at the time when the domain name was registered or acquired. Paragraph 5.1.1 of the Policy relates to the primary purposes for which the registration was made and by implication also refers to the time of registration. Paragraph 5.4 of the Policy, however, bars the introduction of evidence more than three years older than the Complaint, which was dated February 13, 2007, and the disputed domain name was registered more than seven years ago.

Paragraph 5.1.1 (a) of the Policy can be treated without reference to time since there is no claim or evidence that, within the meaning of the Policy, the domain name is for sale, or that the Respondent has registered the domain name primarily to sell or to rent to the Complainant for a profit, or to sell at all.

Similarly in terms of paragraph 5.1.1 (c) of the Policy, it is noted that the domain name has not been used in the relevant sense and the Complainant has offered no evidence to the effect that its business has been positively disrupted, or provided any good reason to infer that the Respondent's

registration is primarily for the purpose of disrupting the Complainant's business.

Paragraph 5.1.1 (b) of the Policy is different from paragraph 5.1.1 (a) and paragraph 5.1.1 (c), which could each be satisfied by a single act, in that it requires proof that the registration was made primarily for blocking purposes, which would be an ongoing activity stemming from the Respondent's primary purpose. Acquisition or registration has not happened within the past three years, and any renewal of registration in that time is not a new registration (*B.O.P. Memorials v Jones & Company Funeral Services*; NZ DRS Case No. 108). The Respondent's motives or possible knowledge of the Complainant when making the registration are inaccessible, and cannot be reconstructed from more recent events or be coloured by the Complainant's claim on the domain name.

#### *Unfair Registration (ii)*

Thus it is necessary to turn to the second limb of the definition of unfair registration, which applies where a domain name has been used, or is likely to be used, in a manner which took unfair advantage of or was unfairly detrimental to the Complainant's rights. The definition of rights in the Policy is qualified by the provision that a Complainant will be unable to rely on rights in a name or term which is wholly descriptive of the Complainant's business. This does not mean the Complainant would have no rights in a descriptive trademark, but that it may not depend on them as confidently as if the trademark were not descriptive.

The first question is the strength of the Complainant's rights. The trademark MOUNTAIN BUGGY comprises the ordinary if colloquial word "buggy" coupled with the ordinary word "mountain". The word "mountain" needs no comment and the word "buggy" is used for numerous types of small transport including child transporters and horse-drawn traps, among other things, not necessarily containing a person. The Complainant does not precisely explain whether the words together are intended to mean a particular item or type of buggy or are purely a trademark applied to its products.

It is common ground that the Respondent is in business as Phil & Teds Most Excellent Buggy Company Limited, selling pushchairs and perambulators, in which name the definitive word is "buggy". Without intending to contravene paragraph 5.4 of the Policy, it may be observed that both Parties have used the word "buggy" to mean the same thing for some time. The Complainant says, "*such goods are also known as "strollers" or "buggies"*". The Respondent says: "*In the NZ market at least if not a number of other markets around the world, the words "mountain buggy" are a generic term for a three wheel stroller which is not a 'jogger' (buggy with larger spoked wheels specifically made for the running market) but has the ability to go off-road as well as on pavements.*" (The Respondent's "survey" as to the definition of the term was unscientific and was not admitted as evidence).

Where the trademark might fit on the continuum from descriptive to distinctive is problematic since the trademark is substantially descriptive of the Complainant's business concerning mountain buggies, or off-road buggies. At the same time the trademark has achieved considerable secondary meaning and distinction, and there is no doubt that the Complainant is a brand leader in New Zealand. An additional dimension is that the trademark comprises not only words, but a mountain-style logo, which outside of domain name usage would provide further distinctiveness.

A crucial property of the Internet is that search and access techniques use only alphanumeric characters (in the present context), therefore the word element of a trademark or name can also have innocent or alternative meaning on the Internet, related or unrelated to the trademark. The Complainant's trademark words MOUNTAIN BUGGY in isolation and out of context may well prompt people to think of expressions by association that mean other things, such as mountain bike, dune buggy, beach buggy, golf cart, for instance. It is partly for this reason that the Policy recognises that "*a Complainant will be unable to rely on rights in a name or term which is wholly descriptive of the Complainant's business*".

On the facts, the words alone of the Complainant's trademark are found to be at least strongly descriptive of the Complainant's business. If, for the purpose of moving forward, the Complainant were nevertheless found to have the relevant rights under the Policy, it would remain to be proven that use of the domain name has been, or is likely to be, unfairly detrimental to the Complainant's rights. As will be further discussed below, the domain name has not been in use, and furthermore there is no basis in evidence on which to conclude that future use is likely to be detrimental. Detrimental means "*harmful, causing loss*" (*Concise Oxford Dictionary*) and is synonymous with damaging, disadvantageous and injurious. Irrespective of whether the domain name has been in use, there is no evidence that the Complainant has suffered detriment as defined, nor any actual evidence that it is likely to. The Respondent's possession of the domain name must be inconvenient to the Complainant, but that is well below detrimental. The parallel ground of taking "*unfair advantage*" refers to recognised scenarios not in contention, such as relying on a mistyping of a name.

#### *Confuse, Mislead or Deceive*

In the terms of paragraph 5.1.2 of the Policy the Complainant claims deception and sets out a chain of actions whereby an Internet user could trace from the domain name at its former parking site on ocoLoco, through to the siliconBLUE server and thereby receive the details for contacting siliconBLUE, from which further enquiries could yield the identity of the Respondent (or one could do so through the Domainz facility). The Complainant says that the act of leading users to the Respondent in this way constitutes an infringement of the Complainant's trademark registration, passing off, and a breach of the Fair Trading Act.

Since this chain of enquiry would lead to the name and address of the Respondent, but not to any material website content (other than parking), it is not realistically tenable that the domain name is used in a manner likely to confuse, mislead or deceive people into thinking they have reached the Complainant. This paragraph of the Policy is directed towards a quite different and relatively common scenario in which, typically, users reach a website that is in actual use and dressed up to misrepresent itself as the authentic website of a Complainant, or authorised by a Complainant, in order to siphon off business or to attract users towards offers of an unrelated kind.

#### *Whether the Domain Name is in Use*

The wording and meaning of paragraph 5.1.2 of the Policy and the definition of unfair registration depend in any case on the domain name being in use. Entering the disputed domain name into the Internet has led, at least in the past, to its parking place, on which basis the Complainant has repeatedly asserted that the domain name is in use, supporting contentions of unfair use or intention to use. The Respondent's submission is that the domain name has always been parked, or more recently inactive; these would be passive holding. In some domain name jurisdictions an early precedent has been followed to the effect that passive holding of a domain name is within the concept of use, for instance where a domain name registered speculatively by someone having no conceivable legitimate interest was offered for sale, unused, for an extortionate price. The Dispute Resolution Service has specifically addressed non-use differently through paragraph 5.2 of the Policy, as follows:

- 5.2. Failure on the Respondent's part to use the Domain Name for the purposes of e-mail or a web-site is not in itself evidence that the Domain Name is an Unfair Registration.

The key words are "*not in itself*", enabling non-use to be a factor contributing to unfair registration in combination with some other act such as unmistakable cybersquatting or where previous unfair use has expediently been suspended. On the other hand, *bona fide* non-use, as paragraph 5.2 projects, is not in itself evidence that the domain name is an unfair registration. The question remains whether the disputed domain name was in use. The interpretation consistent with the ordinary meaning and intention of paragraph 5.2 of the Policy is that mere parking, and nothing more, is a positive signal that the domain name is not in use. By that reasoning, on the facts in this case, the domain name has not been in use.

The non-use of the domain name by the Respondent is in combination with his choice of the words "*mountain*" and "*buggy*", but given what has been found earlier as to the nature and intent of those words in the context of his business, the two actions of registration and non-use together are insufficient to amount to unfairness.

### *Other Criteria*

No evidence has been offered to the effect that the Respondent has engaged in a pattern of the registration of domain names to which he has no rights, or given false details, or had any relationship with the Complainant (paragraphs 5.1.3, 5.1.4. and 5.1.5 of the Policy). No grounds of unfair registration have been found beyond the guidelines of section 5.

The Respondent has not made out a case under the non-exclusive terms of section 6 of the Policy to demonstrate that its registration of the domain name is not unfair, but is not obliged to.

### *Citations*

The Complainant has cited decisions to be considered as precedent, from the Dispute Resolution Service and the Courts in New Zealand and overseas, which were considered during the decision making process.

In *InterCity Group (NZ) Ltd v Traction Group Ltd* (NZ DRS Case No. 101), the Expert found unfair registration. The Complainant points out that the time bar in paragraph 5.4 of the Policy means the Expert should look at ongoing use and at limb (ii) of the definition of unfair registration.

In *DB Breweries v The Domain Name Company* ((15 March 2001) High Court, Auckland, M724/00), the Court held that domain registration alone can constitute an infringement of trademark rights. Key elements were, however, the distinctive character of the DB trademark and sufficient threat that it might be used to the detriment of the plaintiff. In the injunction application the Court also considered there was a danger of the domain name passing to a third party. There is no suggestion that any of these elements applies in the present case.

In *Oggi Advertising Ltd v MacKenzie* ([1999] 1 NZLR 631; (1998) 8 TCLR 363), the Court considered the registration of [www.oggi.co.nz](http://www.oggi.co.nz) to be opportunist or speculative and restrained the defendant from using the domain name, ordering it to be transferred to the plaintiff. The decision seems to have engendered less than universal approbation (*Intellectual Property in New Zealand*; Susy Frankel and Geoff McLay (LexisNexis Butterworths, Wellington, 2002) paragraph 12.2.4(c)). By contrast with the present case, the word "Oggi" was a distinctive proper noun rather than a generic or descriptive word, and the finding of opportunistic or speculative registration was clear on the evidence.

From the same text, the Complainant draws on the statement (paragraph 12.2.4): "*Where a case is between genuine trade competitors, one of whom makes use of a domain name that is the same or similar to its competitor's trade mark or domain name, then there is likely to be deception or confusion.*" Leaving aside that the quotation is followed by considerable qualification, the disputed domain name is not in use in the relevant sense.

In *BT v One in a Million* ((1998) 42 IPR 289, 292 [1998] 4 All ER 476, 482 (CA)), Aldous LJ made the oft-quoted comment, referring to domain name registrations: “*In short, the Court will not stand by and allow, what can be graphically called an “instrument of fraud” to remain in the hands of a trader, if it is likely the name could result in passing off.*” The defendant had speculatively registered a number of high-profile, distinctive trademarks such as Marks and Spencer in which it had no conceivable legitimate interest, clearly in the hope of selling them to the trademark owners. Such conduct bears no comparison with the actions of the Respondent in the present case, and since the present Respondent has not used the domain name, the ingredient of deception necessary in passing off is not present.

The Complainant invokes ss 9, 13 and 16 of the *Fair Trading Act (1986)*. The Policy has provisions similar to s 9. S 13 is of no relevance as the Respondent offers no goods for sale through the disputed domain name. Nothing in s 16 can reasonably be applied to the activities of the Respondent, who is not “*in trade*” with respect to the disputed domain name.

In summary, the dispute has been closely argued. The Complainant had the burden of proving unfairness within the strictures of the Policy, but has not tipped the balance of probabilities in its favour. A distinction exists between a classic cybersquatter and the present Respondent, who has registered a domain name containing two descriptive words, one of which is prominent in his genuine business name. On the other hand the tribunal is unimpressed with the Respondent’s lack of purpose. How he might make legitimate use of the domain name without infringing the Complainant’s trademark need not be second-guessed and if infringement happens the Complainant will have remedies in another forum. At present the Respondent has not taken unfair advantage of or caused detriment to the Complainant’s rights within the requirements of the Policy and there are insufficient grounds to transfer the domain name from one business competitor to another.

## **7. Decision**

There are insufficient grounds to find in the terms of the Policy that the Domain Name mountainbuggy.co.nz, in the hands of the Respondent, is an Unfair Registration.

Accordingly the Complaint is dismissed.

**Place of decision** Dunedin

**Date** April 21, 2007

**Expert Name** Dr Clive Trotman

**Signature**