

.nz Dispute Resolution Service

DRS Reference: 198

Monarch Natural Health v DLE Investments

Key words

Domain Name – monarchnaturalhealth.co.nz

Rights – Domain Name identical or similar to company name and email address – rights not merely in name wholly descriptive of business

Unfair Registration – blocking registration – unfair business disruption

1. Parties

Complainant:

Ms Andrea Jukes
Monarch Natural Health
Shop 3
52c Charles Street
Riverside
Kaiapoi
Christchurch
New Zealand

Respondent:

Ms Robyn Ede
DLE Investments
164 Opawa Road
Opawa
Christchurch
New Zealand

2. Domain Name

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

3. Procedural history

- 3.1 The Complaint was lodged on 2 May 2007 and InternetNZ, through the Office of the Domain Name Commissioner ("the DNC")¹, notified the Respondent of the validated Complaint by letter dated 2 May 2007 and enclosures sent by email and post that day. The domain was locked on 2 May 2007, preventing any changes to the record until the conclusion of these proceedings.

¹ The Domain Name Commission is an operational office of InternetNZ, the Internet Society of New Zealand Inc.

- 3.2 The letter from the DNC to the Respondent dated 2 May 2007 enclosed a copy of the Complaint and a copy of the InternetNZ Dispute Resolution Policy (“the Policy”)² and Procedure. The letter advised the Respondent as follows:

In accordance with the Procedure, you have 15 working days, **ie until Thursday, 24 May 2007** to respond to the complaint. In order to be valid, your response must comply with the Procedure, and must be received by InternetNZ in both hard copy and electronic form.

...

Do not ignore this letter. If you do not submit a response by the deadline, this matter may be referred to an independent expert for a decision without further reference to you, which may result in the transfer, suspension or cancellation of the domain name(s).

- 3.3 By email sent at 8:18 am on 24 May 2007, the DNC reminded the Respondent that the 15 day period advised in the letter dated 2 May 2007 “is due to elapse at 5:00 pm today”. By email sent at 10:58 am on 24 May 2007, the Respondent asked the DNC:

Please can you defer this for 14 days as the matter is still with our lawyer.

- 3.4 By email sent at 11:27 am on 24 May 2007, the DNC replied to the Respondent’s email as follows:

Thank you for your email. We can only extend time-periods in exceptional cases. The matter still being with your lawyer is not an exceptional circumstance which warrants an extension of time, however your lawyer may wish to submit a reasoned case asking for an extension. We would need this request to be received prior to the 5pm deadline today. An extension is not guaranteed but will be considered.

- 3.5 The Respondent’s lawyer did not contact the DNC by 5:00 pm on 24 May 2007. The Respondent did not file a Response to the Complaint.

- 3.6 By letter dated 25 May 2007, the DNC advised the Respondent that the Complaint would be referred to an independent expert for decision if the Complainant paid the appropriate fees by 11 June 2007. The Complainant paid the appropriate fees on 29 May 2007.

- 3.7 Mr Terence Stapleton, the undersigned, confirmed to InternetNZ 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. On 30 May 2007, Mr Stapleton was appointed to act as the independent expert in this case (“the Expert”) pursuant to Paragraph 9 of the Policy.

² Words beginning with uppercase letters in this decision include terms defined in Paragraph 3 of the Policy.

4. Factual background

- 4.1 The Complaint discloses that, after considering many name options (including Monarch Natural Health Limited), the Complainant and her business partner (Carolyn Anne McSweeney) eventually decided on the name “Monarch Natural Health Limited” and to form and register a company by that name.
- 4.2 Monarch Natural Health Limited (“the company”) was registered under the Companies Act 1993 on 19 February 2007 under number 1911460. The company’s directors are the Complainant and Ms McSweeney appointed on 19 February 2007. The company’s 10,000 shares are held in equal parcels by the Complainant (5,000 shares) and Ms McSweeney (5,000 shares).
- 4.3 On 23 February 2007, the company and the Complainant and Ms McSweeney signed an agreement to lease for the company’s premises at Shop 3, 52c Charles Street, Riverside, Kaiapoi, near Christchurch. The agreement to lease is dated 23 February 2007 and is between Kaiapoi Property Holdings Limited as landlord and Monarch Natural Health Limited as tenant. The lease is for a term of 3 years from 1 May 2007 to 30 April 2010 with 3 rights of renewal of that 3 year term. The Complainant and Ms McSweeney guarantee the performance of the company’s obligations under the agreement to lease.
- 4.4 From 23 February 2007 onwards, the Complainant and Ms McSweeney were involved in the set-up of the company’s premises. The company’s email address is monarchnaturalhealth@xtra.co.nz.
- 4.5 The Respondent owns a business called Essential Remedies. The Respondent’s business employed the Complainant until 28 February 2007 when she tendered her resignation to enable her to spend more time and focus in setting up the company’s premises. In tendering her resignation, the Complainant requested the Respondent to allow her to continue using a consultation room at Essential Remedies’ premises for her private practice as a natural health practitioner.
- 4.6 On 5 March 2007, a few days after tendering her resignation, the Complainant received a call on her cell phone from the Respondent. The Respondent advised the Complainant that she was not required to work out her notice and asked her to collect her practitioner equipment from the consultation room at Essential Remedies’ premises. When the Complainant went to Essential Remedies’ premises that afternoon, she found all her practitioner equipment and belongings packed up and ready for collection.
- 4.7 The Complainant says that she was owed money by the Respondent that was to be paid to her by the end of the week commencing 5 March 2007. After 3 weeks of non-payment, and a number of assurances from the Respondent that the outstanding money would be paid, the Complainant

registered the debt with Baycorp. The debt is now disputed by the Respondent.

4.8 On 23 April 2007, having earlier formed and registered the company and signed the agreement to lease for the company's premises as noted above, the Complainant and Ms McSweeney went to register a domain name for a website for the company's business. They had decided on the name "monarchnaturalhealth.co.nz". They found that name had been registered by the Respondent on 18 April 2007.

4.9 In the Complaint, the Complainant contends that the Respondent:

registered the website name to DLE Investments (her daughters initials) out of malicious spite once privy to the information about Monarch Natural Health Limited, as the domain name has no value or relevance to her business Essential Remedies. In my opinion this was a deliberate and calculated act of business sabotage.

There is no restraint of trade because Monarch Natural Health Limited is situated approx 25 kms away from Essential Remedies in the satellite town of Kaiapoi on the outskirts of Christchurch. There is absolutely no business risk from Monarch Natural Health Limited (store, clinic and dispensary) what so ever to Essential Remedies due to the geographical distance and differing nature of the business of Essential Remedies.

5. Parties' contentions

(a) Complainant

5.1 The Complainant contends that the Respondent has misappropriated the Complainant's right to the Domain Name without legal right and that the Respondent's registration of the Domain Name is an Unfair Registration.

(b) Respondent

5.2 As noted above, the Respondent has not filed a Response to the Complaint.

6. Discussion and findings

6.1 The dispute is governed by the Policy. Relevant provisions of the Policy in this case are as follows:

3. Definitions

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;

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;

Part A – Policy

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.

4.2 The Complainant is required to prove to the Expert that both elements are present on the balance of probabilities.

...

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;

6.2 For an Expert to uphold a Complaint, the Expert must be satisfied that the Complainant has proved the following elements on the balance of probabilities:

- (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);
- (c) Unfair Registration in the hands of the Respondent (para 4.1.2).

7. Rights in respect of a name or mark

7.1 The Expert is satisfied on the balance of probabilities that the Complainant has Rights in respect of a relevant name or mark. The Rights appear to be these:

- (a) Rights under the Companies Act 1993 in relation to the company name "Monarch Natural Health Limited". Attempts by others to reserve a company name which was identical or almost identical to that name would be prevented by s 22(2)(b) of that Act;
- (b) Common law rights in relation to the name "monarchnaturalhealth" capable of protection by an action for passing off.

7.2 The Rights described in paragraphs 7.1(a) and 7.2(b) of this decision are legal rights; they are not merely "rights in a name or term which is wholly descriptive of the Complainant's business".

8. Identical or similar

8.1 The Expert is satisfied on the balance of probabilities that the Domain Name is identical or similar to the name or mark in respect of which the Complainant has Rights. In this case, the Domain Name is identical or similar to the names "Monarch Natural Health Limited" and "monarchnaturalhealth" in respect of which the Complainant has Rights.

9. Unfair registration

9.1 For the following reasons, the Expert is satisfied on the balance of probabilities that the Domain Name is an Unfair Registration:

- (a) the events recorded in the factual background above (paragraphs 4.1 to 4.9 of this decision) are circumstances indicating the Respondent has registered the Domain Name primarily:
- as a blocking registration against a name or mark in which the Complainant has Rights (para 5.1.1(b)); and/or
 - for the purpose of unfairly disrupting the business of the Complainant (para 5.1.1(c)).

10. Decision

10.1 In view of the findings made in this decision, the Expert directs that the Domain Name monarchnaturalhealth.co.nz be transferred to the Complainant.

Place of decision Wellington

Date 13 June 2007

Expert Name Mr Terence Stapleton

Signature