

.nz Dispute Resolution Service

DRS Reference: 202

TradeFree Ltd v AdNet.co.nz Ltd

Key words –

Domain name - tradefree.co.nz

Rights - Complainant having no Rights to bring complaint

Procedure – Request under B12.2 of Procedure

1. Parties

Complainant:

Mr Craig Ralton
TradeFree Ltd
10 Winifred Street
Napier
New Zealand

Respondent:

Mr Paul Vincent
AdNet.co.nz Ltd
c/o Ingham Mora Limited
PO Box 222
Tauranga
New Zealand

2. Domain Name

www.tradefree.co.nz (“the Domain Name”)

3. Procedural history

- 3.1** The Complaint was lodged on 21/05/2007 and InternetNZ, through the Office of the Domain Name Commissioner, notified the Respondent of the validated Complaint on 24/05/2007. The domain was locked on 21/05/2007, preventing any changes to the record until the conclusion of these proceedings.
- 3.2** The Respondent filed a Response to the Complaint on 13/06/2007 and InternetNZ so informed the Complainant on 13/06/2007. The Complainant filed a Reply to the Response on 22/06/2007. InternetNZ informed the parties on 6/07/2007 that informal mediation had failed to achieve a resolution to the dispute.
- 3.3** The Complainant paid InternetNZ the appropriate fee on 17/07/2007 for a decision of an Expert, pursuant to Paragraph 9 of the InternetNZ Dispute Resolution Service Policy (“the Policy”).

- 3.4 Mr Andrew Brown QC, the undersigned, (“the Expert”) confirmed to InternetNZ on 17/07/2007 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.
- 3.5 On 20 July 2007 the Complainant applied to file two non standard submissions. DNS Procedure Rule B12.2 requires that “any non-standard submission must contain as a separate first paragraph, a brief explanation as to why there is an exceptional need for the non-standard submission”. As the Complainant’s application did not identify an exceptional need for the non-standard submissions the Expert declined to receive them on the ground that they did not meet the criteria in Rule B12.2.

4. Factual background

- 4.1 The Respondent, Adnet.co.nz Ltd (a New Zealand company) registered the Domain Name tradefree.co.nz on 13 May 2006. The Respondent currently uses the Domain Name as a portal website. The homepage has the following series of linked page headings:

Classifieds	Auctions	Cars
Motorbikes	Boats	Electronics
Computers	Gaming Consoles	Furniture
Shopping		

- 4.2 The Complainant, TradeFree Ltd, was incorporated in New Zealand on 24 January 2007. Its business appears to be online advertising and auctions that are free to use. The Complainant operates its business through the domain name tradefree.net.nz, which was registered by Mr Craig Ralton on 14 July 2006 prior to the Complainant’s incorporation. Mr Ralton describes himself as a director of TradeFree Ltd.
- 4.3 It appears that having decided to commence business using the TRADEFREE name the Complainant discovered the Respondent had already registered the Domain Name. In the interim, the Complainant registered the .net.nz domain name and on 21 February 2007 approached the Respondent with an offer to purchase the Domain Name. It is apparent from the documents filed in relation to the complaint that there was some negotiation between the parties over price but that they were ultimately unable to agree on a price and the negotiations broke down.

The Complainant’s argument

- 4.4 The Complainant asserts rights in the Domain Name dating back to 2005. It says that it “copyrighted” the TRADEFREE name in New Zealand on 10 February 2005 and in Australia on 2 March 2005.

- 4.5** The Complainant further contends that the only purpose of the Respondent's registration of the Domain Name appears to be for "financial extortion" and that the registration is unfair and not in the best interests of the New Zealand economy. It relies on the fact that the Respondent is using the Domain Name to operate a portal website, which it submits is a "template website" and which it says "is a commonly used practice of domain scalpers".
- 4.6** The Complainant asks that the Domain Name be transferred to it for the sum of US\$1,500.

Respondent's argument

- 4.7** The Respondent denies that the Complainant has any rights in the Domain Name. In summary, it contends that it has prior rights to the Domain Name and that it legitimately registered the Domain Name before the Complainant decided that it wanted it.
- 4.8** The Respondent also submits that it is significant that the Complainant never claimed any rights to the Domain Name in the correspondence that took place over the possible sale of the Domain Name.

5. Discussion and findings

- 5.1** The Policy and Procedure apply (Policy 4.1) where a Complainant asserts 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 is required to prove to the Expert that both elements are present on the balance of probabilities (para 4.2).

- 5.2** The term "Rights" includes, but is not limited to, rights enforceable under New Zealand law: Policy para 3 Definition. This paragraph also defines "Unfair Registration" as follows:

"... 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.

Rights

- 5.3** The only issue for this Complaint is whether the Complainant has any Rights in the Domain Name sufficient to enable it to sustain this Complaint. As the terms of the Policy require, these Rights include, but are not limited to Rights enforceable under New Zealand law.
- 5.4** It appears that the 10 February 2005 date relied upon by the Complainant as giving rise to Rights in the nature of “copyright” in the TRADEFREE name refers to an email of that date from an independent web developer to Mr Ralton, the director of the Complainant. In this email there is reference to the Domain Name is as follows:
- “Also, how would we go about promoting tradefree so people know who we are and what we do? I checked the tradefree.com and .net names but they were taken back in the nineties so you may just have to settle for .co.nz & .net.nz”.
- 5.5** This email does not give rise to any copyright or other Rights in the TRADEFREE name. New Zealand and English copyright law is clear that copyright is not created in a single word or a combination of two words: *Exxon Corporation v Exxon Insurance Consultants International* [1982] RPC 69. Rather the email is simply evidence of an intention between Mr Ralton and his web developer to use the name TRADEFREE at some point in the future. This intention was never made public in such a way as to create any Rights. Moreover, no steps were taken either to register TRADEFREE as a trade mark or indeed to register TRADEFREE as the preferred .co.nz Domain Name. An intention to use a domain name in the future (if never even made public) is not sufficient to give the Complainant Rights to the Domain Name.
- 5.6** As part of its claim to have “copyrighted the TRADEFREE name”, the Complainant also relies on the fact that it reserved the company name TradeFree Pty Limited with the Australian Securities and Investment Commission on 2 March 2005. It is important to address this. The reservation of a company name does not give rise to any copyright. Further, and unfortunately for the Complainant, the fact that it reserved a company name in Australia on 2 March 2005 does not give rise to any rights in New Zealand that would sustain the Complaint. The mere reservation of a company name in another country on its own is not sufficient. It is only (for example) if that company or the Complainant were then to substantially publicise its name in New Zealand that such Rights might exist.
- 5.7** The earliest step taken by the Complainant to secure rights in the TRADEFREE name occurred when Mr Ralton registered the domain name tradefree.net.nz on 14 July 2006. This was some two months after the Respondent registered the tradefree.co.nz Domain Name on 13 May 2006. Indeed, the Complainant itself recognises this when it says that its delay “caused us to miss out on tradefree.co.nz”.
- 5.8** The Expert has no alternative but to find the Complainant has no Rights to the Domain Name that predate those of the Respondent.

Unfair registration

5.9 In view of previous finding, it is unnecessary for the Expert to go on and consider the issue of Unfair Registration.

6. Decision

6.1 The Complaint is dismissed.

Place of decision Auckland

Date 31 July 2007

Expert Name Mr Andrew Brown QC

Signature

A handwritten signature in black ink, appearing to read "Andrew Brown", with a long horizontal flourish extending to the right.