

.nz Dispute Resolution Service

DRS Reference: 206

TELECOM IP LIMITED v E-Promote

Key words – wwwferrit.co.nz – tellecom.co.nz – registered mark – misspelling – phonetically similarity – generic – likely to confuse, mislead or deceive – pattern of registration – unfairly disrupting the business of the complainant – respondent having no connection with name or trade mark – transfer

1. Parties

Complainant:

TELECOM IP LIMITED
Level 8
North Tower
Telecom House
68-86 Jervois Quay
Wellington
New Zealand

Respondent:

E-Promote
536 Leavenworth St
San Francisco, CA, 94109
USA

2. Domain Names

wwwferrit.co.nz
tellecom.co.nz

3. Procedural history

The Complaint was lodged on 30/05/2007 and InternetNZ, through the Office of the Domain Name Commissioner, notified the Respondent of the validated Complaint on 5/06/2007. The domains were locked on 30/05/2007, preventing any changes to the record until the conclusion of these proceedings.

There was no response filed by the Respondent.

The Complainant paid InternetNZ the appropriate fee on 28/06/2007 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 3/07/2007 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.

4. Factual background

The Complainant has submitted a statutory declaration that incorporates substantial appendices. The following background information is taken mainly from that statutory declaration.

The Complainant Telecom IP Limited is a part of and a wholly owned subsidiary of Telecom Corporation of New Zealand Ltd. (hereafter: Telecom). As a successor to the long-established New Zealand Post Office, Telecom has since 1987 been a prominent supplier of goods and services in the telecommunications field including landline, mobile and Internet services. Telecom is New Zealand’s largest listed company with assets (2006) exceeding \$NZ 6.2 billion. The company is extremely well known and is effectively a household name.

Telecom owns an Internet-based virtual “shopping mall”, i.e., an Internet presence whereby users may browse, compare and choose whether to buy goods and services offered for sale by an assortment of providers. Telecom has promoted and advertised this facility under the trademarked name FERRIT. Its Internet address is ferrit.co.nz.

The domain names telecom.co.nz (registered 17 June 1997) and ferrit.co.nz (registered 25 August 2005), together with others comprising various adaptations and potential misspellings of these, are registered in the name of the Complainant.

The Respondent registered the domain names tellecom.co.nz on 13 July 2006, and wwwferrit.co.nz on 7 October 2006.

5. Parties’ contentions

a. Complainant

(i) Rights in a name or mark

The Complainant contends and submits documentary evidence that it is the owner of the registered trademark FERRIT, being the name of the Telecom online shopping website. Telecom has extensively used, advertised and promoted the trademark FERRIT since at least 2005. The Complainant owns the domain names ferrit.co.nz, ferit.co.nz, ferritt.co.nz and ferrit.com. The website has an extensive reputation, houses 100 retailers and attracts an average of 147,000 users per month.

The Complainant further contends that is the owner of numerous New Zealand trademark registrations for the name TELECOM. The trademark dates back at least to 1987 and has been vigorously promoted. The Complainant cites two recent High Court judgments in which the distinctiveness of the TELECOM trademark has been recognised. Telecom's principal domain name is telecom.co.nz.

(ii) Confusing similarity

The Complainant contends that the distinctive or identifying part of the disputed domain name wwwferrit.co.nz is FERRIT, to which the non-distinctive prefix www has been added by the Respondent. The domain name is nevertheless similar to the Complainant's trademark.

The Complainant further contends that the disputed domain name tellecom.co.nz is similar or identical to the Complainant's trademark TELECOM except for the insertion of an extra letter "l".

(iii) Unfair registration

The Complainant contends that the disputed domain names were registered unfairly in order to disrupt Telecom's business. The Respondent uses the domain names in a manner that is likely to confuse, mislead or deceive people into believing they are connected to Telecom.

The Complainant contends that the Respondent's intention behind the disputed domain name wwwferrit.co.nz is that some Internet users seeking the genuine FERRIT website may omit the dot when intending to type www.ferrit.co.nz and in consequence be connected to the Respondent's website. The style of the Respondent's website is such that visitors arriving there may be confused into thinking they have reached the genuine Telecom FERRIT website but may then be diverted to competing retailers, causing loss of revenue to Telecom.

The Complainant further contends that the Respondent's intention in registering the domain name tellecom.co.nz is that some Internet users may inadvertently type tellecom instead of TELECOM and in consequence be directed to the Respondent's website. Users so misled are likely to be confused into thinking they have made contact with Telecom but are presented with links to goods and services in competition with Telecom, thereby disrupting Telecom's business.

The Complainant contends that the Respondent has engaged in a pattern of making registrations of domain names corresponding to well known names in which the Respondent has no rights, and submits a number of specific examples.

The requested remedy is transfer of the disputed domain name to the Complainant.

b. Respondent

The Respondent has not filed a response.

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 at section 5 provides guidance in the form of criteria that may be evidence of unfair registration. Section 5 reads in part:

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;

(...)

The Policy 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 they need not be reproduced.

Notwithstanding the Respondent's decision not to contest this proceeding, the onus of proof remains upon the Complainant.

Whether the Complainant has rights in the Name

The Complainant has produced satisfactory evidence of its ownership of and rights in the registered trademarks TELECOM and FERRIT.

Whether a Name is similar to a disputed Domain Name

The Respondent has registered the domain name wwwferrit.co.nz. In the context of Internet domain names, domain identifiers such as .co and .nz are not usually of significance in the determination of confusing similarity. What is left is wwwferrit. Long established precedent throughout various international domain name disputes jurisdictions is that prefixes or suffixes attached to, or adaptations of, a name in which a Complainant has clearly established rights, are unlikely to detract from a finding of similarity or identity. The prefix www is of particularly low significance because it has a generic connotation in domain names as discussed further below. The tribunal finds the disputed domain name wwwferrit.co.nz to be similar to the Complainant's trademark FERRIT within the meaning of paragraph 4.1.1 of the Policy.

The Respondent has registered the domain name tellecom.co.nz. The effective component of the domain name is tellecom, which is phonetically identical to and a predictable misspelling of the Complainant's trademark TELECOM. The disputed domain name is found to be similar to the Complainant's name and trademark within the meaning of paragraph 4.1.1 of the Policy.

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

Internet users seeking the authentic FERRIT website are likely to type the domain name in the form www.ferrit.co.nz into the Internet. The disputed domain name registered by the Respondent is wwwferrit.co.nz, which differs subtly by omission of the dot between www and ferrit. It may reasonably be inferred that the Respondent relies on the expectation that some users on occasions will omit the same dot inadvertently, and further relies on the knowledge that many Internet browsers, depending on the type and version, treat "www." (with the inclusion of the dot) as optional. The effect of typing wwwferrit, because the dot is missing, is to send the user to the Respondent's website rather than the Complainant's. This well-known device, because it relies on a typographical error of the user, is known as typo-squatting or typo-piracy.

Similarly, Internet users seeking the authentic website of Telecom are likely to type the domain name telecom.co.nz into the Internet. The disputed domain name registered by the Respondent is tellecom.co.nz, which contains the spelling mistake -ll-. It may reasonably be anticipated that a proportion of Internet users will occasionally spell TELECOM erroneously or accidentally with -ll- inserted. In consequence they will be connected to the Respondent's website rather than the Complainant's. This is another example of typo-squatting or typo-piracy.

The ultimate objective of typo-squatting is that the Respondent has traded on the name, goodwill, reputation, advertising and investment of another in order to attract users to its site for the ultimate purpose of commercial gain by commission, sales and the creation of value in the Respondent's website. In

the terms of paragraph 5.1.2 of the Policy the Respondent has used the domain names in a way that is likely to confuse, mislead or deceive people or businesses into believing they are registered to, operated or authorised by, or otherwise connected with the Complainant. In the terms of paragraph 5.1.1 (c) of the Policy the Respondent, by endeavouring to divert clients, has caused disruption of the business of the Complainant.

The Complainant submits that the Respondent has engaged in a pattern of the registration of domain names in which others have rights, including domain names conflicting with the trademarks Yellowpages, Whitepages, and others. Such a pattern of activity is evidence of unfair registration in the terms of paragraph 5.1.3 of the Policy.

The Respondent has not made any submissions to the effect that the registrations are not unfair in the terms of paragraph 6 of the Policy.

In accordance with the Policy definitions of unfair registration, the Respondent is found to have taken unfair advantage of the Complainant's rights by registering domain names that are typographical variations on ones comprising the Complainant's trademarks. The Respondent is found to have used those domain names in a manner unfairly detrimental to the Complainant by the attempt to divert clients away. Furthermore the Respondent is found to have engaged in a pattern of unfair registrations.

7. Decision

The Expert finds that the disputed domain name tellecom.co.nz is similar to the name TELECOM in which the Complainant has rights, and that the domain name, in the hands of the Respondent, is an unfair registration. The domain name tellecom.co.nz shall be transferred to the Complainant.

The Expert finds that the disputed domain name wwwferrit.co.nz is similar to the name FERRIT in which the Complainant has rights, and that the domain name, in the hands of the Respondent, is an unfair registration. The domain name wwwferrit.co.nz shall be transferred to the Complainant.

Place of decision Dunedin

Date July 16, 2007

Expert Name Dr Clive Trotman

Signature