

.nz Dispute Resolution Service

DRS Reference: 228

McIntyre Dick & Partners v Alpro New Zealand Ltd

Key words

Domain Name – basecampwanaka.co.nz

Rights – Domain Name identical or similar to company name and other name in which receivers of company had rights – rights not merely in name wholly descriptive of business

Unfair Registration – Domain Name registered or otherwise acquired in manner which took unfair advantage of or was unfairly detrimental to receivers' rights – Domain Name has been or is likely to be used in manner which took unfair advantage of or was unfairly detrimental to receivers' rights

1. Parties

Complainant:

Mr Casey Blatch
McIntyre Dick & Partners
160 Spey Street
Invercargill
New Zealand

Respondent:

Mr Toby Johnston
Alpro New Zealand Ltd
144 Aubrey Road
Wanaka
New Zealand

2. Domain Name

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

3. Procedural history

3.1 The Complaint was lodged on 10 September 2007. InternetNZ, through the Office of the Domain Name Commissioner ("the DNC")¹, notified the Respondent of the validated Complaint by letter dated 11 September 2007.

¹ The DNC is an operational office of InternetNZ (the Internet Society of New Zealand Inc) responsible for the day to day oversight of the .nz domain name registration and management system.

The domain was locked on 11 September 2007, preventing any changes to the record until the conclusion of these proceedings.

- 3.2 The letter from the DNC to the Respondent dated 11 September 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 Wednesday, 3 October 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.

If you respond within the deadline, the Complainant will be given an opportunity to submit a written reply, and the matter will then be referred for mediation. InternetNZ makes no charge for this service. If mediation is not successful, the matter may be referred to an independent expert for a decision.

Please note that no decision has been made at this stage.

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 The Respondent did not submit a response to the Complaint by Wednesday, 3 October 2007. By letter dated 5 October 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 19 October 2007. The Complainant paid the appropriate fees by letter dated 17 October 2007.
- 3.4 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 24 October 2007, Mr Stapleton was appointed to act as the independent expert in this case (“the Expert”) pursuant to Paragraph 9 of the Policy.

4. Factual background

- 4.1 Basecamp Wanaka Limited (“the Company”) was registered under the Companies Act 1993 on 3 June 2005 under number 1632777. As at 24 April 2007, the Company’s directors were the Respondent and Messrs Stewart Blennerhassett and Michael Martin, and the Company’s 1,000,000 shares were held by Alpro New Zealand Limited, Alpro Holdings Limited, Summit Wanaka Limited and Adventure Training School (NZ) Limited (250,000 shares each).

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

- 4.2 Alpro New Zealand Limited (“Alpro”) was registered under the Companies Act 1993 on 7 August 1997 under number 865934. As at 24 April 2007, Alpro’s sole director was the Respondent and Alpro’s 1,000 shares were held by the Respondent.
- 4.3 On 24 April 2007, the Company was placed in receivership. Messrs Graham Dick and Stewart Perkins, partners in the firm of McIntyre Dick & Partners, were appointed as Receivers of the Company. The Receivers filed their first report on 10 July 2007. The Company’s search details on the Companies Office website record that the Receivers’ six monthly report is due by 1 January 2008. The search details record that the name of the Company is now Basecamp Wanaka Limited (In Receivership). Alpro’s search details on the Companies Office website record that Alpro was struck-off (removed from the register) on 18 September 2007.
- 4.4 The Complainant’s contentions in the Complaint (a copy of which was sent to the Respondent with the letter from the DNC to the Respondent dated 11 September 2007) are as follows:

Basecamp Wanaka Ltd was placed into receivership 24 April 2007 with Graham Dick and Stewart Perkins appointed receivers. Part of the company’s intellectual property includes its website and domain names (basecampwanaka.co.nz) which we have an agreement to sell to a third party.

The website is in the name of the company and is clearly intended to be the property of the company. The initial registration of the domain name of the company was made in the name of Toby Johnston as the company was to be formed. He did this in his role as an agent for the company.

The cost of constructing, maintaining and hosting the website has been met by the company (and by its receivers since 24 April). It is therefore clear that the domain name and associated website are intended to be and are treated as the property of the company.

The receivers were not aware that the domain name was not in the name of the company and have made payments to continue the hosting arrangement believing this a company asset. Even having the domain name registered against Toby Johnston can only be considered as Toby holding this as agent for the company.

We understand that on Friday 31 August Toby requested the domain name be transferred and registered in the name of Alpro New Zealand Ltd. This was done on the same day that the receivers entered into an agreement to sell the intellectual property of the company and was without the authorisation of the receivers.

The receivers request that the domain name be registered with the company ‘Basecamp Wanaka Ltd (In Receivership)’. This reflects the ‘ownership’ of the domain name and the website.

- 4.5 The search details of the Domain Name on the New Zealand Domain Name Registry Limited website record that the Domain Name was registered on 6 May 2005. The search details record the registrant contact name as Alpro and the registrant contact email as toby@basecampwanaka.co.nz. The search details record the admin contact name as the Respondent and the admin contact email as toby@basecampwanaka.co.nz. In view of the

Complainant's contention that *"The initial registration of the domain name of the company was made in the name of Toby Johnston as the company was to be formed. He did this in his role as an agent for the company"*, the Expert notes that the Domain Name was registered about four weeks before the Company was registered.

4.6 Copies of documents relating to payments made to iSERVE Limited ("iSERVE") to continue the website hosting arrangement were included with the Complaint. They included a statement of account from iSERVE to the Company from 1 January 2007 onwards. The statement records that the account had a nil balance at 11 May 2007 and that payments of \$105.84 and \$77.00 were made on 1 June and 21 June 2007 respectively. The documents included a GST invoice from iSERVE to the Company dated 16 July 2007 for \$77.00 for services described in the invoice including an enhanced plan from 16 July 2007 to 12 August 2007. The GST invoice was sent by iSERVE Accounts to the Respondent by email at 1:05 pm on 17 July 2007. The Respondent forwarded the email from iSERVE Accounts to the Complainant at 2:35 pm on 17 July 2007. On 17 August 2007, the Receivers paid iSERVE \$126.00 for the GST invoice dated 16 July 2007 and further unspecified services.

4.7 As at 5 September 2007, the following notice was displayed in two places on the Basecamp Wanaka website (www.basecampwanaka.co.nz):

NOTICE TO PUBLIC

The building in which Basecamp Wanaka operates has been sold under tender. The new owner takes possession on 31 August 2007. At this stage the owner has not leased space to the company, and no arrangements have been made to continue the business. It is likely that the complex will be closed from EOD 30th August for an indefinite and unknown period. We are aware that the new owner is considering operating the climbing wall as a new business, and we expect all previous memberships to be honoured should this happen. Basecamp Wanaka Limited can not take any bookings for past 30th August 2007 at this time. Apologies all for the inconvenience.

4.8 At 11:37 am on 5 November 2007, a male person left a voicemail message for the Expert at his chambers. The male person said he was *"Toby Johnston speaking from Alpro New Zealand"* and that he was calling *"in regard to 00228 an engagement for the Domain Name Commission"*. The male person said that his company was insolvent and had been struck-off, that he didn't think there was any point in the Expert doing the decision because the Domain Name had been handed back to them, and that it was a waste of everyone's time. While the voicemail message ended with the male person asking the Expert to *"call me on 03 443 6673"*, the Expert has not done so. While the Expert notes the contents of the voicemail message and the fact that the telephone number given by the male person is the registrant contact phone and the admin contact phone and fax recorded in the Domain Name search details, the Expert does not propose to take the contents of the voicemail message on 5 November 2007 into account in his decision on the Complaint.

5. Parties' contentions

(a) Complainant

5.1 The Complainant contends that the Respondent has misappropriated the Receivers' 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, and the Expert does not propose to take the contents of the voicemail message on 5 November 2007 into account in his decision on 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 established that the Receivers have 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 “Basecamp Wanaka 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 “basecampwanaka” 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”. As receivers of the Company, the Receivers are authorised to sell the Company’s assets and undertaking to pay the debt due from the Company to the creditor who appointed them. The Company’s assets and undertaking include its intellectual property. Consistent with their Rights, the Receivers have entered into an agreement to sell the Company’s intellectual property which includes its website (www.basecampwanaka.co.nz) and the Domain Name.

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 established that the Receivers have Rights, namely “Basecamp Wanaka Limited” and “basecampwanaka”.

9. Unfair registration

- 9.1 The Expert is satisfied on the balance of probabilities that, in all the circumstances, the Domain Name is an Unfair Registration because the events recorded in the factual background above (paragraphs 4.1 to 4.7 of this decision) are circumstances indicating:
- (a) the Domain Name was registered or otherwise acquired by the Respondent in a manner which, at the time when the registration or acquisition took place, took unfair advantage of or was unfairly detrimental to the Receivers’ Rights (para 3.(i)); and/or
 - (b) the Domain Name has been, or is likely to be, used by the Respondent in a manner which took unfair advantage of or was unfairly detrimental to the Receivers’ Rights (para 3.(ii)).

10. Decision

10.1 In view of the findings made in this decision, and as requested by the Complainant and the Receivers in the Complaint, the Expert directs that the Domain Name basecampwanaka.co.nz be transferred to Basecamp Wanaka Limited (In Receivership) and thereby to the Receivers.

Place of decision Wellington

Date 6 November 2007

Expert Name Mr Terence Stapleton

Signature

A handwritten signature in black ink, appearing to read 'T. Stapleton', written over a light grey rectangular background.