

.nz Dispute Resolution Service

DRS Reference: 244

Cine Craft Limited v Mr Keun Chang Yim /Vixen

Key words

Identical or similar trade mark or name

Registered mark - well-known mark -- trade name

Unfair registration

Offer to sell, rent or otherwise transfer — likely to confuse, mislead or deceive
-- prior relationships between the parties

Procedure

“Without prejudice” materials-rehearing – non-standard submission

1. Parties

Complainant:
Cine Craft Limited
3 Bell Lane
Gibraltar
United Kingdom

Respondent:
Mr Keun Chang Yim /Vixen
P.O. Box 28-051
Remuera
Auckland
New Zealand

2. Domain Name/s

private.co.nz ("the disputed domain name")

3. Procedural history

The Complaint was lodged on 25/10/2007 and InternetNZ, through the Office of the Domain Name Commissioner, notified the Respondent of the validated Complaint on 30/10/2007. The domain was locked on 26/10/2007, 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 28/11/2007 for a decision of an Expert, pursuant to Paragraph 9 of the InternetNZ Dispute Resolution Service Policy (“the Policy”).

Mr Clive Elliott, the undersigned, (“the Expert”) confirmed to InternetNZ on 28/11/2007 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, Cine Craft Limited, is a subsidiary company of Private Media Group Inc. Private Media Group Inc is a leading global adult entertainment company that distributes its content to a wide range of countries (among others New Zealand) on platforms, including the Internet and adult stores.

The Respondent was identified variously as Mr Keun Chang Yim and Vixen; and Mr Keun Chang Yim of Vixen and with an e-mail address of <accounts@vixen.co.nz>.

The respondent named in the complaint is the same as the registrant for the domain name. The respondent was named as Mr Keun Chang Yim, and this matches the record for the name. The address details supplied in the complaint for Mr Yim match those in the register, and apparently relate to Vixen, which was also named in the complaint. It appears that Mr Yim is unknown to the Respondent but Mr Stephen Crow a director of Vixen Wholesale Ltd in effect acknowledges that this company is the owner or beneficial owner of the disputed domain name. There also appears to be a connection between Mr Crow and Vixen Direct Ltd. Given the comments made below it appears that nothing of moment turns on this issue.

Private Media Group Inc is traded on the NASDAQ stock exchange and it asserts that it owns the worldwide rights to the largest archive of high quality adult content in the world branded under the Private and other related trade marks.

The Complainant provided a statement from Maria Isabel González an attorney with Cine Craft Limited illustrating that the company has a corporate relationship with Private Media Group Inc and that Cine Craft Limited is the company within the Private Media Group which currently owns the Private and related trade marks worldwide. It also has a relationship with Fraserside Holdings Limited, which in turn has distribution relationships with other companies.

The Expert was invited to view a number of websites including <www.private.co.nz>; <www.vixen.co.nz>, <www.private.com> and <www.prvt.com> and has done so. At <www.prvt.com> the following statement is made:

“With its 40 year track record, NASDAQ listed Private Media Group is a world leading adult entertainment company which distributes a wide range of erotic and semi-erotic multimedia content over several platforms including wireless and broadcasting technologies, narrow and broadband Internet, DVD and Magazines.

The Private brand licensee has the support of a global marketing campaign already in place with:

- *Over 2 million magazines circulated every year*
- *Over 2.5 million DVDs sold in over 50 countries*
- *Over 2.5 million monthly unique hits and 20 million page views on our online websites.”*

This indicates that the parent company of the Complainant has a substantial business in the adult entertainment area and that a significant part of this business is done through or involves the Internet.

The Complainant currently owns the Private and other related trade marks worldwide, as well as all domain names pertaining to the Private Media Group. It is the proprietor of New Zealand trade mark registration numbers: 611857, 611858 and 611859 comprising the stylised word Private. Further, it asserts that it currently owns more than 200 domain names with the word Private, including for example <private.com> and <privateclips.com>. That also state that the company has a number of other .com, second level and territorial domain names (such as <private.es> and <private.fr>) whereby it publicly displays its content for subscribers.

The <private.co.nz> domain resolves directly to a website run by the Respondent (located at <vixen.co.nz>). On the other hand the <private.com> domain name resolves to the Complainant’s website. It is readily apparent that both the <vixen.co.nz> and <private.com> websites provide adult content, presumably in competition with each other.

5. Parties’ contentions

a. Complainant

As noted above, the <private.co.nz> domain resolves directly to a website run by the Respondent (located at <vixen.co.nz>). The Complainant argues that this amounts to a clear infringement of its rights and it may lead customers to think that there is a relationship of some sort between the parties.

The Complainant asserts that the Respondent has in the past acted contrary to Private Media Group Inc’s interests. The Complainant points out that the Respondent has attempted in the past to change its name to Private Media Ltd for commercial use taking advantage of the Complainant and/or its associates’ efforts and reputation. As a consequence, it is asserted that the

Complainant sent the Respondent a letter, dated January 5th 2005, requiring that it cease and desist its behaviour and for the change of its company name to another one which did not include the word Private.

The Complainant requests the transfer of the domain name.

b. Respondent

While no formal response was filed by the Respondent, two communications were addressed to the Domain Name Commissioner. Both of these communications throw light on the situation and are taken into account by the Expert in an effort to understand and resolve the real issues in dispute between the parties. Firstly, in a letter dated 13 February 2007 (sic) but received by the Domain Name Commissioner on 8 November 2007, Mr Stephen Crow, a director of Vixen Wholesale Limited indicated that his company had owned and used the disputed domain since April 2004 and that prior to that it was owned by the Private Sale Company. He also indicated that his company was the owner of the trade mark "Private E", that "private" is a common English word and that if the Complainant wished to purchase the domain name he was happy to discuss this.

Secondly, on 26 November 2007 Mr Crow addressed a "without prejudice" offer to the Complainant and/or its associates. As this communication was copied to the Domain Name Commissioner the Expert concludes that the Respondent wished this offer to be taken into account in reaching a decision and has relinquished or waived any privilege or like right that might have resided therein.

In that email Mr Crow states that the Respondent company purchased the domain name "so as to protect the use of the name in New Zealand as we were, at the time, Private's exclusive New Zealand distributors, and it was a name we had been trying to secure and thereby protect, for several years". He then concluded by stating that he was not really interested in fighting over it and invited an offer.

6. Discussion and findings

In terms of paragraph 4.1 of the Policy, where a Complainant asserts that:

*The Complainant has Rights in respect of a name or mark which is identical or similar to the Domain Name; **and***

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

Pursuant to paragraph 4.2 of the Policy the Complainant is required to prove to the Expert that, on the balance of probabilities, both elements are present.

Paragraph 3 of the Policy (Definitions) defines “Unfair Registration” as:

“... 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.

7. Decision

Rights

It is clear from the information provided by the Complainant and the Expert's review of the relevant website that the trade name/mark Private is registered and has been used in the course of trade in New Zealand in relation to, inter alia, adult entertainment services.

No contest has been raised by the Respondent as to the Complainant's rights to the Private trade name/mark. Indeed, the Respondent acknowledges that the Complainant is entitled to the trade name/mark and it indicates that it is prepared to transfer the disputed domain name, provided it is suitably reimbursed.

On this basis it is found that:

- (a) The Complainant has rights in respect of the trade name/mark Private.
- (b) The disputed domain name is the same as or confusingly similar to the Private trade name/mark.

Accordingly, the Expert is satisfied that the first element of the Policy has been met.

Unfair Registration

Paragraph 3 of the Policy requires a Complainant to establish that one of the necessary requirements is established, namely that the Domain Name was registered or otherwise acquired in a particular way or has been used in a manner which is unfair or unfairly detrimental to the Complainant's Rights. These requirements are stated in the alternative, meaning that in order to succeed a complainant need establish one or the other.

Paragraph 5.1 of the Policy sets out a non-exhaustive list of factors which may be regarded as evidence that the Domain Name is an Unfair Registration.

Paragraph 5.1.2 refers to:

“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;”

Paragraph 5.1.5 of the Policy states that evidence of Unfair Registration may exist if:

“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 Expert assumes that the reference to registration may apply to the original registration or the subsequent acquisition of the particular domain name.

There is clearly evidence of a prior but now terminated relationship between the Complainant and the Respondent. However, in terms of any agreement or tacit consent to the registration of the disputed domain name the position is unclear.

Reference is made above to two written communications from the Respondent. Under the circumstances, it is appropriate that these communications are taken into account. They provide relevant context. Further, the underlying philosophy of the DRS is to provide parties in dispute over a .nz domain name with an efficient, effective and affordable dispute resolution service. This includes dealing with the real controversy between the parties, if permitted by the Policy.

In the Expert's view these communications provide a clear indication that the disputed domain name was acquired by the Respondent while a distributor of the Complainant or its business associates in order to protect the name in New Zealand. That consideration has legal consequences because it is a well established principle that an agent or distributor who uses a principal's trade mark with permission does not normally acquire rights in that trade mark as a result. Further, it is well established that, prima facie, under the type of circumstances described any goodwill accruing to or arising in relation to the trade mark, is for the principal rather than the agent's/distributor's benefit.

Accordingly, even if the disputed domain name was acquired by the Respondent for good reason, once the distribution arrangement was terminated (which clearly is now the case) the position alters, once put on

notice of the principal's requirement to return the domain name or cease using it. It may well be that the Complainant has not previously raised this matter with the Respondent and perhaps could and should have. Whether or not that is so, the fact remains that it now requires the relinquishment or return of the domain name and it is entitled to do so.

Whether or not the Respondent should be reimbursed for its efforts in securing the domain name in the first place is not a matter that the Expert is required to or indeed should address. In the Expert's view at the present time the disputed domain name is an unfair registration in the hands of the Respondent, particularly given the way in which it is using the domain name to immediately resolve to its own website.

The Expert is of the view that the disputed domain name is being employed as a means of diverting internet customers, looking for the same or similar adult content that both parties sell. In those circumstances it is hard to see how the Respondent's conduct is legitimate and given that it is not unreasonable to infer that at least some customers will assume that there is a connection between the parties, particularly given that one was formerly the distributor of or associated with the other.

On this basis, it is found that the Respondent's conduct is unfair and detrimental to the Complainant's Rights and that the second element of the Policy has been met.

The Complainant has thus established both parts of paragraph 4.1 of the Policy and is entitled to the relief sought. In the result, the Expert orders that the disputed domain name be transferred from the Respondent to the Complainant.

Place of decision

Auckland

Date 13 December 2007

Expert Name Mr Clive Elliott

Signature