

## **.nz Dispute Resolution Service**

**DRS Reference: 252**

### **Inland Revenue Department v Portfolio Brains, LLC**

Key words – well-known mark – identical – likely to confuse, mislead or deceive – government departments – complainant – correct name – Her Majesty The Queen

#### **1. Parties**

Complainant:

Inland Revenue Department  
12-22 Hawkestone Street  
Wellington  
New Zealand

Respondent:

Portfolio Brains, LLC  
7324 Reseda Blvd#129  
Reseda, CA  
United States

#### **2. Domain Name/s**

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

#### **3. Procedural history**

- 3.1 The Complaint was lodged on 8/01/2008 and InternetNZ, through the Office of the Domain Name Commissioner, notified the Respondent of the validated Complaint on 11/01/2008. The domain/s were locked on 9/01/2008, preventing any changes to the record until the conclusion of these proceedings.
- 3.2 There was no response filed by the Respondent.
- 3.3 The Complainant paid InternetNZ the appropriate fee on 20/02/2008 for a decision of an Expert, pursuant to Paragraph 9 of the InternetNZ Dispute Resolution Service Policy ("the Policy").
- 3.4 Hon Robert Fisher QC, the undersigned, ("the Expert") confirmed to InternetNZ on 21/02/2008 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. Identity of the Complainant**

- 4.1 The Complainant has been described in documents filed on its behalf as "Inland Revenue Department". That is also apparently the name the Crown has chosen to use for certain other domain names it holds.
- 4.2 It is the Expert's understanding that a government department is not a legal person. The legal person involved in matters of this kind is Her Majesty The Queen in right of Her Government in New Zealand acting through the Department of Inland Revenue. That expression is often abbreviated or modified in various ways but the legal person involved is The Queen. Whether or not created or recognised by statute, a government department can only ever be an organisational subdivision of the civil servants through whom Her Majesty acts.
- 4.3 It is for that reason that title to land and the title to most other property recorded in public registers is recorded in the name of Her Majesty. It is also the reason that civil proceedings on behalf of the Crown are normally brought in the name of The Queen's agent, the Attorney-General, suing or sued in respect of an identified department or officer of the Crown (see further Crown Proceedings Act 1950; High Court Rules etc).
- 4.4 It is different, of course, if the department, entity or person in question is by statute given express status as a distinct legal person with power to hold property and/or sue in its or their own name. The Expert is not presently aware of any such provision applicable to the Inland Revenue Department. The Commissioner of Inland Revenue has been given special status in various respects but it has not been suggested that these have any bearing upon the power to hold property or the power to bring proceedings on behalf of Her Majesty.
- 4.5 Where property or rights have been registered in the name of a government department without reference to those matters, it is no doubt implicit that the legal entity concerned is in fact Her Majesty The Queen and that the chief executive and/or officers of that department have the authority to enforce those rights on behalf of Her Majesty. However correctly naming the legal entity concerned, and bringing any proceedings in the name of that entity in an authorised fashion, might in some circumstances be significant. For example in most intellectual property matters it will be important to establish continuity of proprietary rights and/or reputation traceable to the complainant without the potential for confusion over the identity of the legal entity or entities involved. In the present case the submissions provided on behalf of the Complainant have been directed to the reputation established by this particular government department, as distinct from the Crown. In

many cases there will be no difference but that may not always be so. From time to time the functions, scope and name of government departments change. Further, it would seem undesirable that there be any potential for confusion or dilution of reputations as between different government departments.

- 4.6 It would be helpful if on the next occasion that a government department is involved in a domain name dispute, it would provide submissions from Crown Law Office addressed to the desirability of registering domain names, and bringing complaints, in the name of particular government departments.
- 4.7 For the purpose of this decision it will be assumed that the Complainant is the Queen but that she has been adequately identified through the reference to the Department of Inland Revenue as her agent.

## **5. Factual background**

- 5.1 The Inland Revenue Department is well known to New Zealanders as the New Zealand government department with responsibility for collecting income tax and certain other forms of government revenue. The Department is recognised in the Tax Administration Act 1994 and the State Sector Act 1988. Millions of people and business entities have dealings with the Inland Revenue Department, or its duly appointed officer The Commissioner of Inland Revenue, every year. The Department has trade mark registrations and a website on which the expression "Inland Revenue" is used. Its principal website is [www.ird.govt.nz](http://www.ird.govt.nz) but it has also registered [www.inlandrevenue.govt.nz](http://www.inlandrevenue.govt.nz).
- 5.2 On 25 September 2004 the Respondent registered the subject Domain Name "inlandrevenue.co.nz" with New Zealand Domain Name Registry Ltd. No details have been provided concerning the nature and activities of the Respondent other than that it is a corporation whose contact address is stated to be 7324 Reseda Blvd #1229, Reseda, CA, United States. A visit to the subject website contains references to Inland Revenue and tax but appears to be a site where advertising revenue is generated by visitors clicking on advertisements.
- 5.3 On 15 November 2007 the Inland Revenue Department received a complaint from a member of the public who, in attempting to visit the Department's website, was instead directed to the subject website of the Respondent.

## **6. Parties' contentions**

### **6.1 Complainant**

The Complainant argues that it has rights in respect of the name "Inland Revenue" by virtue of its general reputation and registered trade marks and s 5 of the Tax Administration Act 1994 and the State

Sector Act 1998 Schedule 1. It argues that the expression “Inland Revenue” is not wholly descriptive; that the subject Domain Name is identical or similar to the name in respect of which the Complainant has rights; that the Respondent’s use of the subject name is unfair and constituted an unfair registration; and that the Respondent had no legitimate reason for registering or using that Domain Name.

## 6.2 Respondent

The Respondent has not advanced any argument or case in opposition to the Complainant’s case.

## 7. Discussion and findings

7.1 The dispute is governed by the Policy issued by the office of the Domain Name Commissioner on behalf of InternetNZ. Critical portions of the Policy for present purposes are these:

### “3. Definitions ...

**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.

### ... 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

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

### ... 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;"

7.2 It will be seen that to support a complaint of this kind the Complainant must satisfy three elements:

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

## **8. (a) Rights in respect of a name or mark**

8.1 It is clear that by the time the Respondent registered the Domain Name in 2004 the Complainant already had rights in respect of the name "Inland Revenue" by virtue of established reputation and goodwill, registered trade marks and references in the Tax Administration Act 1994 and the State Sector Act 1988.

## **9. (b) Identical or similar**

9.1 The Complainant must show that the Domain Name is "identical or similar" to the name or mark in respect of which the Complainant has rights.

9.2 In the present case the Domain Name "inlandrevenue.co.nz" is for all practical purposes identical to the name in respect of which the Complainant had rights.

## **10. (c) Unfair registration**

10.1 The Policy includes a non-exhaustive list of factors which may be evidence of unfair registration (paras 5.1.1 to 5.1.5).

10.2 The material factor in the present case is "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" (para 5.1.2).

10.3 There is no doubt that the Respondent's use of the Domain Name falls within para 5.1.2 of the Policy. There is direct evidence from a member

of the public that such deception has occurred. In addition, the scope of the Complainant's reputation in the name "Inland Revenue" coupled with the virtually identical use of those words in the Respondent's Domain Name makes confusion and deceit inevitable.

10.4 There is no evidence of fair use of the Domain Name. On the contrary, a visit to the site demonstrates that it is a "pay per click" site which uses deceit or confusion for the purpose of generating advertising revenue.

## **11. Decision**

11.1 The Complaint is upheld. I direct that the disputed Domain Name "inlandrevenue.co.nz" be transferred to the Complainant.

11.2 It will be for the Complainant to advise the Domain Name Commissioner of the proper name and description under which the Domain Name should be registered.

### **Place of decision**

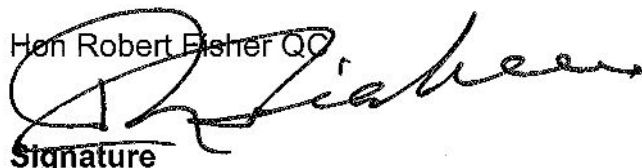
Auckland

### **Date**

3 March 2008

### **Expert Name**

Hon Robert Fisher QC

A handwritten signature in black ink, appearing to read "R Fisher", written over a horizontal line.

**Signature**