

.nz Dispute Resolution Service

DRS Reference: 263

Kimberly-Clark Worldwide, Inc. v E-Promote

Key words – registered mark; well-known mark; identical; unfair registration; pattern of registration

1. Parties

Complainant:

Ms Nancy Lee Carter
Kimberly-Clark Worldwide, Inc.
401 North Lake Street
Neenah WI 54956
United States of America

Respondent:

E-Promote
536 Leavenworth Street
San Francisco
United States of America

2. Domain Name/s

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

3. Procedural history

The Complaint was lodged on 29/02/2008 and Domain Name Commission (DNC), notified the Respondent of the validated Complaint on 5/03/2008. The Domain Name was locked on 29/02/2008, preventing any changes to the record until the conclusion of these proceedings.

There was no response filed by the Respondent.

The Complainant paid Domain Name Commission Limited the appropriate fee on 14/04/2008 for a decision of an Expert, pursuant to Paragraph 9 of the .nz Dispute Resolution Service Policy ("the Policy").

Mr Clive Elliott, the undersigned, ("the Expert") confirmed to the DNC on 15/04/2008 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. Factual background

The Complainant is a leading global health and hygiene company employing more than 55,000 people worldwide and posting sales of US\$16.7 billion in 2007, with operations in 37 countries including Australia and New Zealand.

The HUGGIES brand is well-known and used on disposable nappies or diapers. It was introduced in New Zealand in 1988. It is asserted that the Complainant's trade mark 'HUGGIES' and HUGGIES branded products are well-known throughout the world, including New Zealand. They have been extensively promoted and used for many years, including through the Complainant's website situated at www.huggies.com as well as www.huggiesnz.co.nz.

The Complainant has a large number of New Zealand trade mark registrations for or incorporating the mark HUGGIES. Details were provided.

The Complainant asserts that annual sales of HUGGIES branded products in New Zealand for the calendar years 2006 and 2008 amounted to a total of in excess of NZ\$110 million and that the total advertising and promotional expenditure in relation to these products in New Zealand for the calendar years 2006 and 2007 was approximately NZ\$9 million.

Accordingly, it is contended that the Complainant enjoys an extensive and valuable reputation and goodwill in New Zealand in its common law trade mark HUGGIES in relation to disposable diapers and other products.

Respondent's Activities

The Domain Name was first registered on 3 July 2007.

The Complainant points out that the website currently published on the Domain Name promotes among other things, diapers, baby wipes, disposable diapers and related products such as 'HUGGIES PULL-UPS', but also third party diaper or disposable diaper products. The website published on the Domain Name appears to be primarily a portal to generate Internet traffic and thereby revenue for the Respondent as well as sponsored links to 'click-through' websites which it presumably operates for gain.

On or about 26 November 2007, the Complainant sent a cease and desist letter to the Respondent. It states that to date, no response has been received.

5. Parties' contentions

a. Complainant

Unfair Registration

The Complainant submits that the Domain Name constitutes an unfair registration, firstly, because the Domain Name is confusingly similar to the Complainant's trade marks. It is asserted that the Domain Name is being used to promote diapers, baby wipes, disposable diapers and similar goods including those not manufactured by or on behalf of the Complainant and that the use of the Domain Name in this way, as well as the reference to 'HUGGIES diapers', in respect of diapers and related goods not manufactured by or on behalf of the Complainant constitutes an infringement of one or more of the Complainant's New Zealand trade mark registrations.

The Complainant asserts that by preventing it from registering and using the Domain Name, the Respondent is seeking unfairly to disrupt the business of the Complainant or its New Zealand subsidiary (paragraph 5.1.1 (iii) of the Policy).

Further, it is said that the Respondent is using the Domain Name in a way which is likely to confuse, mislead or deceive people or business into believing that the Domain Name is registered to, operated or authorised by, or otherwise connected with the Complainant, contrary to fact.

The Complainant submits that members of the public in New Zealand who are clearly aware of the HUGGIES trade mark as a result of its extensive reputation in New Zealand are clearly likely to be confused, misled or deceived into believing that they are dealing with the Complainant or that the website published on the Domain Name is somehow associated or licensed by the Complainant.

The Complainant points out that the Respondent has the somewhat dubious honour of being repeatedly involved and the subject of adverse decisions for the transfer of disputed domain names, including:

- thaiairways.co.nz
(*Thai Airways International Public Company Limited v E-Promote* (DRS No. 203));
- wwwferrit.co.nz and tellecom.co.nz
(*Telecom IP Limited v E-Promote* (DRS No. 206)); and
- yellowpages.co.nz, witepages.co.nz and whitpages.co.nz
(*YPG IP Limited v E-Promote* (DRS No. 208)).

It is contended that this shows a clear pattern of cyber-squatting domain names.

b. Respondent

The Respondent did not reply to the Complainant's contentions.

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

Given that the Respondent filed no response nor sought further time in which to do so, the Expert is only able to assess the information and submissions filed by the Complainant. In the absence of any dispute as to the accuracy and correctness of that information, the Expert will decide this proceeding on the basis of Complainant's undisputed representations and draw such inferences it considers appropriate. By way of preliminary comment, the Expert considers that there is nothing in the Complainant's submissions or factual statements that are clearly contradictory.

Rights

It is clear from the information provided by the Complainant that the trade mark HUGGIES is registered and has been used in the course of trade in New Zealand in relation to, inter alia, disposable nappies or diapers.

No contest has been raised by the Respondent as to the Complainant's rights to the HUGGIES trade mark. The evidence is clear. The HUGGIES trade mark is well-known and the Complainant's trade mark 'HUGGIES' and HUGGIES branded products are well-known throughout the world, including New Zealand.

On this basis it is found that:

- (a) The Complainant has rights in respect of the trade mark HUGGIES.
- (b) The Domain Name is the same as or confusingly similar to the HUGGIES trade 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 in issue 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;”

The Expert considers that the Domain Name appears to be employed as a means of diverting Internet customers, looking for nappies or diapers. In those circumstances it is difficult to see how the Respondent's conduct could be seen as legitimate. It is not necessary, in the Expert's view, to find that a substantial number of customers will necessarily assume that there is a connection between the parties. That is, because the one party has a substantial business in relation to, inter alia, nappies or diapers while the other has no known business in relation to those goods. The business model of registering well-known trade marks or names as domain names and deriving revenue from “click through” business is now well established. The Complainant alleges that this is what the Respondent is doing and the printout of the Respondent's Web site at <www.huggies.co.nz> suggests that it is indeed a portal type site containing a range of links to various businesses selling goods such as nappies or diapers.

The Complainant's contention that the Respondent has been repeatedly the subject of or otherwise involved in adverse decisions for the transfer of disputed domain names appears to be well made and a pattern of involvement in registering well-known trade marks as domain names appears to exist. This serves to confirm that the Respondent is acting improperly and has done so before.

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 Domain Name be transferred from the Respondent to the Complainant.

Place of decision

Auckland

Date 24 April 2008

Expert Name Mr Clive Elliott

Signature