

.nz Dispute Resolution Service

DRS Reference: 340

Carlton Haulage Limited v John Burrill

Key words -

Domain name – carltonhaulage.co.nz

Identical or similar trade mark or name – registered mark – identical

Rights – none

Unfair registration – unfair registration – unfair use – likely to confuse, mislead or deceive – unfairly disrupting the business of the complainant – blocking registration

Procedure – natural justice

1. Parties

Complainant:

Carlton Haulage Limited

Mr Errol Lyons

642 Great South Road

Ellerslie

Auckland

New Zealand

Represented by Hudson Gavin Martin

2 Commerce Street

Auckland

New Zealand

Respondent:

Mr John Burrill

14 Sherwood Drive

RD 4

Pukekohe

New Zealand

2. Domain Name

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

3. Procedural history

The Complaint was lodged on 21/10/2008 and the Domain Name Commission (DNC) notified the Respondent of the validated Complaint on 21/10/2008. The domain was locked on 21/10/2008, preventing any changes to the record until the conclusion of these proceedings.

There was no formal response filed by the Respondent within the time allowed.

The Complainant paid Domain Name Commission Limited the appropriate fee on 18/11/2008 for a decision of an Expert, pursuant to Paragraph 9 of the .nz Dispute Resolution Service Policy ("the Policy").

Dr Clive Trotman, the undersigned, ("the Expert") confirmed to the DNC on 18/11/2008 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.

The Expert received the case file, and contemporaneously an email from the Respondent forwarded by the DNC. The email explained that the Respondent had just returned from overseas and had found the proceedings at their advanced stage. He had not heard directly from the Complainant and believed the dispute should not be in the hands of the Dispute Resolution Service.

In the interests of natural justice and in accordance with paragraph B12.1 of the Policy, the Parties were notified by procedural order that the Respondent would be given the opportunity to submit a Further Statement, to be received by the DNC and copied to the Complainant by December 5, 2008. The Complainant would then have five days within which to submit its own Further Statement in direct reply to the Respondent. Further Statements were received from the Respondent on December 4, 2008 and from the Complainant on December 9, 2008. The time for a decision was extended in accordance with paragraph B11.1 of the Policy. The Parties were also reminded in the terms of paragraph B18.1 of the Policy that it remained open to them to reach a settlement.

4. Factual background

The factual background is taken from information supplied by the Parties.

The Complainant, Carlton Haulage Limited, is a limited liability company, registered at the New Zealand Companies Office on April 3, 2001 with most of the shares being held in the name of its sole director Errol Stanley Lyons. The Complainant states its business as the provision of services such as bulk liquid delivery and household and rural water delivery throughout the Pohutukawa Coast (the area southeast of Auckland, including Beachlands, Maraetai and Whitford).

It would appear that the Respondent, Mr John Burrill, is known or trades as The Waterman, supplying farms and households with water. The records of the New Zealand Companies Office show that Johns Farmler Services Limited has been registered in the names of John Maxwell Burrill and other persons

named Burrill since November 13, 1991. The company name "householdwater.co.nz Limited" was registered at the New Zealand Companies Office in the name of John Maxwell Burrill, sole director, on April 2, 2008.

The disputed domain name carltonhaulage.co.nz was registered on August 26, 2008.

5. Parties' contentions

a. Complainant

The Complainant contends, with documentary evidence, that it is a limited liability company that has been duly registered in the name of Carlton Haulage Limited since 2001. Documentary evidence is submitted to the effect that it has made use of or has advertised under the same company name through media such as the White Pages and the Yellow Pages of the telephone directories since 2003, and in the Finda online business directory. Copies are submitted of the Complainant's invoice letterhead and its business card in the company name.

The Complainant asserts that its company name has no other meaning and that its use by the Respondent, in the context, constitutes passing off in the terms of the Fair Trading Act 1986.

The Complainant says that it cannot reflect its name in the domain name carltonhaulage.co.nz because the Respondent has registered it. The Respondent has no rights or legitimate interests in the disputed domain name, which is exactly the name of the Complainant's business.

The Complainant submits that the disputed domain name is an unfair registration within the meaning of the Policy because it has been registered and used in a manner that takes unfair advantage of or is unfairly detrimental to the Complainant's rights.

The Complainant says that the disputed domain name was acquired for the purpose of disrupting the business of the Complainant, or as a blocking registration, or both. The inability of the Complainant to use the disputed domain name is unfairly disrupting of its business.

The Complainant contends that the disputed domain name has been used in a manner that is likely to confuse, mislead or deceive people or businesses into believing it is registered to or endorsed by the Complainant.

Internet users who entered carltonhaulage.co.nz into the web browser have been diverted to johnsfarmletservices.com [as distinct from .co.nz]. The Respondent is the sole Director of Johns Farmlet Services Limited, which

provides similar services to the Complainant in a related geographical area. The Complainant wrote to the Respondent on September 25, 2008, demanding that he cease using the domain name carltonhaulage.co.nz and that he transfer the domain name to the Complainant. Since then, visitors to carltonhaulage.co.nz have been diverted to the website of householdwater.co.nz, a company directed by the Respondent. As a result of the diversion from carltonhaulage.co.nz to householdwater.co.nz, it is likely that customers or potential customers of the Complainant would be misled into believing that the Respondent's business is registered to or endorsed by the Complainant. The potential for confusion is high, given the similarity of the services provided by the Complainant and the Respondent and the geographical areas in which they operate.

The Complainant asks for the transfer to it of the disputed domain name.

b. Respondent

The Respondent, in his Further Statement, says that the Complainant contracts its services to "Johns Water Supply", which is a direct competitor of the Respondent. He says that "Johns Water Supply" is in possession of the domain name and website johnsfarmletservices.co.nz, which conflicts with the Respondent's business name and promotes the Complainant's business. Thus, the Complainant and Johns Water Supply are trading on the Respondent's reputation and well established name.

The Respondent says that he purchased the disputed domain name carltonhaulage.co.nz and let it be known in the water industry that he would exchange it for the domain name johnsfarmletservices.co.nz.

The Respondent asks that the Complaint be denied.

c. Complainant in reply to the Respondent

The Complainant in its Further Statement says among other things that the dispute regarding the domain name johnsfarmletservices.co.nz is between the Respondent and Johns Water Supply and is irrelevant to this Complaint. It is inappropriate for the Respondent to retain the disputed domain name until such time as johnsfarmletservices.co.nz is transferred to the Respondent, as the Complainant has no control over and is not the owner of the domain name johnsfarmletservices.co.nz.

The Complainant alleges, and submits Whois documents in evidence, that the Respondent has registered other websites depicting his various competitors' names, including whitfordwater.co.nz and ruralwater.co.nz. The Complainant contends that this pattern of registrations is further evidence that the registration of the disputed domain name was unfair.

6. Discussion and findings

The Policy

The Dispute Resolution Service Policy and Procedure apply to a Respondent 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.”

Paragraph 4.2 of the Policy requires the Expert to be satisfied 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 Parties to this dispute are in the same business of rural water supply and haulage, and evidently they have a history of disagreement over matters impinging on market share and territory. The decision to be made, however, is confined narrowly to whether the Complainant has established that the Respondent's registration of the disputed domain name is unfair within the meaning of the Policy.

First it is necessary to establish whether the Complainant has rights in a name or mark. In fact the Complainant does not appear to have registered its name, Carlton Haulage, as a trademark. The Policy defines “rights” as including, but being not limited to, rights enforceable under New Zealand law. Documentary evidence produced by the Complainant shows that it has been known by and has traded under the registered company name Carlton Haulage Limited since at least as early as April 3, 2001, and since 1996 as Carlton Haulage, prior to registration as a company. On the facts, the Expert accepts that the Complainant has rights in the name Carlton Haulage for the purposes of the Policy.

The Complainant must establish that the Respondent's domain name is identical or similar to its name. The domain name is carltonhaulage.co.nz, of which the directory levels ".co" and ".nz" are inevitable and of no consequence to the argument. What remains is carltonhaulage, which, since spaces do not exist in domain names, and upper and lower cases are equivalent, is the same as Carlton Haulage within the meaning of the Policy. The Expert finds for the Complainant under paragraph 4.1.1 of the Policy.

The Complainant has to prove that the domain name, in the hands of the Respondent, is an unfair registration. The Policy sets out certain non-exhaustive circumstances that may be evidence of unfair registration. The following paragraphs are pertinent to the present case:

"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."

The Respondent has described his acquisition and use of the domain name partly in the following way (verbatim):

"So I purchased the Carlton haulage domain as it was available and then let it be known within the water industry that I'm quite happy to give it to carlton haulage on the condition carlton haulage get my nz domain released to me by [...] johns water supply."

And later:

"This I realise is a rather unorthodox method of resolving a domain dispute..."

In other words, because the Respondent alleges that the Complainant may have been implicated in the acquisition of a domain name

(johnsfarmletservices.co.nz) that the Respondent considers to be in conflict with his business name, he has registered the Complainant's name as a domain name (carltonhaulage.co.nz) in retaliation.

The Complainant asserts that the domain name johnsfarmletservices.co.nz is in fact owned by a different entity, Johns Water Supply, and not by the Complainant. This is of little consequence because the decision must be confined to whether the registration of the disputed domain name carltonhaulage.co.nz is unfair. If the Respondent feels he has a legitimate grievance concerning a different domain name registered with the New Zealand Domain Name Commission, which cannot be resolved by direct negotiation, then his remedy lies in a separate Complaint to the Dispute Resolution Service.

In the terms of paragraph 5.1.1 of the Policy, by the Respondent's own admission, the disputed domain name has been registered in effect to block the Complainant from doing so (paragraph 5.1.1(b) of the Policy) and to disrupt the business of the Complainant (paragraph 5.1.1(c) of the Policy). Furthermore the disputed domain name, matching as it does the Complainant's distinctive business name, is found to be likely to mislead at least some Internet users into thinking it is endorsed by the Complainant (paragraph 5.1.2 of the Policy).

The Policy in section 6 provides a non-exhaustive list of criteria by which a Respondent may seek to show that a domain name registration is not unfair. The Expert cannot see any prospect of the Respondent being able to show that he has made preparations to use the domain name for a *bona fide* purpose, has been known by a similar name, or has made a non-commercial or fair use of the domain name. The name is not generic and is not used by agreement with the Complainant.

Accordingly the Expert finds the registration and use of the disputed domain name to have been unfair.

7. Decision

The decision of the Expert is that the domain name carltonhaulage.co.nz shall be transferred to the Complainant.

Place of decision Dunedin

Date December 17, 2008

Expert Name Dr Clive Trotman

Signature

