

.nz Dispute Resolution Service

DRS Reference: 341

eLuggage v CRW Group Ltd

Key words – unregistered mark or name; failure to identify the Complainant; failure to identify the nature of the “Right” relied upon; Complaint dismissed.

1. Parties

Complainant:

eLuggage

Mr Nicholas Atkins

PO BOX 8125

Baulkham Hills BC

NSW 2153

Sydney

Australia

Respondent:

CRW Group Ltd

Mr Chris Wright

CRW Group Ltd

10 Clyde Street

Ferndale

New Plymouth

New Zealand

2. Domain Name

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

3. Procedural history

The Complaint was lodged on 21/10/2008 and Domain Name Commission Limited (DNC) notified the Respondent of the validated Complaint on 21/10/2008. The notification of the Complaint was emailed to the Respondent's (Registrant's) email address shown in the Register for the Domain Name. The Domain Name registration was locked on 21/10/2008, preventing any changes to the record until the conclusion of these proceedings.

There was no response filed by the Respondent.

The Complainant paid DNC the appropriate fee on 17/11/2008 for a decision of an Expert, pursuant to Paragraph 9 of the .nz Dispute Resolution Service Policy (“the Policy”).

Mr Warwick Smith, the undersigned (“the Expert”), confirmed to DNC on 20/11/2008 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.

By Procedural Direction and Request made on 2 December 2008, the Expert requested a written statement from the Complainant, clarifying the identity of the Complainant and the nature of the Rights on which the Complainant relies. The Expert asked that the further statement be filed and served on the Respondent by not later than Monday, 8 December 2008. The time for the Expert to give his decision in the case was extended to 12 December 2008.

The Complainant did not comply with the request, and no further statement has been received.

Between 6/12/2008 and 8/12/2008, DNC received facsimile and email communications from Mr Chris Wright of the Respondent, advising that he had “just received [DNC’s] first letter concerning the appointment of some expert”, and complaining that the Complaint had not been posted to the correct address. When DNC pointed out to Mr Wright that the Complaint had been sent to the Registrant’s email address appearing in the Register, Mr Wright replied that “I no longer use [that email address].”

The correspondence between Mr Wright and DNC was forwarded to the Expert, and on 10/12/2008 the Expert gave certain procedural directions. In those directions, the Expert ruled that the Complaint had been sufficiently notified to the Respondent in terms of the Procedure section of the Policy, but that, as the Respondent did not appear to have actually seen the Complaint until after the time allowed for filing a Response had expired, it was appropriate to allow the Respondent a brief additional period of time to file a Response.

Accordingly, the Expert requested and directed that the Respondent file any Response it may wish to file, by 5pm on 15/12/2008. In the event of a Response being filed, the Complainant was allowed until 22/12/2008 to file a Reply. In the meantime, the time for the Expert to give his decision in the proceeding, was further extended to 19/12/2008.

The Respondent did not file a Response by 15/12/2008. Accordingly, the Expert will now give his decision, which will be given solely on the basis of the Complaint as originally submitted.

4. Factual background

The following facts are stated in the Complaint.

Mr Nicholas Atkins is the owner and director of a business which manufactures and wholesales bags, shoes, and accessories for lawn and

indoor bowls. The business has been trading for close to 13 years. It has its headquarters in Sydney, but there is also a logistics operation in Christchurch. In addition to the bowls-related products, the business markets some other products, including shoes of different types, and other items which appear to be generally related to travel.

A New Zealand company, Eluggage Limited, was incorporated in July of 2004 [The Expert notes that, according to the New Zealand companies register, the shares in this company are wholly owned by an Australian company, Eluggage Pty Limited, the sole director of which is Mr Atkins.]

The “Eluggage” group operates what appears to be its principal website, at www.eluggage.com.au.

Mr Chris Wright of the Respondent CRW Group Limited, has been a customer of Mr Atkins’ business for approximately 2 years. Prior to that, Mr Wright had been a major customer of a company called “Greenz”, which was purchased (with its customer base) by “Eluggage” in 2006. At or about the time of the purchase, Mr Atkins entered into negotiations with Mr Wright with a view to Mr Wright becoming a New Zealand distributor of Greenz products.

The Complainant has produced copies of emails which were exchanged between Mr Atkins and Mr Wright in March of 2007. In one email, Mr Wright indicated to Mr Atkins that he already owned a number of domain names relating to the sport of bowls, and that he was building a website at www.bowlsworld.co.nz. Mr Wright was keen to take up a role as a new Greenz distributor in New Zealand, and he offered Mr Atkins his help and experience in registering the Domain Name. Mr Wright is said to have been motivated to do that because he thought it would help him secure the position of Greenz distributor for New Zealand.

On 29 March 2007, Mr Wright sent an email to Mr Atkins, advising that Mr Wright had just bought two domain names in New Zealand, one of them being the Domain Name. Although the Respondent was listed as the registrant, it is alleged in the Complaint that it was understood that Mr Wright would supply Mr Atkins with the appropriate information to procure the transfer of the Domain Name to Mr Atkins.

In or about August of 2007, “Karen” from Eluggage Australia sent an email to Mr Wright. In the email, she said that Mr Atkins was away at the time, but that he had asked her to email Mr Wright about transferring the Domain Name (and the domain name greenz.co.nz) to “us”, so that “we can get it hosted”. The email from Karen asked Mr Wright to recommend a reasonably priced website for hosting.

Mr Wright replied to Karen by two emails dated 15 August 2007. He advised Karen that the domain name greenz.co.nz was not available, but made no comment on Mr Atkins’ wish to obtain a transfer of the Domain Name.

The registrar and web hosting company FreeParking, sent an email to Mr Wright on 16 August 2007, providing him with the UDAI for the Domain Name, and noting that the email was being sent to Mr Wright as he was listed as the Registrant contact. Mr Wright forwarded this email to Mr Atkins in Australia.

The Complainant says that Eluggage's relationship with the Respondent, which was initially friendly, has deteriorated in recent times. The Respondent is said to have failed to pay a debt of over \$175,000. When Mr Atkins called on Mr Wright to discuss the outstanding monies, Mr Wright threatened to "have the companies website [at the Domain Name] shut down".

In August 2008, a Mr Steven Lloyd, apparently acting on behalf of Mr Atkins, sent an email to Mr Wright, advising that he (Mr Lloyd) was endeavouring to "edit the registration details" for the Domain Name. Mr Lloyd noted that he had the appropriate UDAI, but did not have access to the administration pages at FreeParking's website. Mr Lloyd said that he had requested the information necessary to gain that access, but that, as Mr Wright was listed as the Registrant contact, FreeParking's reply would be sent to Mr Wright's address. Mr Lloyd asked Mr Wright to forward the information to him when it arrived.

Mr Wright replied briefly on 15 August 2008, in the following terms:

"Will have this sorted out by Monday for you.

Sorry for the delay.

Chris Wright"

According to the Complaint, the Respondent did not sort out the transfer of the Domain Name. This administrative proceeding was then commenced.

Attached with the Complaint, were documents showing that Mr Atkins has been billed by FreeParking for its hosting of the Domain Name, and that Mr Atkins has paid the relevant invoice. FreeParking has also sent an invoice for the renewal of the Domain Name to Mr Steven Lloyd, of "Showpage Pty Limited".

The Expert has visited the website at www.eluggage.com.au. The home page prominently features what appears to be a device mark, consisting of a light coloured, patterned bag, with the expression "eLuggage.com.au" immediately to the right of the bag. Both bag and text appear against a dark rectangle background. The Expert notes that the same bag device appears on the Eluggage group's Australian letterhead, but with the "eLuggage.com.au" appearing below the bag on the letterhead.

As requested in the Complaint, the Expert has also visited the website at the Domain Name. It is in very similar format to the website at www.eLuggage.com.au. It features the same patterned bag device, but with the expression "eLuggage.co.nz" substituted for the "eLuggage.com.au".

Both websites have click-through links to the subpages “Bowls Bags”, “Bowls Shoes”, and “Bowls Accessories”. The website at the Domain Name has a subpage featuring Greenz shoes, which are described as “the world’s most popular and admired bowls shoe”. Generally speaking, both websites seem to be focused on the supply of products and accessories for the sport of bowls, rather than operating as online stores selling luggage intended for use by travellers generally.

5. Parties’ contentions

a. Complainant

The Complaint alleges that the Domain Name is identical or similar to the mark “eluggage” in which the Complainant has Rights.

Based on the facts as described above, the Complainant also contends that the Domain Name is an Unfair Registration in the hands of the Respondent.

b. Respondent

The Respondent did not respond to the Complaint.

6. Discussion and findings

Relevant Provisions of the Policy

The Policy applies to Respondents when a Complainant asserts that:

- “(i) The Complainant has Rights in respect of a name or mark which is identical or similar to the Domain Name; and*
- (ii) The Domain Name, in the hands of the Respondent, is an Unfair Registration.” (Policy, paragraph 4.1)*

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

The expressions “Rights” and “Unfair Registration”, are both defined in paragraph 3 of the Policy.

The expression “Rights” includes, but is not limited to, rights enforceable under New Zealand law. The definition continues:

However, a Complainant will be unable to rely on rights in a name or term which is wholly descriptive of the Complainant’s business.”

The expression “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.”

At paragraph 5.1, the Policy contains a non-exhaustive list of factors which may be evidence that a domain name is an “Unfair Registration”. The list includes the following:

“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.”

Application of the Policy in this Case

In the Complaint, the Complainant has alleged circumstances which might fall within paragraph 5.1.5 of the Policy (quoted above). The Domain Name appears to have been registered arising out of a relationship between Mr. Atkins and Mr Wright acting on behalf of the Respondent, and it appears to have been intended that Mr Atkins or one of the “Eluggage” companies would be entered in the Register as the Registrant of the Domain Name. The Respondent, although given an extended time to do so, has failed to contest the Complainant’s statements.

But the Complainant still has to prove that it has *Rights* “in respect of a name or mark which is identical or similar to the Domain Name”. In the Expert’s view, a simple contractual or trust-based claim to have a disputed domain name transferred to the Complainant is not enough on its own – the complainant must prove that it has “Rights” in some name or mark which is distinct from the disputed domain name itself. That is clear from paragraph 4.1 of the Policy, which makes it clear that the complainant must have Rights in respect of a name or mark which is “identical or similar” to the disputed domain name.

In the Expert’s view, the Complainant in this case has failed to prove that he (or it) has such Rights.

The Complainant stated in the Complaint that the mark relied upon is “eluggage”. However, in the part of the prescribed Complaint form in which the Complainant is asked to describe the Rights which are asserted in the name or mark relied upon, the Complainant simply set out the history of Mr

Atkins' dealings with Mr Wright, and the reasons for his or its contention that the Domain Name should be transferred to the Complainant. Nowhere was there any description of the nature of the "Rights" which the Complainant asserts in an "eluggage" name or mark.

Nor did the Complaint make it clear who the Complainant is. It seems likely that the Complainant was intended to be Mr Atkins personally. For example, the Complaint asserts that "Mr Wright did create the domain name, but he did so on behalf of Mr Atkins", and "Once the domain was created Mr Wright suppose to transfer Registrant rights over to Mr Atkins or supply him with the correct information to do this himself."

However the Complainant supplied with the Complaint a copy of the certificate of incorporation for the New Zealand company Eluggage Limited, and the Expert was invited to view the website (apparently operated by the Australian company Eluggage Pty Limited) at www.eluggage.com.au. On the face of it, it appeared that if any Rights were owned in an "eluggage" mark or name, they were probably owned by one or other of the two "Eluggage" companies. Precisely what Rights Mr Atkins may have had in any "eluggage" name or mark, was never made clear.

The Panel issued a procedural request and direction on 2/12/2008, seeking clarification of the Complaint in a number of respects. The request sought clarification of *who* was the Complainant, and the nature of the "Rights" claimed in the "eluggage" mark or name. The Expert's request and direction noted that: "It is not enough for a complainant to allege, without more, that the respondent promised to transfer the disputed domain name to the complainant and has not done so".

The Complainant elected not to respond to that request.

The Expert accepts that there is no need for a complainant under the Policy to show that it has registered trade mark rights. A right to sue for passing off is a "right enforceable under New Zealand law", within the meaning of the definition of "Rights" in the Policy (see the decision of this Expert in the New Zealand DRS Case No. 108, *BOP Memorials v Jones & Company Funeral Services*, and the decision of the three-member appeal panel in the United Kingdom case of *Rugged Com Inc v LANstore Inc*, Nominet Case No. DRS 02802, a case which was referred to in the *BOP Memorials* case). But there must still be some evidence that the *complainant* has used the claimed name or mark, to a sufficient extent that it has acquired enforceable Rights in the name or mark.

In this case, there is some evidence of the use of a "bag" device on the two "eluggage" websites, with the expression "eluggage.com.au" (or in the case of the New Zealand website, "eluggage.co.nz"). A similar "bag" device appears on the (apparently Australian) company letterhead which formed part of the documents submitted with the Complaint. But there is no evidence of how long the "bag" device (with the Domain Name or the domain name

<eLuggage.com.au>) has been used. For all the Expert knows, the “bag with domain name” device may have only been adopted on the day the Complaint was filed, and not become distinctive of the Complainant or his (or its) products. Furthermore, it is not clear to the Expert whether the “bag” device depicts a bowls bag. If it does, there would be an issue over whether a name or mark consisting substantially of a bowls bag with the Domain Name, was “wholly descriptive” of a substantial part of the Complainant’s business (the online, or “e”, selling of bowls bags from a website at the Domain Name).

The Expert is mindful of the decisions of appeal panels in the United Kingdom (where a dispute resolution policy similar to that in force in New Zealand operates), which have held that the requirement under the Policy to demonstrate “Rights” is not a particularly high threshold test. (See, for example, the decision of the appeal panel in *Seiko UK Limited v Designer Time/Wanderweb*; Nominet Case No. DRS 00248, referred to by this Expert in the *BOP Memorials* case.) But even on the most benign interpretation of the Policy (from the Complainant’s perspective), the Complainant’s evidence of “Rights” in this case was completely inadequate.

At the end of the day, the onus of proof is on the Complainant to prove both elements of paragraph 4.1 of the Policy. The Expert has to deal with the evidence as it has been produced by the Complainant, and apply the Policy to that evidence. The evidence of Rights was insubstantial and inadequate, and when the Complainant was given the opportunity to correct that deficiency, he (or it) failed to take it.

For the foregoing reasons, the Expert is not satisfied that the Complainant has proved that he (or it) has any relevant Rights under Paragraph 4.1.1 of the Policy. The failure to establish any such Rights is fatal to the Complaint, which must be dismissed.

7. Decision

For the foregoing reasons, the Complaint is denied.

Place of decision: London, United Kingdom.

Date 19 December 2008

Expert Name Mr Warwick Smith

Signature