

.nz Dispute Resolution Service

DRS Reference: 438

First Mobile New Zealand Limited v The TEC Group Ltd

Key words –

Domain name

1stmobile.co.nz
1stmobile.net.nz ("the Domain Names")

Unregistered mark - abbreviation of mark – unfair use - offer to sell, rent or otherwise transfer - diversion of Internet traffic

Parties

Complainant:

First Mobile New Zealand Limited
Mr Sean Hannan
PO Box 91 443
Victoria Street West
Auckland
New Zealand

Respondent:

The TEC Group Ltd
c/o Stewart & Co Ltd
Level 2, 323 Great South Rd
Greenlane 1051
New Zealand

Domain Name/s

1stmobile.co.nz
1stmobile.net.nz
("the Domain Names")

Procedural history

1. The Complaint was lodged on 21/09/2009 and the Domain Name Commission (DNC) notified the Respondent of the validated Complaint on 24/09/2009. The Domain Names were locked on 22/09/2009, preventing any changes to the record until the conclusion of these proceedings.
2. There was no response filed by the Respondent.

3. The Complainant paid Domain Name Commission Limited the appropriate fee on 20/10/2009 for a decision of an Expert, pursuant to Paragraph 9 of the .nz Dispute Resolution Service Policy (“the Policy”).
4. Mr Clive Elliott, the undersigned, (“the Expert”) confirmed to the DNC on 22/10/2009 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.

Factual background

5. The Complainant is a large independent retailer of Vodafone products and services in New Zealand, selling a range of mobile phones and accessories such as batteries, re-chargers, and face plates through its retail stores, which stores are either owned by the Complainant or are franchised. It first commenced trading under the name FIRST MOBILE in 1995 and now has over 80 retail stores in New Zealand all trading under the name FIRST MOBILE.
6. The Domain Names were both registered on 10 March 2007.

Parties’ contentions

Complainant

7. The Complainant asserts that it is the owner of the unregistered trade mark FIRST MOBILE through its extensive use of it since 1995. It states that over the last 14 years it has used the trade mark FIRST MOBILE on its store fronts, store signage, swing tags, and invoices and has generated substantial revenue from its business under the FIRST MOBILE brand in New Zealand. The Complainant says that it has also operated a website from the domain name *firstmobile.co.nz* from 28 August 2001.
8. The Complainant states that on 17 August 2009 it filed an application with the Intellectual Property Office (IPONZ) to register the series mark FIRST MOBILE; 1ST MOBILE, and that such application has been accepted. It contends, by way of support for its application, that according to the Shorter Oxford English Dictionary (6th ed.), 1ST MOBILE is a natural and common abbreviation of the words FIRST MOBILE.
9. The Complainant asserts that it has built up a substantial goodwill and reputation in the FIRST MOBILE name in the marketplace and believes that the public makes a connection with this mark with the Complainant, its products and services.
10. The Complaint argues that its said goodwill in FIRST MOBILE is protected by the tort of passing off which prevents another trader from using the same or similar name in connection with their own products,

where such use is likely to lead the public to wrongly believe that the trader is in some way, connected, endorsed or affiliated with the Complainant, and where this mistaken belief is likely to result in damage to the Complainant. It also notes that the Fair Trading Act 1986 (FTA) prohibits persons from engaging in conduct that is likely to mislead or deceive and where another trader uses the same or similar name to FIRST MOBILE, this misrepresentation may also amount to misleading or deceptive conduct, or a false representation in trade, in breach of the FTA.

11. The Complainant alleges that the Domain Names are unfair registrations because the Respondent has purportedly acquired the Domain Names for the purpose of renting the Domain Names to the Complainant for valuable consideration in excess of the Respondent's documented out-of-pocket costs directly associated with acquiring or using the Domain Names.
12. The Complainant supports this allegation by reference to three emails it has received from the Respondent. It states that:
 - a. the first such email was received on 23 January 2009 wherein the Respondent invited the Complainant to "secure the domain name for it's intended direction/purpose" (sic);
 - b. the second such email from the Respondent was received on 4 March 2009 wherein it stated that "obviously, the 'proper and correct' custodian ought to be you/FIRST MOBILE" and the Respondent suggested that it had a redirection arrangement with a third party that could be terminated on short notice; and
 - c. the third such email from the Respondent was received on 30 July 2009 wherein it proposed an investment of \$97 per week to secure the redirection rights to resolve the internet traffic from the Domain Names to <http://www.firstmobile.co.nz>. The Complainant asserts that the sum of \$97 per week is in excess of the Respondent's out-of-pocket expenses associated with acquiring the Domain Names as the cost to register a domain name for a one year period is between \$40 to \$70.
13. The Complainant contends that as well as being unfair registrations, it believes that the Respondent has registered the Domain Names primarily for the purpose of unfairly disrupting the business of the Complainant. The Complainant contends that the Respondent has set up a 'catch all' account which receives all email containing '1stmobile.co.nz' and '1stmobile.net.nz'. It supports this contention by reference to the Respondent's email of 30 July 2009 wherein it attached examples of emails intended for the Complainant's employees which were directed to `name@1stmobile.co.nz`, rather than `name@firstmobile.co.nz` and they were not received by the Complainant. The Complainant also states that the Respondent indicated in its email of

30 July 2009 that unique visitor traffic at the Domain Names spikes 'on the hour' during business hours and that this internet traffic is intended for the Complainant's website.

14. The Complainant asserts that FIRST MOBILE and 1ST MOBILE are interchangeable and that a consumer who was entering the web address for the FIRST MOBILE business would quite reasonably expect to find the same website operating under each domain name. It also asserts that the domain name *1stmobile.co.nz* has been, and was at 14 September 2009, redirected to the webpage of 2 Degrees Mobile Limited.
15. It supported this assertion with an exhibit of a log file capturing the URL redirection of *1stmobile.co.nz* traffic to 2 Degrees' website which shows metadata in the lower-right hand corner of an instruction to send all *1stmobile.co.nz* incoming traffic on to *www.2degreesmobile.co.nz* after "0" seconds (ie, immediately). It also asserted that the domain name *1stmobile.net.nz*, has been, and was at 14 September 2009, redirected to the webpage of Telecom Mobile, exhibiting a similar log file showing the redirection.
16. The Complainant submits that this amounts to the Respondent using the Domain Names in a way which is likely to confuse, mislead or deceive people or businesses and it is a misrepresentation that the Complainant is somehow associated with 2 Degrees Mobile or Telecom Mobile. As the Complainant sells Vodafone products and services and is a competitor of both 2 Degrees Mobile Limited and Telecom Mobile it submits that this misrepresentation is likely to cause damage to its business, its relationship with Vodafone and the FIRST MOBILE brand.

Respondent

17. At the time the Expert was instructed to determine a decision in this matter the Respondent had not responded. Since then the DNC received an email on 23 October 2009 from the Respondent advising that it was unable to open the attachments to the DNC's earlier email as they were '.doc' files and that the responsible person was away on holiday until 16 November 2009.

Decision

18. The dispute is governed by the Policy issued by the office of the Domain Name Commissioner on behalf of DNC. The relevant portions of the Policy for present purposes are as follows:

"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;"

19. In order 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).

Procedural Issues

20. As noted above in paragraph 17, the Respondent advised that it was unable to open the attachments to the DNC's earlier email and that in

any event the responsible person was away on holiday until 16 November 2009.

21. Paragraph B15.1 of the Policy states that "The Expert will decide a Complaint on the basis of the Parties' submissions, the Policy and the Procedure." and paragraph B11.2 requires that "The Expert shall determine the admissibility, relevance, materiality and weight of the evidence." The Response is clearly lacking in any detail and is deficient. Given that the Respondent was clearly aware of the existence of the Complaint the Expert takes its position to be that it has elected to not respond to the substance of the assertions and submissions made by the Complainant. They therefore stand uncontradicted on the current record.

Rights in respect of a name or mark

22. In terms of assessing whether the Complainant has Rights in respect of a name or mark which is identical or similar to the Domain Name the Expert first has to consider what the name or mark is, what it means and who has rights in it.
23. The expression "Rights" is referred to in the definition of "Unfair Registration" in paragraph 3 of the Policy and is directed to a Domain Name which "took unfair advantage of or was unfairly detrimental to the Complainant's Rights" in some way. The primary question is whether some disadvantage or detriment occurs vis-a-vis the Complainant's Rights.
24. Pursuant to paragraph 3 of the Policy the Complainant must establish the requisite Rights in order to establish that some form of disadvantage or detriment is likely to occur through the existence or use of the Domain Names by the Respondent.
25. The Complainant asserts that it is a large independent retailer of Vodafone products and services in New Zealand, and that it has, itself or through other authorised entities, been trading under the name FIRST MOBILE since 1995 and presently has over 80 retail stores in New Zealand. It further asserts that it is the owner of the unregistered trade mark FIRST MOBILE through such use in the course of trade and also through the operation of a website from the domain name *firstmobile.co.nz*, from 2001.
26. The Expert accepts that such use is sufficient to establish adequate Rights in respect of a name or mark which is identical or similar to the Domain Names.

Identity or similarity

27. 1ST MOBILE is an obvious and commonplace abbreviation of the words FIRST MOBILE. It is found that the name or mark FIRST MOBILE is

sufficiently similar to the Domain Names for the purpose identified above. This ground is thus clearly established.

Unfair registration

28. As noted in paragraph 18 above, a number of factors may be taken into account as evidence that the Domain Names are Unfair Registrations. This requires the Expert to be satisfied that the Respondent has registered or otherwise acquired the Domain Names primarily for certain purposes. These are dealt with below.

For the purposes of selling or transferring the Domain Names

29. The Complainant refers to a series of communications which, in its submission, point to the Respondent seeking to sell or otherwise convey the Domain Names for an amount in excess of the actual registration cost.
30. For these purposes the Expert needs to be satisfied that the Respondent has sought to sell, rent or otherwise transfer the Domain Names to the Complainant for valuable consideration in excess of the Respondent's documented out-of-pocket costs directly associated with acquiring or using the Domain Names. Even though the communications between the parties are somewhat equivocal on this issue, it is sufficiently clear in the Expert's view that the Respondent was angling at a sale of the Domain Names in the manner contemplated above.

For the purpose of unfairly disrupting the business of the Complainant

31. The Complainant contends that the Respondent has set up a 'catch all' account which receives all email containing '1stmobile.co.nz' and '1stmobile.net.nz' and that these e-mails are then redirected. It is also asserted that unique visitor traffic at the Domain Names spikes 'on the hour' during business hours and that this suggests that the particular traffic is intended for the Complainant's website, but is received at the Respondent's website.
32. Based on the above and the lack of explanation or contradiction from the Respondent the Expert finds that a purpose of the Domain Names is to unfairly disrupt the business of the Complainant by diverting Internet traffic of potential value to the Complainant, thereby depriving the Complainant of the potential commercial value and benefits of that traffic.

Using the Domain Name in a way which is likely to confuse, mislead or deceive

33. This requires the Expert to be satisfied that the Respondent is using the Domain Names in a way which is likely to confuse, mislead or deceive people or businesses into believing that the Domain Names are

registered to, operated or authorised by, or otherwise connected with the Complainant.

34. The Complainant states that the domain name *1stmobile.net.nz* has been redirected to a webpage of Telecom Mobile, and in doing so refers to a similar log file showing the redirection. Obviously, redirection to a principal competitor of Vodafone would be a matter of legitimate concern to the Complainant. Once again, in the absence of information or submission to the contrary the Expert accepts this assertion and concludes that at least the domain name *1stmobile.net.nz* has been used in a way which is likely to confuse, mislead or deceive certain members of the public.
35. The Complainant has thus established each part of paragraph 4.1 of the Policy and is entitled to the relief sought. In the result, the Expert orders that the Domain Names be transferred from the Respondent to the Complainant.

Place of decision	Auckland
Date	9 November 2009
Expert Name	Mr Clive Elliott

Signature _____