

.nz Dispute Resolution Service

DRS Reference: 502

TaxBackNow Ltd v Brooks Homes Ltd

Key words

Domain name – taxbacknow.co.nz

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

Rights – no legitimate or fair use

Unfair registration – blocking registration – unfairly disrupting the business of the Complainant – likely to confuse, mislead or deceive – unfair advantage of or unfairly detrimental to Complainant's Rights

Procedure – remedies – transfer

1. Parties

Complainant:

TaxBackNow Ltd
PO Box 5649
Papanui
Christchurch
New Zealand

Respondent:

Brooks Homes Ltd
PO Box 6490
Upper Riccarton
Christchurch
New Zealand

2. Domain Name/s

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

3. Procedural history

- 3.1 The Complaint was lodged by the Complainant's representative (Hudson Gavin Martin at Auckland) on 14 May 2010. The domain was locked on 18 May 2010, preventing any changes to the record until the conclusion of this case. The .nz Domain Name Commission (DNC)¹ notified the Respondent of the validated Complaint by letter dated 18 May 2010.

¹ Domain Name Commission Limited is a company wholly-owned by InternetNZ (Internet New Zealand Inc) responsible for the day-to-day oversight of the .nz domain name registration and management system.

- 3.2 The Respondent's representative (Kearney & Co at Christchurch) filed a Response to the Complaint on 9 June 2010. The Complainant's representative filed a Reply to the Response on 21 June 2010. The DNC referred the dispute to informal mediation on 22 June 2010. The DNC notified the parties on 7 July 2010 that it had not been possible to resolve the dispute by informal mediation.
- 3.3 By letters dated 7 July 2010, the DNC notified the parties that the Complaint would be referred to an independent expert for decision if the Complainant paid the appropriate fees by 21 July 2010. The Complainant's representative paid the appropriate fees on 7 July 2010.
- 3.4 Mr Terence Stapleton, the undersigned, confirmed to the DNC 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. On 9 July 2010, Mr Stapleton was appointed to act as the independent expert in this case ("the Expert") pursuant to paragraph 9 of the InternetNZ Dispute Resolution Service Policy ("the Policy").²

4. Factual background

- 4.1 The Complainant was incorporated under the Companies Act 1993 on 4 November 2008. Cecil Joshua Driver is the Complainant's sole director. C Driver & Associates Group Investment Ltd is the Complainant's sole shareholder.
- 4.2 Since incorporation on 4 November 2008, the Complainant has been in business and trading as TaxBackNow Ltd. The Complainant provides a service to help customers obtain tax refunds. Customers provide their details and the Complainant views the details and determines whether the customer is eligible for a tax refund. If so, the Complainant deals directly with the Inland Revenue Department to obtain the tax refund on behalf of the customer. The Complainant operates its business throughout New Zealand.
- 4.3 Since the commencement of its business, the Complainant has developed an extensive client base and is well-recognised in the market as TaxBackNow. The Complainant annexed to the Complaint various business documents illustrating use of the name taxbacknow. The documentation comprised a screen shot of the Complainant's website at www.taxbacknow.net, fliers distributed to customers/potential customers of the Complainant from the time of the formation of the Complainant, a copy of Mr Driver's business card, the Complainant's application form and authority to act as tax agent form, and a copy of an invoice in the name of the Complainant dated 15 February 2009. Having read and considered the business documentation, I note the following matters:

² Words beginning with uppercase letters in this decision include terms defined in paragraph 3 of the Policy.

- (a) the fliers direct customers/potential customers to the Complainant's website;
 - (b) the get-up and style of Mr Driver's business card is similar to the fliers, is headed with the name taxbacknow, and again refers to the Complainant's website;
 - (c) the Complainant's application form and the authority to act as tax agent form also refer to taxbacknow.net in the same get-up and style as the screen shot of the Complainant's website and the fliers;
 - (d) in the circumstances, I find that the words taxbacknow and taxbacknow.net have effectively been used by the Complainant as logos for its business since incorporation and commencement on 4 November 2008.
- 4.4 The Complainant submitted a statement from Daniel Garbutt dated 6 May 2010. Mr Garbutt's statement describes the work he carried out for the Complainant from 4 November 2008 to 6 May 2010. Attached to Mr Garbutt's statement was a tax invoice for his services dated 11 November 2008 for \$112.50 (\$100 plus GST of \$12.50).
- 4.5 On 13 November 2008, very shortly after its incorporation and commencement of business, the Complainant registered various domain names to further promote its business and provide a further avenue for customers to make contact with the Complainant. The domain names comprised taxbacknow.net, taxbacknow.org, taxbacknow.biz, taxbacknow.info, taxbacknow.net.nz and taxbacknow.org.nz. The whois search details annexed to the Complaint for taxbacknow.net.nz and taxbacknow.org.nz record that those domain names were registered at 17:17:42 and 17:18:17 respectively on 13 November 2008. I find that the Complainant was not able to register the Domain Name at the time the other .nz registrations were effected by its representative because the Domain Name had been registered by the Respondent about two hours earlier that day, namely at 15:17 on 13 November 2008.
- 4.6 On or about 15 February 2009, the Complainant began using its www.taxbacknow.net website and traffic from each of the Complainant's other websites was directed to www.taxbacknow.net.
- 4.7 The Complainant also submitted a Google search for "taxbacknow" carried out on 26 April 2010. There are no results in the search referring to the name or term "taxbacknow" other than those that relate to the Complainant's business and to the Complainant's website at www.taxbacknow.net.
- 4.8 The Respondent was incorporated under the Companies Act 1993 on 31 August 2006. Steven Cavell Brooks is the Respondent's sole director. Mr Brooks holds one of the Respondent's 100 shares individually and 98 of the Respondent's 100 shares with Janet Ada Thompson jointly. Like Mr Brooks, Ms Thompson holds one share individually.

- 4.9 As noted, the Domain Name was registered by the Respondent on 13 November 2008. The whois search details for the Domain Name record the registrant and admin contact names as the Respondent and the registrant and contact emails as stevebrooks@xtra.co.nz.
- 4.10 As well as registering the Domain Name at 15:17 on 13 November 2008, the Respondent had earlier registered myrefund.co.nz on 30 January 2008. As with the Domain Name, the registrant and admin contact names were the Respondent and the registrant and admin contact emails were stevebrooks@xtra.co.nz. On 7 February 2008, a week or so after the registration of myrefund.co.nz, a company called My Refund Ltd was incorporated under the Companies Act 1993. Mr Brooks is the sole director and sole shareholder of that company.
- 4.11 On 4 July 2009, the Complainant became aware that the website www.myrefund.co.nz was being operated through the Domain Name. A screen shot of the Domain Name (www.taxbacknow.co.nz) in use on that date was annexed to the Complaint. The Complainant states that *"The screen shot of the Domain Name is an exact copy of www.myrefund.co.nz at the time"*. I agree. The Complainant invited me to view the websites www.taxbacknow.co.nz and www.myrefund.co.nz. I did so on 21 July 2010. The screen shots of both websites on that date were identical and they were also identical with the screen shot submitted with the Complaint.
- 4.12 At the Complainant's invitation, I also viewed its website at www.taxbacknow.net. The get-up and style of that website is completely different from the www.taxbacknow.co.nz and www.myrefund.co.nz websites. At the Respondent's invitation, I viewed the websites www.mytaxback.co.nz and www.taxback.com. The get-up and style of those websites is completely different from the www.taxbacknow.co.nz and www.myrefund.co.nz websites and also completely different from the Complainant's website.
- 4.13 At the time the Complainant became aware of the Respondent's use of the Domain Name, the Complainant contacted the Respondent to see if a resolution was able to be reached. It was not.
- 4.14 On 20 July 2009, Wilson McKay, Solicitors, Auckland wrote to Kearney & Co about matters. On 10 September 2009, Kearney & Co replied to the Wilson McKay letter. There is no evidence before me of any further correspondence between those firms on the parties' behalf.
- 4.15 On 26 April 2010, Hudson Gavin Martin (as the Complainant's representative) asked Mr Brooks to arrange for the voluntary transfer of the Domain Name to the Complainant to be completed by 30 April 2010. As the Domain Name was not transferred, this case then ensued.

5. The Complainant's contentions

- 5.1 The Complainant contends that the registration of the Domain Name is an Unfair Registration as follows:

- (a) the Domain Name was registered in a manner which takes unfair advantage of or is unfairly detrimental to the Complainant's Rights;
- (b) the Domain Name has been used in a manner which takes unfair advantage of or is unfairly detrimental to the Complainant's Rights;
- (c) the Respondent registered the Domain Name as a blocking registration against a name or mark in which the Complainant has Rights or for the purpose of unfairly disrupting the business of the Complainant or for the purpose of selling, renting or otherwise transferring the Domain Name to the Complainant for valuable consideration.

6. The Respondent's contentions

6.1 The Respondent's contentions are as follows:

- (a) the registration of the Domain Name is not an Unfair Registration;
- (b) Mr Brooks registered the Domain Name in good faith to protect family interests as his brother (Nicholas Roger Brooks) is the sole director of, and a shareholder in, a company called My Tax Back NZ Ltd which is similar to the Domain Name;
- (c) it is a pure coincidence that the Domain Name was registered on the same day as the Complainant's registrations and the Respondent did not register the Domain Name as a blocking registration or to disrupt the Complainant's business;
- (d) the term "taxbacknow" is a generic term used to describe the service of tax refunds. The Complainant seeks wrongfully to monopolise a common expression;
- (e) the Respondent is making legitimate use of the Domain Name;
- (f) members of the public are unlikely to be deceived or misled by the Respondent's use of the Domain Name;
- (g) the Respondent's possession of the Domain Name may be inconvenient to the Complainant, but that is well below the detrimental threshold required by the Policy.

7. The Complainant's contentions in reply

7.1 The Complainant's contentions in reply are as follows:

- (a) the name or term "taxbacknow" is not wholly descriptive of the Complainant's business. The addition of the word "now" adds distinctiveness to the name which is inherently distinctive of the Complainant's business. The word "now" is not used by other traders and it implies the speed of the refund;

- (b) if the Respondent was trying to protect My Tax Back NZ Ltd, then the Respondent would have registered mytaxbacknz.co.nz or a similar domain name. That domain name was not registered and as at 17 June 2010 (the date of the Complainant's Reply) was still available for registration. In addition, the Domain Name would have been transferred by the Respondent to My Tax Back NZ Ltd or would be directing business to that company and not to the Respondent's business;
- (c) the Complainant otherwise reiterated the contents of the Complaint.

8. Relevant provisions of Policy and elements of Complaint

8.1 The dispute is governed by the Policy. Relevant provisions of the Policy in this case are as follows:

3. Definitions

Rights includes, but is not limited to, rights enforceable under New Zealand law. However, a Complainant will be unable to rely on rights in a name or term which is wholly descriptive of the Complainant's business;

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;

Part A – Policy

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

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

4.2 The Complainant is required to prove to the Expert that both elements are present on the balance of probabilities.

...

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;

...

6. How the Respondent may demonstrate in its Response that the Domain Name is not an Unfair Registration

6.1 A non-exhaustive list of factors which may be evidence that the Domain Name is not an Unfair Registration is set out in paragraphs 6.1.1 – 6.1.4:

6.1.1 Before being aware of the Complainant's cause for complaint (not necessarily the Complaint itself), the Respondent has:

(a) used or made demonstrable preparations to use the Domain Name or a Domain Name which is similar to the Domain Name in connection with a genuine offering of goods or services;

(b) been commonly known by the name or legitimately connected with a mark which is identical or similar to the Domain Name;

(c) made legitimate non-commercial or fair use of the Domain Name; or

6.1.2 The Domain Name is generic or descriptive and the Respondent is making fair use of it in a way which is consistent with its generic or descriptive character;

8.2 For an Expert to uphold a Complaint, the Expert must be satisfied that the Complainant has proved the following elements on the balance of probabilities:

(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);

(c) Unfair Registration in the hands of the Respondent (para 4.1.2).

9. Rights in respect of a name or mark

9.1 It is well-established that:

(a) the requirement for a Complainant to prove Rights in respect of a name or mark is not a particularly high threshold test;

- (b) it is not necessary for a Complainant to prove that it holds a registered trade mark or service mark; rather, it is sufficient for a Complainant to prove that its Rights in respect of the name or mark are capable of protection, such as under s 22 of the Companies Act 1993 or by proceedings for passing off or for misleading or deceptive conduct under the Fair Trading Act 1986;
- (c) while a Complainant is unable to rely on rights in a name or term which is wholly descriptive of the Complainant's business, an otherwise descriptive name or term is not wholly descriptive of the Complainant's business if the Complainant proves that the name or term has acquired a secondary meaning designating the Complainant's business and distinguishing the Complainant's business from other businesses of the same general kind. The Complainant must prove that the name or term is distinctive of the Complainant's business.

9.2 In view of the facts set out in part 4 and elsewhere in this decision, the Expert is satisfied on the balance of probabilities that the Complainant has Rights in respect of a relevant name or mark, namely:

- (a) statutory rights in relation to the taxbacknow name such as under s 22 of the Companies Act 1993 or for misleading or deceptive conduct under the Fair Trading Act 1986;
- (b) common law rights in relation to the taxbacknow name capable of protection by proceedings for passing off.

9.3 The Expert is satisfied on the balance of probabilities that the Complainant's Rights set out in paragraph 9.2 of this decision existed before the registration of the Domain Name on 13 November 2008 as a result of the steps which the Complainant took before that date to promote its business and to incorporate itself under the Companies Act 1993 on 4 November 2008.

9.4 In view of the facts set out in part 4 and elsewhere in this decision, the Expert is satisfied on the balance of probabilities that:

- (a) the taxbacknow name is not a name or term which is wholly descriptive of the Complainant's business;
- (b) in any event, the taxbacknow name has acquired a secondary meaning designating the Complainant's business and distinguishing the Complainant's business from other businesses of the same general kind. The word "now" is not used by other businesses of the same general kind. It specifically refers to the speed of the refund. It does so by the fact that the words "tax back" are in standard text and the word "now" is not in standard text to differentiate that word from the other words in the taxbacknow name. The taxbacknow name is distinctive of the Complainant's business.

10. Identity or similarity between the relevant name or mark and the Domain Name

- 10.1 It is well-established that Rights in a name cover all conceivable forms³ in which the name might be used.
- 10.2 The Expert is satisfied on the balance of probabilities that the facts set out in part 4 and elsewhere in this decision demonstrate that the taxbacknow name in all its conceivable forms is identical or similar to the Domain Name.

11. Unfair Registration

- 11.1 The Expert is satisfied on the balance of probabilities that, in all the circumstances, the Domain Name is an Unfair Registration because the facts set out in part 4 and elsewhere in this decision demonstrate that:
- (a) the Respondent registered the Domain Name primarily as a blocking registration against a name or mark in which the Complainant has rights (para 5.1.1(b)); and/or
 - (b) the Respondent registered the Domain Name primarily for the purpose of unfairly disrupting the business of the Complainant (para 5.1.1(c)); and/or
 - (c) the Respondent is using the Domain Name in a way that 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); and/or
 - (d) the Domain Name was registered by the Respondent in a manner which, at the time when the registration took place, took unfair advantage of or was unfairly detrimental to the Complainant's Rights which existed at the date of registration on 13 November 2008 (para 3); and/or
 - (e) the Domain Name has been, or is likely to be, used by the Respondent in a manner which took or takes unfair advantage of, or was or will be unfairly detrimental to the Complainant's Rights which existed at the date of registration on 13 November 2008 (para 3).
- 11.2 In addition to the facts set out in part 4 of this decision, I refer to the parties' contentions at parts 5, 6 and 7 of this decision, and make the following further findings:
- (a) I do not accept that the Respondent's registration of the Domain Name on 13 November 2008 approximately two hours before the Complainant's registration of the various taxbacknow domain names was "*pure coincidence*";
 - (b) the Respondent registered the Domain Name at 15:17 on 13 November 2008 because it became aware of the existence of the Complainant as a

³ Including upper and lower cases and singular and plural.

result of its fliers and other promotional activity and that the Respondent then registered the Domain Name as a blocking registration and for the purpose of unfairly disrupting the establishment and development of the Complainant's business;

- (c) I do not accept that the Respondent registered the Domain Name in good faith to protect family interests. While My Tax Back NZ Ltd was incorporated under the Companies Act 1993 on 27 November 2001, it was not known by that name until 22 May 2008. From 27 November 2001 to 22 May 2008, My Tax Back NZ Ltd was called Turtle Developments Ltd;
- (d) having changed its name from Turtle Developments Ltd to My Tax Back NZ Ltd on 22 May 2008, if the Respondent then wanted to register a Domain Name to protect My Tax Back NZ Ltd, then the Respondent would have registered mytaxback.co.nz or a similar domain name which was clearly aligned with that company;
- (e) in addition, if the Domain Name was registered to protect My Tax Back NZ Ltd, then the Domain Name would have been transferred by the Respondent to that company and the Domain Name would not be directed to the Respondent's business, but to the business of that company;
- (f) I do not find that the registration of the Domain Name is not an Unfair Registration as set out in paragraphs 6.1.1 and 6.1.2 of the Policy.

12. Decision

- 12.1 In view of the findings made in this decision, the Expert directs that the Domain Name taxbacknow.co.nz be transferred to the Complainant.

Place of decision Wellington

Date 23 July 2010

Expert Name Mr Terence Stapleton

Signature

A handwritten signature in black ink, appearing to read 'T. Stapleton', written over a horizontal line.