

## **.nz Dispute Resolution Service**

**DRS Reference: 506**

### **Heroes for Sale Limited v Amber Velich**

Key words – unregistered mark – similar – generic – unfair use

#### **1. Parties**

Complainant:

Heroes for Sale Limited  
277 Karangahape Road  
Newton  
Auckland  
New Zealand

Respondent:

Amber Velich  
107 Benmore Ave  
Palmerston North  
New Zealand

#### **2. Domain Name**

heroes.net.nz (“the Domain Name”)

#### **3. Procedural history**

The Complaint was lodged on 26/05/2010, and Domain Name Commission Limited (DNC) notified the Respondent of the validated Complaint on 27/05/2010. The Domain Name was locked on 26/05/2010, preventing any changes to the record until the conclusion of these proceedings.

The Respondent filed a Response to the Complaint on 17/06/2010, and DNC informed the Complainant of the filing of the Response on 21/06/2010. The Complainant filed a Reply to the Response on 30/06/10.

On 19 July 2010, the Complainant sought leave to file a (non-standard) further document, being a further affidavit sworn by its director Mr Colson. The Respondent objected to the proposed supplementary filing, and on 20/7/2010 DNC advised that it would be for the Expert, when appointed, to consider and determine whether the affidavit would be admitted.

DNC informed the parties on 23/07/2010 that informal mediation had failed to achieve a resolution to the dispute.

The Complainant paid DNC the appropriate fee on 6/08/2010 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 10/08/2010 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 Order No. 1 dated 13/8/2010, the Expert declined to consider the Complainant’s additional affidavit.

By further Procedural Order dated 23/8/2010, the time for the Expert to give his decision was extended to 30/8/2010.

#### **4. Factual Background**

##### ***The Complainant***

The following is a summary of the facts relating to the Complainant and its activities, as alleged in the Complaint and Reply. These facts were verified by an affidavit of Mr Colson which was submitted with the Reply.

The Complainant operates a comic book store in Karangahape Road, Auckland. Its sole director is Mr Stuart Colson, and Mr Colson has been involved with the business, originally as a franchisee of the Mark One Group, from the early 1990s.

The arrangement with the Mark One Group came to an end in 1995, and at that time Mr Colson decided to rebrand the Auckland store with the new name “Heroes for Sale”. At about the same time, Mr Colson purchased the former Mark One store in Christchurch, and re-branded that store as “Heroes for Sale”. The Christchurch store closed its doors in 1997, and a store at New Lynn in Auckland which Mr Colson had also licensed to operate under the “Heroes for Sale” brand closed down in 2003.

The DNC file shows that the Complainant was incorporated on 11/3/1996.

In or about 1995, the Complainant had designed a “Heroes for Sale” logo (“the Complainant’s logo”). Minor variations were made to the Complainant’s logo in 2001. The logo now consists of the word “HEROES” in upper case red lettering, with a yellow tag, or label, attached to the letter “S” bearing the words “For Sale”. The red letters making up the word “HEROES” have, superimposed over them, predominantly yellow-coloured graphics, including a comic book character, a film strip, and a rocket ship.

### ***The Complainant's domain names***

On 29 August 1997, the Complainant registered the domain name <heroes4sale.co.nz>, and the Complainant operates a website ("the Complainant's website") at that domain name. On 3 August 2007, the Complainant registered the additional domain name <heroesforsale.co.nz>. That domain name resolves to the Complainant's website.

### ***The Complainant's Licensing Arrangements***

In or about 1995, Mr Colson licensed the use of the "Heroes for Sale" brand and the Complainant's logo to the former Mark One franchisees based in New Lynn and Palmerston North. The Palmerston North licensee was Mr Ian Boddy, and Mr Boddy continued to operate the Palmerston North "Heroes For Sale" store until 2009.

According to the Complainant, the licensing arrangements with the Palmerston North and New Lynn licensees were verbal only. However, each licensee agreed that it would not do certain things without Mr Colson's prior consent:

- (i) the licensee could not assign to any third party the right to trade as "Heroes for Sale";
- (ii) the licensee could not open any additional stores operating under the "Heroes for Sale" brand;
- (iii) the licensee could not operate a website while trading as "Heroes For Sale", or register any domain name incorporating the word "heroes".

The Palmerston North store and the others which had been operating earlier in New Lynn and Christchurch, made prominent use of the Complainant's logo.

### ***The Complainant's Reputation***

The Complainant asserts that it and Mr Colson are well-known in the comic book industry, and that the Complainant's website has a substantial reputation throughout New Zealand amongst the relevant purchasing public. The Complainant produced figures, downloaded from the website at [www.stats.mydns.net.nz](http://www.stats.mydns.net.nz), showing that in the period between 4 March 2009 and 31 December 2009, there were 14,039 unique visitors to the Complainant's website, and a total of 20,474 visits. Figures for web traffic to the Complainant's website prior to March 2009 were said to be unavailable.

The Complainant said that it has promoted its "Heroes for Sale" brand extensively in the New Zealand marketplace, including via television, radio, and nationwide print marketing. At exhibit "E" to the Complaint, the Complainant produced some 10 examples of the way the Complainant has promoted the "Heroes for Sale" brand. It is not necessary to refer to them in

detail; it is enough to say that examples were produced from the period 2002 through to May 2009, and that they included a “Heroes for Sale” poster (used in advertisements in magazines, as the last frame of a television commercial screened on the C4 television channel 35 times in June 2006, and at the “Heroes for Sale” stall at the “Armageddon” expos held in 2008, 2009, and 2010, in Auckland, Wellington and Christchurch), and some examples of the use of “Heroes for Sale” in newspaper articles and in advertisements in magazines. The poster prominently featured the Complainant’s logo. And in 2002, 5,000 copies of a comic book called “White Trash” were published by the Complainant. They referred to “Heroes for Sale” in the introduction, and the final page of the book was comprised of a full page advertisement for the Complainant, complete with the Complainant’s logo.

Photographs of the exterior of the Complainant’s Auckland shop which the Complainant produced, showed signage with the Complainant’s logo (and particularly the word “HEROES”) prominently displayed.

According to the Complainant, the Complainant’s customers often refer to its store as simply “Heroes”, rather than the longer form “Heroes For Sale”. In support of that contention, the Complainant produced two emails, sent to it by the same customer on November 13, 2009 and January 4, 2010. Both emails commenced with the greeting “Hi Heroes”. The Complainant also alleged that its former Palmerston North licensee advised it that most of his Palmerston North customers referred to that store as “Heroes”, rather than as “Heroes For Sale”.

### ***The Complainant’s Trademark Applications***

On 19 March 2010, the Complainant applied to the Intellectual Property Office of New Zealand (“IPONZ”) to register the word mark HEROES, in respect of a variety of services in International Class 35, including the retailing and wholesaling of comics, books, magazines, posters and prints, greeting cards, toys and play things, and advertising, promotion, and licensing services relating to those products. The IPONZ search results produced by the Complainant show that the application has been accepted, and that it was published by IPONZ on 30 April 2010.

On 23 March 2010, the Complainant applied to IPONZ to register the Complainant’s logo as a device mark, for the same services in International Class 35. Again, the application has been accepted by IPONZ, and was published on 30 April 2010.

Neither application has yet proceeded to registration.

### ***The Respondent and the Domain Name – Facts Alleged by the Complainant***

The Domain Name was registered on 22/3/2009. It resolves to the website at [www.heroes.co.nz](http://www.heroes.co.nz) (“the Respondent’s website”). The Complainant stated, and the Respondent did not deny, that the Respondent’s website promotes identical goods to those of the Complainant, namely comic books, “manga” (a

particular style of comic book having its origins in Japan), and related toys, games, and accessories.

The Respondent's website is the primary website of Company of Heroes Limited ("COH"). COH was incorporated on 22 April 2009 by the Respondent and a Ms. Silver Dunlop, who had been employed at the Heroes for Sale store in Palmerston North.

Ms. Dunlop and the Respondent entered into negotiations with Mr Boddy to purchase the Palmerston North business in late 2008, and the purchase was completed in early to mid-2009.

The Complainant was aware that Mr Boddy intended to sell the Palmerston North business, and Mr Colson said that he asked Mr Boddy to request that the new owner contact him (Mr Colson) for permission to continue to use the "Heroes for Sale" and "Heroes" brands. Mr Colson said that it was clear to Mr Boddy from the discussion that he wanted to explain to the new owners his requirements relating to the use of the "Heroes For Sale" brand. However, Mr Boddy did not comply with his request, and the sale went ahead without Mr Colson's knowledge (Mr Colson said that he only became aware in October 2009 that the sale had occurred). The purchaser had not sought his permission to use the names "Heroes" or "Heroes For Sale", or to use any copyright or other rights in the Complainant's logo. Mr Colson did not become aware of the Respondent's website until March 2010.

The Complainant has asked Mr Boddy for a copy of the agreement by which Mr Boddy sold the Palmerston North business to COH, but Mr Boddy has declined to provide a copy. However, the Complainant says that Mr Boddy did advise it that the sale related solely to a comic and game retail operation in King Street, Palmerston North, and that no reference was made in the agreement to the names "Heroes for Sale", or "Heroes".

The Complainant produced printouts from the Respondent's website. At least the majority of the printouts appear to have been printed on 12/5/2010. The home page advertised a range of comics, manga, board games, trading card games, table top war games, and collectable toys, cards and figures. At the top of the home page there were prominent click-on links to subpages entitled "Comics", "Cards", "Toys", "Games" "War Games", "Shop", and "Blog", and in much smaller font to the right the words "Company of Heroes Palmerston North". Below the click-on links, there were other links to blog articles and news stories relating to COH and its activities.

On the "Comics" sub-page there appeared in bold print the statement: "As a comics retailer, we sell comics!" The sub-page referred to COH's range of "new comics", "recent comics", "old comics", "New Zealand comics", and "the comics style". It also referred to "Newspaper (and Web) Comic Strips", and "the Comics of Western Culture".

The "Comics" sub-page referred to the "many genres in comics". The text immediately following carried on: "Bet you thought of SUPER HEROES first

though ...". The text went on to refer to a variety of other kinds of "comics", including sci-fi, fantasy, kids' comics, horror, thriller, and so on. The site also offered a "quick glossary" of some of the terminology used on the "Comics" pages on the Respondent's website. "Comic" itself was defined as a floppy paperback book bound with staples. There was no reference to the word "heroes" in the glossary.

On the "Games" sub-page, there was the following text:

"Coming soon ... Heroes For Sale Boardgame Club. We'll keep you posted as this exciting new concept takes shape."

The "Blog" sub-page reproduced a news article dated 30 October 2009, prominently headed [www.heroes.co.nz goes LIVE!](http://www.heroes.co.nz). The text under that heading commenced "After 16 years of business, Heroes for Sale is hitting the web with a vengeance. As new owners we have worked hard to update a number of things around the place, but none as dear to my heart ... as having a website to call our own. ..."

And a November 2009 newsletter appearing on the Respondent's website as it stood on 12 May 2010, contained the following:

"The Christmas Parade is coming up very soon .... We are excited to announce that for the first year, Heroes will be participating .... Watch out for the Palmerston North All Star Chair Team in the parade while you are there. These Chair Heroes pulled out some impressive placings in this year's Allstar Chairleading International Competition, and have **Heroes For Sale** to thank for finishing off their uniforms with a bit of super sparkle."

The November news article was signed off "The Heroes Team".

The Complainant also produced a screenshot of a page reached by clicking on a street map which was provided on the Respondent's website to assist site visitors to locate the COH Palmerston North store. The relevant text was headed "Heroes For Sale PN".

The Complainant also produced pictures of the exterior of the COH premises in Palmerston North, as they appeared on the Google Maps website on 5/5/2010. It is not clear when these pictures were uploaded. They showed a large white signboard prominently displaying what appears to be the Complainant's logo.

### ***Complainant's Allegation of Actual Confusion***

The Complainant stated that at the "Armageddon" Expo in 2010, Ms Dunlop was present, trading under the COH name. Mr Colson said in his affidavit that he was approached at the Expo by a number of "bewildered consumers" who were enquiring how COH could possibly continue to use the name "HEROES". The Complainant also alleged that it had received several other

reports of consumers confusing the COH operation with the “Heroes for Sale” brand, but it did not provide any details of these alleged instances of confusion.

### ***The Complainant’s White Pages and Yellow Pages Searches***

The Complainant conducted a search of the New Zealand White Pages and Yellow Pages online directories. The search conducted in the online Yellow Pages directory on 5/5/2010 on the expression “comic books”, returned a total of 12 results, which included “Heroes for Sale” at Karangahape Road, Auckland (listed under the category “Bookshops”), and “Heroes for Sale”, Palmerston North (listed under the category “Games & Puzzles”).

A Yellow Pages directory search conducted by the Complainant on the same day on the expression “comics in New Zealand”, returned 18 results. The respective “Heroes For Sale” stores in Auckland and Palmerston North were again listed.

Apart from the “Heroes for Sale” stores in Auckland and Palmerston North, there were no references in either of the search returns to traders using the word “Heroes” in their names.

The other Yellow Pages search run by the Complainant was a search on “heroes in New Zealand”. Again, the Auckland and Palmerston North “Heroes for Sale” stores were the only businesses listed in either of the “bookshops” or “games & puzzles” categories among the 32 results,

The Complainant’s search of the online White Pages directory was run on 12/5/2010, on the expression “Heroes in New Zealand”. The returns included the address and telephone number for the Complainant’s business at Karangahape Road, Auckland, and listings for “Heroes For Sale” and “Company of Heroes Limited” in Palmerston North.

### ***Complainant’s Google Searches***

With his Reply affidavit, Mr Colson produced the search results (from New Zealand pages only) of Google searches he had run on the expressions “heroes and comics”, and “heroes”. The Complainant’s website came up as the first and second hits on the “heroes and comics” search; the Respondent’s website came up as the third and fourth hits. The search on “heroes” showed the Complainant’s website as the third hit, and the Respondent’s website at number seven.

### ***Facts Alleged by The Respondent***

The Response was accompanied by affidavits from the Respondent, Ms Dunlop, and the Respondent’s patent and trade mark attorney, Richard Jonathan Ellis.

The Respondent stated in her affidavit that she is a shareholder in COH. She acknowledged that the Domain Name was registered with a view to being used by COH in its comics business.

She asserted that the word “heroes” is the generic form of a particular kind of comic, where the protagonist is a hero. Sometimes the word “superheroes” is used, but the Respondent said that that term is a registered trade mark belonging to DC Comics Inc and Marvel Characters Limited. She said that when she registered the Domain Name she was unaware that any party was claiming that “heroes” was a brand, or trade mark for products or services in the comic industry. But even if she had been aware of such a claim, she would have discounted it because of the generic nature of the expression.

The Respondent gave evidence of a Google search which she ran on the expression “heroes comics”. She said that there were approximately 10.5 million hits. She produced as examples copies of 17 web page extracts from among the search results. Some of these extracts appeared to be from websites relating to an NBC television series called “Heroes”, and one showed the expression “Heroes” used in stylized form, apparently as a trade mark. Another (a website at [www.dezignmatterz.com](http://www.dezignmatterz.com)) referred to the expression “Super Heroes in Comic & Illustration Art”. On this website, there was a page headed “pictures of various superheroes”. The website at [www.timesonline.co.uk](http://www.timesonline.co.uk), contained a heading “20 greatest big-screen comic book heroes”. Others of the web extracts did not appear to refer to the expression “heroes” at all: they were presumably returned as results in the search because the sites included reference to the word “comics” (I refer, for example, to the extract from the website at [www.grammarman.com](http://www.grammarman.com)).

In her affidavit, Ms Dunlop explained that she is the sole director of COH. She had been employed by Ian Boddy at the Palmerston North “Heroes For Sale” store since 2003, and she said that she had a reasonable knowledge of Mr Boddy’s understanding of the verbal agreement under which Mr Boddy was operating the Palmerston North business as the Complainant’s licensee. She denied any knowledge of the conditions which the Complainant has contended were part of its verbal licence arrangement with Mr Boddy.

Ms Dunlop did not deny that Mr Colson asked Mr Boddy to have the new owner contact him for permission to continue to use the “Heroes For Sale” brand, and she did not suggest that she or anyone else at COH sought any such permission from the Complainant. What she did in her affidavit was to “add further information” to the Complainant’s allegations on this topic, stating that Ian Boddy’s understanding of Mr Colson’s request was that the Complainant was happy with the continued use of the “Heroes For Sale” brand, and that “the request was a courtesy”. She denied that any restrictions on the use of the expressions “Heroes For Sale” or “Heroes” were ever communicated to her.



Ms Dunlop rejected the Complainant's assertion that the public is in the habit of referring to both stores (i.e. the Auckland and Palmerston North stores) as "HEROES". She acknowledged that "there may be a case to argue that 'Heroes for Sale' is a brand", but rejected any argument that the Complainant was entitled to sue over the use of the word "heroes". She asserted that the word "heroes" is descriptive of the comic industry in general.

Ms Dunlop denied that the Domain Name was acquired as a blocking registration, or for the purpose of unfairly disrupting the Complainant's business. The Complainant was well-established with its own distinctive domain name, and the possibility of disruption was neither considered nor anticipated by her.

Ms Dunlop stated in her affidavit that the public is well aware that the two stores used to share a name. She went on to say that: "They are also now coming to the realisation that this is no longer the case". She referred to the "substantially different trading name", and the separate and visually contrasting websites operated by the parties, as reducing any confusion (which was not admitted in any event) rather than increasing any likelihood of association between the two stores. She dismissed as speculation the argument that there was a significant risk of the public entering the Domain Name in error when attempting to locate the Complainant's website.

In answer to the Complainant's allegation that people approached the "Heroes For Sale" stand at the 2010 Armageddon Expos in a state of confusion as to which stand was operated by which company, Ms Dunlop stated that members of the public also approached the COH stall in a state of confusion. As she put it in her affidavit:

"This confusion was based on the prior assumption that the two stores were connected as indeed they were (due to the name HEROES FOR SALE) and now that the names are different they were re-evaluating that belief. The Respondent's use of the [COH] name and brand was and is effectively re-education of customers that the Palmerston North store is now different from the Heroes for Sale stores. Therefore the confusion witnessed was regarding the two stores being suddenly distinctively different, not confusingly similar."

Ms Dunlop did not deny that COH has used the "Heroes For Sale" name and the Complainant's logo in connection with the Domain Name. She said that the brand and the Complainant's logo were used for a period after October 31 2009, when the Respondent's website went live. However, they were removed as soon as that could be arranged by the site developer, "once permission to use HEROES FOR SALE was removed". She said that any further references on the Respondent's website to HEROES FOR SALE were in archived blogs or articles which were written during the period when COH believed that it was entitled to use the brand and the Complainant's logo. With reference to the use of the expression of HEROES FOR SALE in the "FIND US" facility on the Respondent's website, Ms Dunlop denied that

COH had any control over the “way international internet services such as maps label their content within such a short period since a name or brand change, and that to expect it is unreasonable”.

Ms Dunlop referred to the Merriam Webster dictionary definition of “heroes”, as the plural of “hero”. The alternative definitions offered by Merriam Webster are as follows:

1.
  - (a) a mythological or legendary figure often of divine descent endowed with great strength or ability;
  - (b) an illustrious warrior;
  - (c) a man admired for his achievements and noble qualities;
  - (d) one that shows great courage.
2.
  - (a) the principal male character in a literary or dramatic work;
  - (b) the central figure in an event, period or movement.
3. (Usually occurring in the plural form “heroes”), submarine.
4. An object of extreme admiration and devotion; an idol.

Ms Dunlop also quoted the Merriam Webster dictionary definition of the expression “superheroes”. In its singular form “superhero”, the expression is defined as “a fictional hero having extraordinary or super human powers”; also, “an exceptionally skilful or successful person.”

Ms Dunlop’s evidence was that the comics industry mostly recognises “superheroes” as referring to the genre involving protagonists with superhuman powers. She offered some examples, including Superman. However according to Ms Dunlop’s evidence, the “Super Hero” term is merely a subgroup of a kind of comic known generically as “heroes”. She referred to Batman as an example of a character having no super or extraordinary powers whatsoever, but still clearly being a hero, with noble qualities and great courage (and having become an object of extreme admiration and devotion, even in the real world). Ms Dunlop contended that in the comic and gaming industry nearly all material is based on the concept of the hero. As she put it, “we use the term “hero” and “heroes” for all our protagonists ... even those that have deep character flaws and less than heroic qualities”. Ms Dunlop argued that the term “heroes” is used generically more often in the industry than “superheroes”, due to its wider application and more generic description of a given protagonist.

Ms Dunlop referred in her affidavit to various issues of a comics industry publication known as the Previews Magazine, noting in each case the frequency with which the word “heroes” appeared, compared with the frequency of the expressions “comic” or “comics”, and “super”. Generally, there appear to have been numerous uses of the word “heroes”, although in most of the Previews issues referred to by Ms Dunlop the word “comic” appears to have been used more frequently than the word “heroes”.

Ms Dunlop produced numerous extracts from the Previews Magazines, many of which appeared to use the expression “hero” as a reference to the protagonist in a particular comic. There was also reference to the NBC “Heroes” television series, and some reference to the expression “Super Hero”.

The third affidavit submitted for the Respondent was that of its representative in this proceeding, Mr Ellis. He is a senior patent and trade mark attorney.

Mr Ellis provided with his affidavit a copy of an extract from an article by two American law professors entitled “Confronting the Genericism Conundrum”.

Mr Ellis also provided copies of the details of six New Zealand trade mark registrations held in the joint names of DC Comics Inc and Marvel Characters Inc., two major international players in the comics industry. Each of the six registered marks consisted of the word mark SUPER HEROES, and the registrations covered a wide variety of goods in a number of classes. None of the registrations appears to cover comic books or anything similar. Mr Ellis expressed the opinion that it was to be expected that these registrations would not cover “comics”, or the “retailing of comics”, as in Mr Ellis’ experience the words “Super Heroes” constitute the generic for a subset of “heroes” comics.

In the Response itself, the Respondent asserted that comics of the “heroes” genre make up approximately 70% of all comics sold in New Zealand. (That was denied by Mr Colson in his reply affidavit. Mr Colson said that he was not aware of any independent source of information that provides a breakdown by genre of the comics sold in New Zealand.)

According to the Response the word “heroes” is extensively used in Marvel’s and DC’s comics magazines as the generic term for comics, where the hero is (generally) a man with superhuman attributes.

Finally, the Respondent referred in the Response to the Wikipedia page for “Heroes (comics)”, which the Expert has looked at. The Wikipedia page states:

“This article is about a comic book series; for heroes in comics, see Superhero. For the comics associated with the TV Show *Heroes*, see 9<sup>th</sup> Wonders! or HEROES Graphic Novels”.

The text of the Wikipedia entry goes on to state that the *Heroes* are a team of fictional superheroes created by Milestone Comics, featured in works published by DC Comics. There appears to have been a publication entitled “Heroes”, with the first issue published in May of 1996. The series was said to have been created using characters from an earlier publication, and putting them in “a more traditional superhero team. The “Heroes” series is described in the Wikipedia entry as generally a “main stream super hero series”.

#### 4. Parties' contentions

##### a. Complainant – Contentions in the Complaint

1. Through its use of its HEROES FOR SALE brand over the last 15 years, the Complainant has acquired substantial goodwill and reputation in the marketplace in the names HEROES FOR SALE and HEROES.
2. The Complainant has unregistered trade mark rights in HEROES FOR SALE and HEROES.
3. The Complainant would be entitled to sue anyone who (without the Complainant's consent) used the name HEROES, or a similar name, for similar products or services, under the law of passing off or under the Fair Trading Act. Those rights to sue qualify as "Rights" under the Policy.
4. The term "heroes" is neither generic nor descriptive in relation to the retail or wholesale sale of comic books in New Zealand.
5. The HEROES FOR SALE brand has acquired a secondary meaning, such that HEROES is understood by the public to denote a connection between the Complainant and its products and services.
6. "HEROES FOR SALE" is similar to "HEROES". The dominant and distinctive element of HEROES FOR SALE is the word "Heroes". That is further supported by the stylisation of the word "Heroes" in the Complainant's logo. The size of the word "HEROES" and the distinctive graphic images of the individual letters in the Complainant's logo mean that the word "heroes" dominates the overall impression of the Complainant's logo. A significant section of the relevant public would see the words "For Sale" as a secondary tagline, that does not form part of the core "HEROES" trade mark.
7. Having regard to the foregoing matters, the Complainant's HEROES FOR SALE and HEROES marks are either identical or confusingly similar to the Domain Name.
8. The Domain Name is an unfair registration in the hands of the Respondent, having regard to the following:
  - (i) The Respondent acquired the Domain Name primarily as a blocking registration against a name or mark (HEROES) in which the Complainant has rights (Policy, paragraph 5.1(b)), or for the purpose of unfairly disrupting the business of the Complainant (Policy, paragraph 5.1(c)).

- (ii) Ms Dunlop must have been alert to the fact that the HEROES FOR SALE and HEROES names were not owned by her, and that there were likely to be existing restrictions on the use of the HEROES FOR SALE brand in relation to the Palmerston North store. She was also alert to the fact that her purchase of the Palmerston North business would not confer a licence to use the HEROES FOR SALE or HEROES brands, nor a right to register a domain name featuring the word “heroes”.
- (iii) The dominant and most memorable element of the Complainant’s HEROES FOR SALE brand is the word “heroes”. Given the Complainant’s reputation in the HEROES FOR SALE name in the New Zealand comic book industry (earned in part from trading activities conducted at the precise retail address from which COH now carries on business), any use by the Respondent or COH of the name “HEROES” in relation to the retailing or wholesaling of comic books, is likely to be associated with the Complainant.
- (iv) When registering a domain name, it is common practice for traders to abbreviate their company name to the first word, or to the most distinctive element of the company name. Accordingly, there is a significant risk that users searching for the Complainant’s website may only input “heroes” into their web browsers. That would re-direct the user to the Respondent’s website.
- (v) Through COH, 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 (Policy, paragraph 5.1.2). The Respondent’s use of the HEROES brand in relation to the retail and wholesale sale of comic books is likely to be taken as indicating a connection in the course of trade with the Complainant.
- (vi) The Respondent’s use of the expression “Heroes For Sale” and the Complainant’s logo on the Respondent’s website, has also created a substantial risk that consumers will believe that the Respondent or COH has some form of business association with the Complainant, or that the HEROES FOR SALE brand has changed to “HEROES”, or “Company of Heroes”. Consumers who were previously familiar with the Heroes for Sale store in Palmerston North, in particular, may mistakenly believe that the HEROES FOR SALE brand has changed to HEROES.
- (vii) The foregoing factors constitute a misrepresentation that the Respondent and COH are somehow associated with the

Complainant's HEROES FOR SALE and HEROES brands. Such representation is actionable under the tort of passing off, and under the Fair Trading Act.

**b. Respondent**

The Respondent contends (in addition to the contention in the affidavits filed on the Respondent's behalf):

1. The Concise Oxford Dictionary offers two definitions of the word "hero":
  - "1. A person, typically a man, who is admired for their courage or outstanding achievements. (In mythology and folklore) a person of superhuman qualities, in particular one of those whose exploits were the subject of ancient Greek legends.
  2. The chief male character in a book, play or film.""Heroes" are persons with superhuman qualities.
2. The word "heroes" is entirely descriptive of the genre of comics where the "hero", being the chief male character in the comic (i.e. Concise Oxford definition No. 1 above), is "a person, typically a man, who is admired for their courage or outstanding achievements" and in particular is "a person of superhuman qualities" (i.e. Concise Oxford meaning No. 2 above). "Heroes" is understood by all persons interested in comics to identify the genre of comics mentioned above.
3. If a word be the generic for a product, that word cannot, as a matter of law, be a trademark. As "heroes" denotes a particular genre of comics, the word cannot be a trademark owned by any party. The Complainant can have no "Right" (as defined in the Policy) in the word "Heroes".
4. The Respondent denies the allegation that the Complainant's HEROES FOR SALE shop was "often known by the abbreviation 'Heroes'". With the exception of two emails, no evidence has been produced that the Complainant is ever called "Heroes". But even if it were true, "heroes" is a generic expression, and cannot be a trademark owned by any party.
5. The Respondent gave no undertaking to anyone not to register a domain name incorporating the word "heroes", and she had no knowledge of any prohibition of such a registration by the Respondent.
6. The Respondent denies that either the Complainant or Mr Colson is well-known in the comic book industry. The Respondent does not

admit that the Complainant has “a substantial reputation” in the Complainant’s website.

7. The Complainant has no entitlement to register the word “Heroes” as a trade mark, and the Respondent will be opposing the Complainant’s application.
8. Any reputation which the Complainant may have is in the domain “heroes4sale”, and not in the word “heroes”. The Complainant’s evidence relating to promotion of its brand relates to the “Heroes For Sale” brand, and not to the word “heroes”. “Heroes for Sale” is not similar to “Heroes’ in terms of trade mark law.
9. The Respondent denies that the word “heroes” dominates the overall impression of the Complainant’s logo. The words “For Sale” are the first words to make an impression when initially viewing the trade mark.
10. The only representation made by the Respondent in its use of the word “heroes” is that it deals with comics of the “Heroes” genre.
11. It is not and can never be unfair to a trade mark owner to use as a domain name which is:
  - (i) an expression which is generic or descriptive of an aspect of the industry in which the domain name is used; or
  - (ii) a name or mark in which a complainant has no rights.
12. The Respondent denies all unsupported allegations of fact made by the Complainant, especially relating to claims of alleged instances of confusion. Where an allegation of fact has been made without formal evidence of that fact, and where no particulars of the allegation are given, the weight given to the allegation must be minimal.

### **c. Complainant’s Contentions in Reply**

1. The assertion that the Complainant’s HEROES mark is generic or descriptive is untenable, as confirmed by IPONZ’s acceptance of the Complainant’s application to register that expression as a trademark.
2. The question of whether a mark is capable of distinguishing an applicant’s goods or services must be considered specifically in relation to those goods and services (citing *McCain Foods (Aust) Pty Limited v Conagra Inc* [2002] 3 NZLR 40 (CA)).
3. The Complainant’s HEROES mark *does* operate as an indicator of origin, and thus as a trade mark. The relevant generic term in this case would be the expression “comics”. The Complainant is not seeking to assert rights in the term “comics”. The fact that there may

be a number of references to heroes in comics does not make the name HEROES a generic term for the retail and wholesale sale of comic books, including those that may feature hero characters.

4. In terms of general descriptiveness, the test must lie in the probability of ordinary persons understanding the words, in their application to the goods or services as describing or indicating or calling to mind either their nature or some attribute they possess. Based on the definition of the word “heroes” provided by the Respondent, it is unlikely that an ordinary person would understand “HEROES” to describe or indicate or call to mind the nature or some attribute of the relevant services.
5. The Complainant is not required to provide evidence of actual confusion.
6. Any member of the public who searches on either of the expressions “heroes and comics” or “heroes” on the search engine at [www.google.co.nz](http://www.google.co.nz), has the choice of entering either the Complainant’s website or the Respondent’s website. Any visual contrast which may exist between the two websites is irrelevant to a relevant member of the public using the Internet.
7. Ms. Dunlop’s references to the public coming to a “realisation” that the two businesses are no longer affiliated, “re-evaluating” that belief, or undergoing a “re-education”, all point to an inherent likelihood of confusion.

## 5. 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:

*"5.1.1 Circumstances indicating that the Respondent has registered or otherwise acquired the Domain Name primarily:*

...

- (ii) *as a blocking registration against a name or mark in which the Complainant has Rights; or*
- (iii) *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."*

Paragraph 6.1 of the Policy sets out a list of factors which may be evidence that the Domain Name is *not* an Unfair Registration. This list, which is again non-exhaustive, contains the following:

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

- (i) *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;*
- (ii) *been commonly known by the name or legitimately connected with a mark which is identical or similar to the Domain Name;*
- (iii) *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.”*

### **Application of the Policy in this Case - Rights**

The first question is whether the Complainant has “Rights” in respect of a name or mark which is identical or similar to the Domain Name. I am satisfied that it does.

Before addressing the evidence, it is appropriate to make two preliminary points.

First, the Complainant does not have to show that it holds a registered trade mark. A right to sue for passing off is a “right enforceable under NZ law” within the meaning of the definition of “Rights” in the Policy. That such a right can qualify as a “Right” under the Policy is well established by a number of cases decided by English experts on the (materially identical) provisions of the Nominet UK Dispute Resolution Service Policy used in the resolution of disputes over domain names registered in the .uk space (see for example the decision of the three-member appeal panel in the United Kingdom in *Rugged Com Inc. v LANstore Inc*; Nominet Case No. DRS 02802, referred to by this Expert in New Zealand DRS Case 108 *BOP Memorials v Jones & Company Funeral Services*)).

Secondly, this is not a trade mark infringement proceeding, and the standard of proof required to demonstrate “Rights” under the Policy is not a particularly high threshold test (see the UK appeal panel decision in *Seiko UK Limited v Designer Time/Wanderweb* Nominet Case No. DRS 00248, referred to by this Expert in the *BOP Memorials* case. See also the decision of this Expert in the New Zealand DRS case No. 420 *First Direct Limited v Eva Romanowska*). As this Expert noted in *BOP Memorials*, the purpose of the Policy is primarily to provide a quick and relatively cheap means of obtaining redress in circumstances of the abusive or otherwise unfair registration of a domain name. That purpose would be defeated if the bar were set too high under Paragraph 4.1.1 of the Policy.

In this case, the Complainant has produced evidence of significant use in commerce of the expression “Heroes for Sale”, both with and without the Complainant’s logo, over a period of approximately 15 years. The Complainant has operated the Complainant’s website at “<heroes4sale.co.nz>” since August 1997, and the domain name <heroesforsale.co.nz> has pointed to the Complainant’s website since August 2007. From at least 2002 the HEROES FOR SALE brand has been advertised in print media, television commercials, and at stalls at the Armageddon Expos. The “Heroes for Sale” name and the Complainant’s logo featured prominently in 5,000 copies of a comic book distributed in 2002, and the “Heroes for Sale” name has featured prominently on the exterior of the Complainant’s Auckland retail premises from around 1995. Other “Heroes for Sale” retail premises have operated at New Lynn and (for a short period)

Christchurch, and the “Heroes for Sale” branding (including the Complainant’s logo) was used under licence at the Palmerston North store from 1995 through until 2009.

As late as May 2010, the 30 October 2009 newsletter remained on the Respondent’s website, commencing “After 16 years of business, Heroes For Sale is hitting the web with a vengeance ...”. That passage made it fairly clear that “Heroes For Sale” was regarded by the Respondent and COH as an identifier of the particular retail services with which the Respondent’s website was concerned (in other words, performing the primary function of a trade mark, namely acting as an indicator of the origin of particular goods or services).

Ms Dunlop in her affidavit also referred to the Complainant being “well-established with its own distinctive domain name, and she also acknowledged that “there may be a case to argue that “Heroes for Sale” is a “brand”.

In all of those circumstances it seems to the Expert to be more likely than not that the expression “Heroes for Sale” has become distinctive of the particular retail services offered by the Complainant, both in the word and Complainant’s logo forms. That being so, it is unnecessary to consider the proviso in the Policy definition of “Rights”, under which a complainant cannot rely on rights in a name or term which is wholly descriptive of its business: if the name or form has become distinctive of the complainant’s particular goods or services, it could not be *wholly* descriptive of the business.

In the Expert’s view, the Complainant would be entitled to sue to restrain any other party from using the expression HEROES FOR SALE in commerce without the Complainant’s consent, whether in the law of passing off or under section 9 of the Fair Trading Act 1986. That is sufficient to establish a “Right”, as defined in paragraph 3 of the Policy, in the mark or name “HEROES FOR SALE”.

***Is the Domain Name similar to the Complainant’s HEROES FOR SALE Mark or Name?***

In the Expert’s view it is. The exercise under paragraph 4.1.1 of the Policy primarily requires the Expert to compare the Domain Name with the Complainant’s mark or name, without reference to how the Domain Name may have been used by the Respondent. This Expert’s normal approach is to compare the two visually and phonetically, and then stand back and compare the “ideas”, or impressions, which each conveys. In carrying out that exercise, the Expert keeps in mind that he is not deciding a trade mark infringement claim, but is ultimately concerned with the question of whether there is sufficient similarity between the mark and the disputed domain name that a significant number of Internet users looking for websites owned by or

connected with the complainant would be likely to mistakenly arrive at the respondent's website.<sup>1</sup>

In this case, the Expert accepts the Complainant's submission that the dominant part of its "Heroes for Sale" mark or name is the word "Heroes". The words "For Sale" do not convey any significant meaning on their own; if anything, they serve to draw attention to the other word used in the mark, namely "HEROES".

When the Complainant's "Heroes For Sale" mark is used in the form of the Complainant's logo, the device elements are certainly colourful and distinctive, but it is to be remembered that device aspects of a trade mark or service mark cannot be replicated in a domain name. Nor are the device aspects of a mark capable of having significance when one is comparing the mark and the disputed domain name aurally. The words "for sale" obviously play little or no part in the trade mark function of identifying the origin of the relevant goods or services, and phonetically the dominant element must be the word "heroes". Of course that word is identical to the Domain Name (the ".net.nz" suffix is not taken into account in the comparison).

When one considers the impressions respectively conveyed by the Domain Name and the Complainant's unregistered mark, the conclusion must again be one of similarity. The removal in the Domain Name of the words "For Sale", does not, in the Expert's view, avoid the similarity caused by the use of the word "heroes" in both mark and Domain Name.

The Expert also considers that the relatively non-informative nature of the words "for sale" lends a degree of credibility to the Complainant's contention that consumers often abbreviate its name to "Heroes". That is simply a by-product of the word "Heroes" being the dominant component of the Complainant's mark.

Having regard to those matters, the Expert is satisfied that a significant number of Internet users looking for the website operated by the Complainant

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<sup>1</sup> In a fairly recent domain name decision on paragraph 4(a)(i) of the Uniform Domain Name Dispute Resolution Policy (materially identical to paragraph 4.1.1 of the Policy), the majority of the three-member panel (chaired by this Expert) noted:

"... the question which is at the heart of paragraph 4(a)(i), is the question of whether the mark and the disputed domain name look, sound and "feel" sufficiently similar that Internet users looking for the complainant would be likely to arrive at a website at the disputed domain name. When the question is put that way, the descriptiveness or otherwise of the complainant's mark is seen as irrelevant: either the mark and the disputed domain name are sufficiently similar that the domain name would likely attract people looking for the complainant, or they are not. (The importance of the descriptiveness of the complainant's mark becomes relevant later on, when the panel examines the conduct of the respondent; in particular, whether the respondent registered the disputed domain name because of its attraction as a descriptive expression, and not, for example, for the purpose of trading off the complainant's goodwill in (the secondary meaning attaching to) its mark.)"  
(*Ruggedcom, Inc. v James Krachenfels*, WIPO Case No. D2009-0130).

would be likely to type “heroes” in their browsers or online search engine requests, and be led (directly or indirectly) to the Respondent’s website.

Taking all the foregoing considerations into account, the Expert is satisfied that the Domain Name is similar to the Complainant’s HEROES FOR SALE name or mark.

The Complainant having made out its case under paragraph 4.1.1 of the Policy, it is not necessary in this part of the decision to address the Respondent’s argument that the expression “Heroes” is generic, denoting a particular genre of comic. That will be a matter to be considered under paragraph 6.1.2 of the Policy, under which a respondent may show, as evidence that a disputed domain name is not an Unfair Registration in the respondent’s hands, that the disputed domain name is generic or descriptive and the respondent has been making fair use of it in a way which is consistent with its generic or descriptive character.

### **Is the Domain Name, in the hands of the Respondent, an Unfair Registration?**

One of the factors which the Policy provides may be evidence that a disputed domain name *is* an Unfair Registration, is where the circumstances demonstrate “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” (Policy, paragraph 5.1.2). While paragraph 5.1.2 of the Policy is expressed in the present tense, the definition of “Unfair Registration” in the Policy includes the situation where the disputed domain name “has been” used in a manner which took unfair advantage ...”. Accordingly, it is generally accepted that a complainant alleging Unfair Registration based on the respondent’s use of the disputed domain name) does not need to prove that the use has continued up to the date of the filing of the complaint.

In this case, the Complainant submits that the Respondent’s use of the expression “Heroes for Sale” and the Complainant’s logo on the Respondent’s website have created a substantial risk that consumers would believe that the Respondent has some form of business association with the Complainant, or that the HEROES FOR SALE brand has been changed to “HEROES” or “COMPANY OF HEROES”. The Complainant further submits that consumers who were previously familiar with the Heroes for Sale store in Palmerston North may mistakenly believe that the HEROES FOR SALE brand has changed to HEROES. The Complainant argues that the Respondent’s use of HEROES in relation to the retail and wholesale sale of comic books is in those circumstances likely to be taken as indicating some connection in the course of trade with the Complainant.

The Complainant’s submissions on this point are accepted, for the following reasons:

1. The evidence sufficiently establishes that a significant number of the relevant section of the public (buyers of comics and related products in New Zealand) would by 2009 have regarded the mark HEROES FOR SALE as distinctive of the comics retailing business conducted by the Complainant in Auckland and through its licensee in Palmerston North.
2. Ms Dunlop had been working with Mr Boddy in the Palmerston North Heroes for Sale store since 2003. The store used the Complainant's logo under licence, and there can be no doubt that Ms Dunlop recognised the Complainant's logo as being distinctive of the Complainant and, to use her word, as a "brand". The Respondent and Ms Dunlop did not deny the Complainant's contention that no reference was made in the purchase agreement with Mr Boddy to the names "Heroes For Sale" or "Heroes", and Ms Dunlop apparently elected not to follow up on a request to discuss the position with the brand owner. In those circumstances, the Expert is satisfied that there is no basis for any finding that the Complainant authorised Ms Dunlop or the Respondent to take over the use of the HEROES FOR SALE mark in the Palmerston North business.
3. Ms Dunlop and the Respondent did continue to use the HEROES FOR SALE mark, including in a number of places on the Respondent's website – on the "Games" subpage ("Coming Soon: 'Heroes For Sale Boardgame Club'"), in blogs or newsletters dated in October and November of 2009, and in the "Find Us" facility on the Respondent's website showing "Heroes For Sale" superimposed over a section of a street map of Palmerston North. In her affidavit Ms Dunlop did not deny these uses, but said that they were removed as soon as that could be arranged by the site developer "once permission to use HEROES FOR SALE was removed". She contended that the blogs or news articles were written during a period when COH believed that it was entitled to use the Complainant's brand and the Complainant's logo, and blamed the continued use of HEROES FOR SALE in the "Find Us" facility on the way international Internet services operate, and the allegedly lengthy period it takes for them to make alterations. Ms Dunlop did not actually state whether the international Internet service in question had been asked at any time before May of 2010 to alter the "Find Us" facility by removing the reference to "Heroes for Sale".
4. When the Expert visited the Respondent's website on 13/8/2010, the November 2009 newsletter containing the expression "Heroes For Sale" was still posted on the Respondent's website. The other references to "Heroes For Sale" appeared to have been removed.
5. Ms Dunlop acknowledged in her affidavit the existence of some actual confusion in the market, acknowledging that the confusion was based on the public's assumption that the two stores were connected "as indeed they were (due to the name HEROES FOR SALE)". She said that members of the public who were continuing to labour under a misapprehension that the Auckland and Palmerston North stores had

some commercial connection, were effectively going through a process of re-evaluating their beliefs, and being re-educated as to the absence of any continuing connection between the Palmerston North and Auckland Heroes for Sale stores.

6. The reference to “after 16 years of business” in the 30 October 2009 blog on the Respondent’s website suggested a continuity in the use of the mark HEROES FOR SALE in connection with the Palmerston North store, which the Respondent and COH were simply not entitled to suggest. In the words of paragraph 5.1.2 of the Policy, the use of those words was likely to mislead people or businesses into believing that there was some continuing connection between the Domain Name and the Complainant as the owner of the HEROES FOR SALE mark.
7. Having regard to the foregoing factors, the Expert is satisfied that the Complainant has proved circumstances falling within paragraph 5.1.2 of the Policy. The Respondent has used the Domain Name in a way which was likely to confuse, mislead, or deceive people or businesses into believing that the Domain Name was connected with the Complainant.

***Is there Evidence that the Domain Name is not an Unfair Registration?***

Paragraph 6 of the Policy sets out certain circumstances which a respondent may rely upon to show that the disputed domain name is not an Unfair registration.

None of the defences at paragraph 6.1.1 of the Policy appear to apply in this case. The Respondent has not claimed that it owns any HEROES mark, and it has not argued that it is commonly known by the name “Heroes”. It has not been using the Domain Name in a non-commercial context, and having regard to the Expert’s findings under paragraph 5.1.2 of the Policy the Respondent’s use of the Domain Name has not (subject to consideration of the genericism argument discussed separately below) been a *fair* use. There has been no written agreement between the parties, so paragraph 6.1.3 has no application.

Nor could paragraph 6.1.1(a) (use of a disputed domain name in connection with a genuine offering of goods or services, before becoming aware of complainant’s cause for complaint) apply in this case. The Respondent and COH were fully aware of all facts necessary to appreciate the Complainant’s cause for complaint, when the Respondent registered the Domain Name.

So the only real argument is that based on paragraph 6.1.2 of the Policy:

“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”.

The Respondent has produced a substantial quantity of evidence attempting to prove that the word “heroes” is a generic expression denoting a particular kind or category of comic book (or comic strip). The Complainant denies that contention. While the matter is not entirely free from doubt, the Expert is not satisfied that the Respondent has demonstrated circumstances falling within paragraph 6.1.2 of the Policy. The Expert has reached that conclusion for the following reasons:

1. If “heroes” is indeed generic, denoting a particular category of comic book or comic strip, one might perhaps have expected the Respondent to be able to find a dictionary reference to the term “hero”, or “heroes” being used in that sense. The Respondent has not been able to do so. The various definitions referred to by the Respondent all appeared to focus on a particular protagonist, or person, rather than on any particular form of reading material (let alone a comic).
2. If “heroes” is a generic expression denoting a subset of the genre “comics”, one might have expected the Respondent and COH to refer to “heroes” on that part of the Respondent’s website where the Respondent lists the various subcategories of comics. There are references there to many kinds of comics, but no reference to “hero” or “heroes”. Nor does the “quick glossary” refer to the expression “heroes”.
3. The 17 web page extracts which the Respondent produced from among the results of her Google search on “heroes comics”, did not provide support for the Respondent’s argument. Some of these websites appear to have been using the expression “Heroes” as a trade mark (the depiction of the word “Heroes” in a stylised form, and the use of the word to name a particular NBC television series), while others appear to have used the expression “super heroes” to designate comic strip characters who have special, or superhuman powers. The website at [www.timesonline.co.uk](http://www.timesonline.co.uk) (referring to the “20 greatest big-screen comic book heroes”) used the expression “comic book heroes”, rather than “heroes”, and the author of the text seems to have been referring to the particular protagonists in the stories, rather than to any particular kind of comic.
4. The various deponents for the Respondent were not entirely consistent in their versions of what “heroes” means. The Respondent referred to the word as the generic form of a particular kind of comic, where the protagonist was a hero, but Ms Dunlop asserted in her affidavit that the word is descriptive of the comic industry in general.
5. There may be a “super hero” category of comic book or comic strip, but there is insufficient evidence for the Expert to go further and accept Ms Dunlop’s contention that the “super hero” term is a subgroup of a kind of comic known generically as “heroes”. One can readily accept that a character such as Batman might have no extraordinary powers whatsoever and still be a “hero”, with noble qualities and great



courage. But that speaks of the protagonist, not of the kind of publication in which his qualities are normally featured. Ms Dunlop effectively acknowledged the point when she said “we use the term ‘hero’ and ‘heroes’ for all our protagonists ... even those that have deep character flaws and less than heroic qualities”. That appears to be as far as the evidence goes – the expression “heroes” is used, no doubt widely, to refer to the protagonists in comic books and comic strips, not to comic books or comic strips themselves.

6. Mr Ellis pointed to the fact that the two major players in the comics industry have registered six marks consisting of the words “SUPER HEROES”, for goods or services which do not include comics or the sales thereof. He expressed the opinion that it is reasonable to infer that the reason “comics” was excluded from the specification for those marks, is that “super heroes” constitutes the generic expression for a particular subset of “heroes” comics. Without further evidence on the point, that is too long a bow to draw. As indicated above, there is some evidence that there might be a category of comics called “super heroes”, but there is insufficient to persuade the Expert that there is any wider generic category called “heroes”.
7. The Wikipedia reference did not help the Respondent. The Wikipedia page for “Heroes (comics)” was about a particular comic book series. For “heroes in comics” more generally, the website visitor was referred to the expression “Superhero”.
8. When the Expert visited the Respondent’s website on 13/8/2010, it was apparent that COH was itself using “Heroes” as an indicator of trade source, or origin. For example, on the “Comics” page, there was text reading: “here at Heroes you will find ...”. And on the “Toys” subpage, there was text reading: “Most of the toys at Heroes are Action Figures ...”. Those uses of “Heroes” appear to have been intended as references to COH as a particular retailer, not as references to a generic subcategory of comics. It seems that COH has itself been attempting to establish a brand, or service mark, in the expression “Heroes”. In the Expert’s view, that use does nothing to assist the genericism argument the Respondent is running in this proceeding.
9. Even if the expression “heroes” were regarded as generic or descriptive, paragraph 6.1.2 would only assist the Respondent if the Respondent were making *fair use* of the expression “Heroes”, in a way which was “consistent with its generic or descriptive character”. In this case, the Respondent and COH have been using the word “Heroes” as part of the longer expression “Heroes For Sale”, which is of course the Complainant’s trade mark. That particular use has not been a fair use of “Heroes”. And the use of the expression “Heroes” on the Respondent’s website as an apparent designator of COH as the supplier of particular retail services, does not appear to be “consistent with the generic character of the expression” for which the Respondent has argued.

10. In the Response, the Respondent contended that some 70% of comics sold on the New Zealand market are in the “heroes” genre. Mr Colson disputed that figure, but even if it were true, it seems improbable that the word “heroes” could have become the recognised generic expression for such a large proportion of the total category on the New Zealand market, without there being far more substantial evidence of its use as such.
11. IPONZ has accepted the Complainant’s application to register the word mark HEROES for services which include the retail and wholesale sale of “comics”. That point may not be a strong one standing alone, as the Expert has not been advised if the genericism arguments now being advanced by the Respondent were considered by the IPONZ examiner. However the trade mark acceptance is at least consistent with the view that “Heroes” is not a generic expression denoting a particular kind of comic.
12. Having regard to all of the foregoing considerations, the Expert is not persuaded, at least on the evidence which has been produced in this proceeding, that the Domain Name is generic and that the Respondent has been making fair use of it in a way which has been consistent with the claimed generic character.

The one matter which gave the Expert cause for pause when considering the “generic expression” argument, was the Complainant’s very choice of its mark and its domain names. The expression “Heroes For Sale” might be thought to imply that “heroes” is some generic thing, or product, which is capable of being sold. But the evidence as a whole does not support any such conclusion, and in those circumstances it seems more likely that the Complainant’s HEROES FOR SALE mark is suggestive rather than generic or descriptive (i.e. suggestive of the comic enthusiast’s ability to purchase the experience of following the adventures of his or her favourite comic heroes). In the end, it is not necessary to decide whether the Complainant’s HEROES FOR SALE mark is descriptive or suggestive – the choice of words does invite the question, but that is not enough to displace the impression given by the evidence as a whole that “heroes” is not in fact the generic expression for a particular category of comic.

The Complainant having proved circumstances falling within paragraph 5.1.2 of the Policy, and there being no evidence (under paragraph 6 of the Policy or otherwise) suggesting that the Domain Name is not an Unfair Registration, the Expert finds that the Domain Name, in the hands of the Respondent, is an Unfair Registration.

## **6. Decision**

For the foregoing reasons, the Expert finds that the Complainant has Rights in respect of the name or mark HEROES FOR SALE, and that that name or

mark is similar to the Domain Name. The Expert further finds that the Domain Name, in the hands of the Respondent, is an Unfair Registration.

Pursuant to paragraph 13 of the Policy, the Domain Name is to be transferred to the Complainant.

<b>Place of decision</b>	Auckland
<b>Date</b>	30 August, 2010
<b>Expert Name</b>	Mr Warwick Smith

**Signature**