

.nz Dispute Resolution Service

DRS Reference: 615

EHarmony, Inc v Craig Cooper

Key words -

Identical or similar trade mark or name

Registered mark –well-known mark - identical

Rights

commonly known by

Unfair registration

Unfair registration – unfair use –offer to sell, rent or otherwise transfer – likely to confuse, mislead or deceive - pattern of registration – unfairly disrupting the business of the complainant – blocking registration –respondent having no connection with name or trade mark

Procedure

Evidence – admissibility – relevance – materiality – weight –non-standard submission – transfer

1. Parties

Complainant:
EHarmony, Inc
Level 35, 31 Market Street
Sydney NSW 2000
Sydney
Australia
Represented by: Mr Khajaque Kortian

Respondent:
Craig Cooper
PO Box 8399
Havelock North
New Zealand

2. Domain Name

eharmony.co.nz (the Domain Name)

3. Procedural History

- 3.1 The Complaint was lodged by hard copy received on 10 December 2010. The Domain Name Commission Limited (“DNC”) notified the Respondent of the validated Complaint on 15 December 2010. The domain was locked on 15 December 2010, preventing any changes to the record until the conclusion of these proceedings.
- 3.2 Although the Respondent provided an electronic letter on 19 January 2011, it was not followed by a hard copy response as required by clause B4.2 of the .nz Dispute Resolution Service Policy (“the Policy”), despite two time extensions for that purpose.
- 3.3 As no valid response was forthcoming, on 3 February 2011 the Complainant was offered the option of referring the Complaint for an expert decision pursuant to Paragraph 9 of the Policy. The Respondent was advised by DNC on 3 February 2011 that this option had been extended to the Complainant. The Complainant paid DNC the appropriate fee for an expert decision on 9 February 2011.
- 3.4 Robert Fisher QC, the undersigned, (“the Expert”) confirmed to the DNC on 10 February 2011 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.
- 3.5 On 14 February 2011 after reviewing the file Mr Fisher requested and received a copy of the electronic letters provided by the Respondent.

4. Factual background

- 4.1 The Complainant is a USA based internet provider of online dating and relationship services. It has over 20 million registered users from more than 200 countries, including New Zealand.
- 4.2 The Complainant's business has operated in New Zealand since December 2000. By 2010 10,000 New Zealanders had registered an account with www.eharmony.com and a further 3,000 had registered with www.eharmony.com.au. Approximately 1,500 and 2,000 users from New Zealand visit www.eharmony.com and www.eharmony.com.au respectively each month.
- 4.3 The Complainant is the proprietor and user of the registered New Zealand trade mark EHARMONY in respect of Class 45 which includes online dating and social introduction services and in respect of Class 9 transmission services.
- 4.4 The Respondent is a private individual with a postal address in Havelock North.
- 4.5 On 22 September 2008 the Respondent registered the disputed Domain Name. He has since parked the Domain Name with Freeparking.co.nz. As a result internet users who enter the disputed Domain Name in the address bar of their browser are directed to a list of 'sponsored listings' which advertise a variety of websites.
- 4.6 The Complainant was concerned that those seeking the Complainant on the internet were finishing up at the Freeparking site through the use of the Domain Name registered in the name of the Respondent. On 27 September 2010 the Complainant wrote to the Respondent asking him to stop using the EHARMONY trade mark and the Domain Name. When the Respondent did not respond Complainant lodged this complaint.

5. Complainant's contentions

- 5.1 The Complainant submits that:

- It has existing rights in the name “eharmony” by virtue of its registered trade mark;
- The Respondent has unfairly registered the disputed Domain Name with the intention of blocking its own registration of that name;
- The Respondent is seeking to unfairly disrupt the business of the Complainant by preventing it from registering and using the disputed Domain Name;
- The Respondent’s use of the disputed Domain Name is intended to generate internet traffic with a view to obtaining revenue from that traffic and/or to promote competitive services similar to those provided by the Complainant;
- Such use is likely to confuse, mislead or deceive;
- The Respondent’s use of the disputed Domain Name amounts to common law passing off and contravenes the misleading and deceptive conduct provisions of the Fair Trading Act 1986; and
- The Respondent is involved in the large-scale registration of domain names and owns 206 other names.

6. Respondent’s contentions

- 6.1 The Respondent’s contentions were provided only informally and electronically. He says that he became aware of the Complaint only on 18 January 2011, having on that date “gained access to an old webmail address” to which the Complaint had been sent.
- 6.2 It is a registrant’s responsibility to monitor the address originally provided for communication purposes or to advise the Domain Name Commission of any new one. After the Respondent sent his email he failed to file any formal Response containing the particulars required by para B 4.2 of the Policy. Nor did he file any hard copy with a signature despite two extensions for that purpose. A subsequent letter to the address provided by the Respondent was returned “Gone no address ... Box closed”.

- 6.3 Given the lack of any signature on his two electronic letters there is no personal commitment to their truth by the Respondent. Nor have the other particulars required of a respondent been provided. The procedural requirements of a respondent are not difficult and are clearly stated in para B 4.2 of the Policy. As they have not been complied with the purported filing of a Response is rejected.
- 6.4 For the sake of completeness it should be said that acceptance of the purported Response would not have affected the outcome. The reasons for this are explained at the end of this determination.

7. Discussion and findings

- 7.1 The dispute is governed by the Policy issued by DNC on behalf of InternetNZ. Critical portions of the Policy for present purposes are these:

“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

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

7.2 It will be seen that 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).

8. (a) Rights in respect of a name or mark

8.1 The Complainant has demonstrated rights in respect of the name “eharmony” by virtue of its registered trade mark (number 721356) EHARMONY.

8.2 The Complainant also appears to have common law rights in the name eharmony in New Zealand given the goodwill it has developed in this country. Since launching in New Zealand in late 2000 the Complainant has attracted over 10,000 registered New Zealand account holders. Approximately 1,500 New Zealanders use its services each month.

9. (b) Identity or similarity between that name or mark and the Domain Name

9.1 The second requirement the Complainant must fulfil is to show that its name or mark is identical or similar to the Domain Name. In this instance the trademarked name “EHARMONY” is identical to the name used in the disputed Domain Name, www.eharmony.co.nz. There is nothing significant in the change from upper to lower case.

10. (c) Unfair registration in the hands of the Respondent

10.1 The third requirement is unfair registration. On that subject the Policy provides:

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;".

10.2 The three forms of unfair registration requiring consideration in this case are (i) registration for the purposes of sale, blocking or disrupting (para 5.1.1); (ii) use of domain name to represent a connection with the Complainant (para 5.1.2); and (iii) deliberate exploitation of similarity to the Complainant's name (para 4.1.2).

- 11. (i) registration for the purposes of sale, blocking or disrupting (para 5.1.1);**
- 11.1 Whether this was an unfair registration in terms of para 5.1.1 of the Policy turns on the Respondent's primary purpose in registering the domain name. The question is whether the Respondent's ultimate objective was to persuade the Complainant that it would be in the Complainant's best interests to purchase domain name rights from the Respondent (para 5.1.1(a)) and/or to that end to prevent the Complainant from registering the same domain name in its own right (para 5.1.1(b)) and/or in the meantime to use the domain name on a PPC basis with incidental and consequential disruption to the Complainant's business as an incentive to the Complainant to make the purchase (para 5.1.1(c)).
- 11.2 The issue is the Respondent's state of mind at the time of registration. There can never be direct proof of purpose. Such matters can be resolved only by deciding whether an adverse inference is justified having regard to all the surrounding circumstances.
- 11.3 The surrounding circumstances here include internet practices and use of "pay per click" (PPC) and parking sites since the mid-2000's. The upsurge of international activity in that field is well documented in such determinations as *Express Scripts, Inc v Windgather Investments Ltd/Cartwright*, WIPO Case No. D2007-0267; *Asian World of Martial Arts Inc v Texas International Property Associates*, WIPO Case No. D2007-1415; *Grundfos A/S v Texas International Property Associates*, WIPO Case No. D2007-1448; *Serta Inc v Charles Dawson*, WIPO Case No. D2008-1474; and *Credit Industriel et Commercial SA v Demand Domains, Inc*, WIPO Case No. D2009-1184).
- 11.4 Typically a person seeking to exploit someone else's existing goodwill in a name will register a domain name which includes the name of the actual owner of the rights (the rights owner) or something deceptively

similar to it. Where the similarity is designed to capture accidental variants of the original through internet user typos it is sometimes referred to as “typosquatting” (as in *Grundfos* where the complainant’s name was “Grundfos” and the disputed domain name “groundfos.com”).

- 11.5 Having registered the domain name the registrant “parks” it with a domain name parking service provider. The service provider generates a PPC landing page. The PPC landing page may itself incorporate sponsored links or offer the choice of a series of named goods or services which in turn link to a series of sponsored links. In either case the links are usually selected through a service such as Google AdSense without active input by the registrant.
- 11.6 Internet users land on the PPC landing page in a variety of ways. These include use of a search engine such as Google to locate either the rights owner or a descriptive word featuring as an element in the domain name. Less commonly the user enters the domain name in the address bar of the browser. In either case the user arrives at the PPC landing page which in turn leads the user to one of the sponsored links. When the user clicks on one of the sponsored links the advertiser sponsoring the link makes a small payment. This “click-through revenue” may be retained by the parking company in return for free parking of the domain name or it may be split between the domain name parking service provider and the owner of the domain name (as, for example, in *Owens Coming v NA*, WIPO Case No. D2007-1143).
- 11.7 The registrant may have one or more commercial incentives for using a PPC site in that way. One is to gain a share of the revenue generated from advertisers through diversion of custom to them via the PPC site. Another is to sell the domain name to the rights owner at a profit. The rights owner may be pressured to buy in order to stop continuing confusion over, and dilution of, its own name, loss of custom through diversion to competitors located through the PPC site, inability to use the

blocking domain name for its own purposes, and/or negative associations with inferior products or services. In that situation the rights owner will need to either meet the registrant's asking price for the domain name or challenge the registrant's right to the domain name by laying a complaint of the present kind.

- 11.8 Of course the fact that there is an overlap between the domain name and that of the rights owner does not of itself indicate that a scheme of the above kind had been the registrant's purpose when registering the domain name (*Credit Industriel* at para 6.10). It all depends on the way in which the registrant arrived at the disputed expression found in the domain name. There could be no complaint about an expression adopted fortuitously in order to describe the registrant's own product or services. However it has become increasingly difficult to accept a registrant's plea that it had adopted a domain name in ignorance of the fact that the same name was already well known in association with some-one else's goodwill. A few minutes using a modern search engine such as Google would quickly avoid a misapprehension of the kind, quite apart from actual or constructive notice stemming from the trade mark register.
- 11.9 It is against that background that the facts of the present case are to be determined. Several factors then stand out. First, the Complainant's reputation associated with the name "eHarmony" was well established at the time the Respondent first used the word to register his domain name. It is impossible to believe that the Respondent was unaware of it at the time. The elementary step of checking through a search engine such as Google would have made it obvious, quite apart from the opportunity to search the trade marks register.
- 11.10 Secondly it was foreseeable that use of the Domain Name in this way would divert custom from the Complainant to competing sites. That was likely once the Domain Name was linked to a PPC landing page where

the range of products and services offered would be chosen by Google Adserve. Thus a search of the Freeparking site on which eharmony.co.nz was to be found produced a series of categories including the general category “dating” and its subsidiary categories “mobile dating”, “singles”, “gay dating”, “chat” and “speed dating”.

- 11.12 Nor could it be any answer to suggest that diversion of users to sites that competed with the Complainant had not been the Respondent’s intention or responsibility. As has been repeatedly pointed out, a registrant cannot deny ultimate responsibility for the diversion of custom to a competitor even if the selection of advertisements on display at the PPC landing site is chosen by some independent organisation or algorithm (see *Grundfos supra* at p 20 and cases there cited). As was said in *Grisoft, s.r.o v Original Web Ventures Inc*, WIPO Case No. D2006-1381:

Although the web pages were automatically generated by DomainSponsor’s (sic) software of searches made by visitors, this system is inherently likely to result in the display of sponsored links in the field in which a company whose mark corresponds to the domain name is active, including that company’s competitors. It is thus a system which is likely to enable the registrant to obtain click-through commissions from the diversion of Internet users who are confused where (as here) the second level domain (“SLD”) is identical to the mark of a company which has been used on a substantial scale for a number of years.

The Respondent is ultimately responsible for the content of the website generated by domain sponsor’s technology.

- 11.13 Thirdly it was always foreseeable that the confusion and diversion of business resulting from the association of the domain name with PPC sites in that manner would come to the attention of the Complainant. That in turn must have suggested to the Respondent at the time of registration that there would be a good prospect that rather than challenge the Respondent’s right to the domain name through a complaint the Complainant would approach the Respondent with a view to purchase.

11.14 Fourthly, there is the Respondent's history of registering domain names. The Complainant produced a Whois record of registrations in the name of Craig Cooper indicating that as at 7 December 2010 he was the owner of 202 domains other than the one currently in dispute. The Complainant did not provide evidence of the names associated with these domains or their renown so it cannot be established that the Respondent's activities fall within para 5.1.3 of the Policy. However the number of domains owned by the Respondent would seem consistent with the possibility that he is in the business of registering domain names similar or identical to well known names with a view to trafficking in those names.

11.15 When those circumstances are viewed in combination a conclusion is justified as to the purpose of the original registration. The conclusion is that the Respondent registered this domain name primarily for the purposes of selling it to the Complainant. Associated with that purpose were the associated ones of blocking the Complainant from registering the same name and disrupting the Complainant's business as incentives for the Complainant to purchase the domain name at a profit to the Respondent. These are all forms of unjustified registration for the purposes of para 5.1.1 of the Policy.

12. (ii) use of domain name to represent a connection with the Complainant.

12.1 At the time of writing this decision a search on 'eharmony.co.nz' led to a Freeparking site with 'eharmony.co.nz' displayed at the top of the page. That was followed by a number of hyperlinks labelled as 'Popular Categories'. These categories included one entitled 'dating' with subsidiary categories 'mobile dating', 'singles', 'gay dating', 'chat' and 'speed dating'. Clicking on 'singles', for example, led to a further page which was also headed 'eharmony.co.nz' and which was entitled 'Sponsored listings'. It then gave a list of links to what appeared to be competing dating agencies including such sites as www.speeddate.com

and www.passionssearch.com. In short use of the name eharmony.co.nz led to competing sites. Diversion of the Complainant's business to competitors is an almost inevitable consequence.

- 12.2 These circumstances justify the conclusion that the Respondent was using the Domain Name in a way which was likely to confuse, mislead or deceive people into believing that the Domain Name was in some way connected with the Complainant. This is a form of unjustified registration for the purposes of para 5.1.2 of the Policy.

13. (iii) deliberate exploitation of similarity to Complainant's name

- 13.1 Although not strictly necessary for decision in the present case, it seems probable that a further example of unfair registration is the deliberate choice of a name similar to that of the Complainant with a view to its exploitation through confusion. Certainly that is well recognised for bad faith purposes under paragraph 4(b)(iv) of the World Intellectual Property Organization ("WIPO") Uniform Domain Name Dispute Resolution Policy 1999, which states:

4. b. Evidence of Registration and Use in Bad Faith. For the purposes of [Paragraph 4\(a\)\(iii\)](#), the following circumstances, in particular but without limitation, if found by the Panel to be present, shall be evidence of the registration and use of a domain name in bad faith:

...

- (iv) by using the domain name, you have intentionally attempted to attract, for commercial gain, Internet users to your web site or other on-line location, by creating a likelihood of confusion with the complainant's mark as to the source, sponsorship, affiliation, or endorsement of your web site or location or of a product or service on your web site or location.

- 13.2 See, for example *Credit Industriel* supra paras 6.10 and 6.16.

13.3 On the face of it the same approach seems appropriate for the purposes of unfair registration under para 4.1.2 of the Policy issued by DNC on behalf of InternetNZ.

14. The purported Response

14.1 For reasons outlined earlier, formal receipt of the Respondent's letters in opposition has been rejected. For the sake of completeness, however, it should be noted that acceptance of the letters as a formal Response would not have affected the outcome.

14.2 The first substantive argument advanced by the Respondent In his correspondence is that the disputed Domain Name (which he refers to as a "website") was neither in use nor being promoted. Clearly the Domain Name has been in use by means of the Freeparking site.

14.3 The Respondent's second contention is that the disputed Domain Name was not generating any revenue. That is clearly incorrect given its use to direct users to PPC sites. What the Respondent may mean is that he personally derives no revenue from the PPC sites. That may or may not be the case but of course his objective could be sale of the Domain Name to the Complainant rather than revenue in the meantime.

14.4 The Respondent's third contention is that prior to the Complaint he was unaware of the eharmony name and of the registered trade mark. For the reasons canvassed earlier that is impossible to believe, at least in relation to constant use on the internet as distinct from formal registration as a trade mark.

14.5 The Respondent's next contention is that he does not hold 206 domain names, but rather has registered fewer than a dozen domain names, one of which points to a live website. This bald and unsigned assertion must be compared with the Whois record produced by the Complainant that someone bearing the same name holds 202 domain names in addition to

the one in contention. Neither party's evidence on the point is conclusive and in any event the issue is not critical.

- 14.6 The Respondent's final point is the admission that on becoming aware of the Complaint he contacted the Complainant to discuss transfer of the Domain Name. This strongly supports the view that this was always an exercise designed to produce a profitable sale to the true owner of the rights in the name.

15. Decision

The Complaint is upheld. The disputed domain name "eharmony.co.nz" is to be transferred to the Complainant or its nominee.

Place of Decision

Auckland

Date

24 February 2011

Expert Name

Hon Robert Fisher QC

Signature: