

.nz Dispute Resolution Service

DRS Reference: 738

Allphones Retail Pty Ltd and AMT Group Pty Ltd v Irae Family Trust

Key Words for Indexing

Domain name

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

Identical or similar trade mark or name

Registered mark - trade name – identical

Unfair registration

Unfair registration – unfair use – likely to confuse, mislead or deceive - blocking registration

Jurisdiction

Respondent bound by Registration Agreement which incorporates Dispute Resolution Policy.

Procedure

Registration in name of 'Family Trust' – necessity for registrants to be named persons or corporations.

1. Parties

Complainant:

Allphones Retail Pty Ltd and AMT Group Pty Ltd
Level 7, 3 Rider Boulevard
Rhodes, NSW
Sydney
Australia
Represented by: Sarah Gerung, Legal Counsel

Respondent:

Irae Family Trust (name as appearing in Register)
3 Butler Street
Timaru
New Zealand

2. Domain Name

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

3. Procedural history

- 3.1 The Complaint was lodged on 15/11/2011 and Domain Name Commission Limited ("**DNC**"), notified the Respondent of the validated Complaint on 18/11/2011. The domain was locked on 19/12/2011, preventing any changes to the record until the conclusion of these proceedings.
- 3.2 There was no response filed by the Respondent.
- 3.3 The Complainant paid DNC the appropriate fee on 18/01/2012 for a decision of an Expert, pursuant to Paragraph 9 of the .nz Dispute Resolution Service Policy ("the Policy").
- 3.4 Hon Sir Ian Barker QC, the undersigned, ("the Expert") confirmed to the DNC on 24/01/2012 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.

4. Procedural Matters - Jurisdiction of Expert

- 4.1 The Respondent did not file a Response within the time required by the Policy, i.e. by 15 December 2011.
- 4.2 On 2 December 2011, a Mr Tim Jackson, claiming to be a trustee of the Lrae Family Trust, stated in an email to DNC that the Complaint was defended, and supplying some reasons for this stance. On 6 December 2011, DNC replied to Mr Jackson advising him to file a Response if he wished his submissions to be taken into account and advising him of the correct form for a Response.
- 4.3 On 15 December 2011, Mr Jackson advised that he could not file a Response in the standard form for the following reasons:

"Unfortunately use of the prescribed form via internet requires consent by me to the following:

"I will submit to the exclusive jurisdiction of the New Zealand courts with respect to any legal proceedings seeking to reverse the effect of a Decision requiring the suspension, cancellation, transfer or other amendment to a Domain Name registration, and I agree that any such legal proceedings will be governed by New Zealand law."

I do not so consent.

I appear to be required to confer some form of jurisdiction on your organisation before you will accept or consider any response to the application. That is an unusual and improper state of affairs.

I do not wish to consent to anything because at this stage, I can not discern any express consent by me to any process outside the law, either Statute or Common law. In other words, the law exists and may or may not govern this situation, but aside from that, I do not see that your Commission, as a private company and therefore a legal person such as myself, can have any authority in this situation. I do not wish to confer jurisdiction or authority on you if you do not already possess it. However, you may be able to point me to some document that can be used to show that I have unequivocally consented to jurisdiction by you over my property.

Your applicant can deal with me directly if it wishes but until I am satisfied you have jurisdiction that enables you to issue binding rulings or otherwise make decisions that affect my private property rights, I will not be taking further part in the process except on terms and with implications expressly agreed to by me in advance.

You have received a response and there is no legal requirement that it be on your form or submitted via the internet. A copy was also sent to the applicant. However, as mentioned, I require clear evidence of your jurisdiction and extent of legal authority before I proceed further.

*Lrae Family Trust
Per:
Tim Jackson (Trustee)"*

- 4.4 Because the Respondent did not file a Response in the prescribed form within the prescribed time, the DNC has had to treat the Complaint as undefended and proceeded to instruct the Expert.
- 4.5 On 1 February 2012, after the Expert had been instructed, the Respondent through Mr Jackson emailed DNC maintaining that the Respondent was not obliged to file a Response in the prescribed form, repeating the contentions set out in the email of 15 December 2011 and challenging the right of DNC and the Expert to affect the Respondent's property rights "in the absence of a hearing and submissions". The Respondent maintained that natural justice had been breached.
- 4.6 Because the Expert's jurisdiction had been challenged, the Expert is obliged to consider his jurisdiction to consider this complaint, despite the Respondent's failure to file a Response. Having been involved in domain name disputes for some 12 years (for WIPO, NAF, HKIAC as well as for DNC), this is the first time, to this Expert's knowledge, that any respondent has challenged the jurisdiction of the adjudicator of a domain name dispute. Although the organisations noted, other than DNC, operate under the Uniform Domain Name Policy ("UDRP") which has different provisions to the .nz Policy, all domain dispute resolution

systems base jurisdiction for the adjudicator on a standard-form agreement between a registrant and a registrar concluded at the time of initial registration and at each renewal.

4.7 In the present case, the Respondent registered the disputed domain name with 1st Domains and signed the standard form agreement with this Registrar. The agreement is required by DNC to be used by all registrars and to be accepted to be by all registrants of .nz domain names.

4.8 The relevant provisions of the .nz standard registration agreement are as follows:

(a) in the first line: "Please read this agreement in its entirety."

(b) Under the Registrant's Obligations: "*You agree that you will:...*

2.1 comply with the .nz policies. You agree that you have read and understood the current policies.

2.4 "... satisfy yourself that your use of a domain name will not infringe anybody else's intellectual property rights."...

2.6 "...ensure that the use of any domain name registered to you does not interfere with other users of the internet".

2.7 "... ensure that any order of any authority having jurisdiction regarding any domain name registered by you is complied with."

(c) "**10. To the extent legally permitted:**

10.1 all our services are provided under New Zealand law;

10.2 any claim or dispute arising out of or in connection with this agreement must be instituted within 60 days from the date the relevant service was supplied to you;

10.3 except as otherwise stated, you may take action against us only in a New Zealand court;

10.4 where you or any registrant for whom you act supplies incorrect information regarding a domain name and we incur cost in any matter concerning that name then we may recover the costs incurred by us from you."

4.9 Minor alterations to the standard registration agreement have been made over the years but the above provisions have remained unchanged over the period relevant to this case.

4.10 The same form is used at each renewal of the registration of a domain name when the registrant is again asked to accept the standard terms.

- 4.11 The disputed domain name in this case was transferred from 1st Domain's management to another Registrar, Domainz on 5 October 2011. The standard terms and conditions were accepted by the Respondent on that date in the process of transfer of the registration.
- 4.12 One of the ".nz policies" referred to in (b) above is the .nz Dispute Resolution Policy.
- 4.13 Relevant provisions of that Policy are as follows:

"1 Statement of Purpose

- 1.1 *This policy provides an alternative to the courts in situations where two parties are in dispute over who the registrant of a .nz domain name should be. Part A defines the policy and Part B the procedure supporting the policy.*

2 Background

- 2.1 *InternetNZ has the ultimate responsibility within New Zealand for the .nz domain name space, and maintains a shared registry system (SRS) for the management of .nz domain name registrations. InternetNZ has appointed Domain Name Commission Limited ("DNC") to manage and administer the .nz domain name space on behalf of InternetNZ.*
- 2.2 *A SRS establishes a single register for registering domain names and associated technical and administrative information. .nz Registry Services (NZRS) operates the register.*
- 2.3 *The registration of domain names and modification of information associated with that name on the register can be effected only by authorised registrars. Registrars are responsible for the information they collect.*
- 2.4 *Neither registrars nor the DNC get involved in disputes regarding who the true registrant of a domain name should be, but will undertake actions as directed either by the Courts or by the Experts under this policy.*
- 2.5 *This policy is one of the .nz policies that, as amended from time to time, all .nz registrants agree to be bound by when registering or renewing a .nz domain name.*
- 2.6 *Thanks go to Nominet UK for their assistance in establishing the .nz Dispute Resolution Service."*

B4 The Response

B4.1 Within fifteen (15) Days of the date of Commencement of Dispute Resolution Service proceedings, the Respondent shall submit a Response, if they choose to do so.

B4.2 The Respondent must send the Response to the DNC signed, and in hard copy and (except to the extent not available for attachments) in electronic form at the addresses set out in the explanatory coversheet. The Response shall:

B4.2.1 not exceed 2000 words (not including the text set out in paragraph B4.2.5 and annexes);

B4.2.2 include any grounds that the Respondent wishes to rely upon to rebut the Complainant's assertions under paragraph B2.3.5 including any relevant factors set out in paragraph 6 as well as any other factors which rebut the Complainant's assertions;

B4.2.3 specify whether the Respondent wishes to be contacted direct or through an authorised representative, and set out the email address, telephone number, fax number and postal address which should be used;

B4.2.4 tell the DNC whether any legal proceedings have been commenced or terminated in connection with the Domain Name(s) which is the subject of the Complaint.

B4.2.5 conclude with the following statement followed by the signature of the Respondent or its authorised representative:

'The information contained in this Response is to the best of the Respondent's knowledge true and complete and the matters stated in this Response comply with the Policy and Procedure and applicable law; and

B4.2.6 attach four (4) copies of any evidence on which the Respondent relies including correspondence and any trade mark registration and/or evidence of use of or reputation in a name or mark together with an index of the material attached.

B4.3 Within three (3) Days following the receipt of the signed copy of the Response, the DNZ will forward the Response to the Complainant.

B4.4 If the Respondent does not submit a Response, the Parties will be notified that an Expert will be appointed on receipt from the Complainant of the applicable fees according to paragraph B20 and in the absence of exceptional circumstances."

4.14 This Policy has been altered from time to time since it was introduced on 1 June 2006. However, the relevant extracts quoted above have remained unchanged throughout. The latest version is dated 1 July 2011 and would have been current when the Respondent entered into its new registration agreement with Domainz.

- 4.15 Like every other respondent in any domain name dispute, this Respondent is contractually bound by its registration agreement to accept the .nz Dispute Resolution Policy. It follows therefore that by agreeing to accept the terms of this Policy, both at the time of initial registration and at subsequent renewals, the Respondent has in its own words “Conferred some form of jurisdiction on your organisation”. The Respondent also acknowledged in the registration agreement that it had read and understood the current policies.
- 4.16 Although the above is enough to confer jurisdiction on the Expert, it should be pointed out that the Respondent agreed to satisfy itself that its use of the disputed domain name would not infringe anybody else’s intellectual property rights. A simple search of the New Zealand Trade Mark Register prior to registration would have revealed the Complainant’s pre-existing New Zealand trademarks.
- 4.17 Other concerns of the Respondent can be dealt with briefly:
- (a) There is nothing to stop the Respondent or the Complainant from approaching a New Zealand Court with any litigation concerning the disputed domain name. The Policy (like the UDRP) is designed to provide a cheaper and quicker alternative to court proceedings over domain names.
 - (b) It is difficult to understand why the Respondent objects to a clause in the standard prescribed form of Response regarding the exclusive jurisdiction of the New Zealand courts, as set out at the start of his 15 December 2011 email. If there were any litigation arising out of the Expert’s determination, it would be heard in a New Zealand Court since DRS and the Expert are both in New Zealand. It is hard to see how any other court system would or could accept jurisdiction. There is also the reference to New Zealand jurisdiction in Clause 10 of the registration agreement quoted above.
 - (c) The Respondent’s concern about a lack of natural justice in the process is misconceived. A perusal of the Policy will reveal that, like defendants in court proceedings who respond to any claim in a manner and time prescribed by Rules, a respondent is entitled to file a response for consideration by the Expert.
- 4.18 Accordingly, the Expert determines that he has jurisdiction to adjudicate on this Complaint.

Identity of Respondent

4.19 Before parting with this aspect of the matter, the Expert considers that registration should not have been accepted in the name of a “family trust”. Only individuals or legally incorporated corporations should appear on the Register as proprietors of domain names. In other words, domain names must be registered to a legal person(s).

4.20 This principle was established by the Expert in **Wicked Campers v Escape Rentals** (DRS 353) thus:

“4.1 On a strict view this matter came before me as a phantom dispute between non-existent parties. The complaint described the Complainant as “Wicked Campers”. The Domain Name and Response describe the Respondent as “Escape Rentals”. Neither is a recognisable legal entity. The documents go on to reveal much confusion over who is involved.

4.2 Rights attaching to the use of a Domain Name must be ultimately traceable to a legal person. Legal persons include natural persons (a specifically identifiable man, woman or child) and other legal entities having the power to sue or be sued such as limited liability companies and incorporated societies.

4.3 Business names, trading names, brand names and organisational names do not of themselves denote a legal person. At best they are a mask behind which the inquirer may be able to find the actual legal person or persons involved. That is why public registers of property are invariably confined to legal persons. Land, personal property and trade marks are good examples. If Domain Names are to have the status of legally recognisable intellectual property the same principles must apply.”

That decision was approved by the Expert in **Ag-Recruits (2008) Ltd v Rimfire Resources Pty Ltd** (DRS 624).

4.21 Public registers – notably the Land Transfer Register – do not allow trusts to be shown. The same principles must apply to the register of domain names just as for an interest in land which happens to be owned by trustees, the register must state the names of the trustees as the registered owners. Some vague term such as “X Family Trust” is not sufficient.

5. Factual background

5.1 The first Complainant, Allphones Retail Pty Limited (“Allphones”) is the wholly-owned subsidiary of the Second Complainant, AMT Group Pty Limited (“AMT”).

5.2 Allphones has 164 locations across Australia and is the largest independent telecommunications retailer in that country. It started

operations in Western Australia in 2000 and has expanded considerably since then opening company-owned, licensed and franchised stores. The products and user-plans of Australia's leading mobile carriers and network operators, plus handsets and telecommunication products and are all available at the Complainant's retail outlets.

- 5.3 AMT owns a registered trademark in New Zealand for the words "ALL PHONES". This trademark was filed on 4 September 2003 and registered on 26 March 2004. AMT also owns 14 other New Zealand registered trademarks in various classes which trade marks all incorporate the expression "ALLPHONES" but with a variety of words or numbers added.
- 5.4 Because of their linkage to one another, it will be convenient in this decision to refer to the Complainants jointly as 'The Complainant'.
- 5.5 The Complainant asserts that many New Zealanders would have been exposed to its brand when visiting Australia. There is no evidence of the Complainant having a retail presence in New Zealand currently.
- 5.6 The Complainant claims (and the Expert has verified through his own search) that a Google.co.nz search brings up the Complainant's website as the first search result. The Respondent's website states: "Telco Consultancy Service – Let us lower your monthly overheads". There is then a list of areas of telco service, i.e. Local Number, Fax Number, Internet, Eftpos, Free Call & Mobile", each with a tick beside it but no linkage.
- 5.7 The disputed domain name was registered on 14 May 2008.

6. Parties' contentions

a. Complainant

- 6.1 The Complainant has rights in a New Zealand trademark which is identical to the disputed domain name and in other New Zealand trademarks which are confusingly similar to the disputed domain name.
- 6.2 Any use by the Respondent of the disputed domain name which offers similar services to those of the Complainant marketed under its trademarks would be an infringement of the Complainant's rights.
- 6.3 It is not possible for the Respondent to use the disputed domain name in a way consistent with the generic descriptive character of 'Allphones' (Rule 6.1.2 of the Policy).

- 6.4 It is not possible for the Respondent to use the disputed domain name in connection with a genuine offering of services (Rule 6.1.1.1(a) of the Policy).
- 6.5 The Respondent is not commonly known by the name 'Allphones', nor is it legitimately connected with any trademark for that expression.
- 6.6 The Respondent's website is likely to confuse, mislead or deceive people or businesses into believing that the disputed domain name is in some way associated with or authorised by the Respondent.
- 6.7 There is no ability for the owner of the business to be identified on the website.
- 6.8 It is likely that the Respondent proposes to profit from the website because it has registered three other domain names in New Zealand, including <axtracker.co.nz>, which is the same as an Australian product called 'Axtracker' which is not a business associated with the Respondent.
- 6.9 The Respondent did not respond to correspondence sent to it by the Respondent's internet manager, IntelliServe, asking that the owners of the website 'cease and desist' use thereof.
- 6.10 For all the above reasons, the Respondent is seeking to block the Complainant's use of its trademarked name (Rule 5.1.1(b) of the Policy) and the Respondent's continued use of the disputed domain name constitutes an unfair registration.

b. Respondent

- 6.11 The Respondent did not file a Response.

7. Discussion and findings

Relevant Provisions of the Policy

- 7.1 The Policy applies to a Respondent 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)*
- 7.2 The Complainant is required to prove on the balance of probabilities that both elements are present (Policy, paragraph 4.2).

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

7.4 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."

7.5 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."*

7.6 Of relevance in this case is Paragraph 5.4 of the Policy which provides:

"In making their [sic] decision, the Expert shall not take into account any evidence of acts or omissions amounting to unfair registration or use which occurred more than three (3) years before the filing of the Complaint."

7.7 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:

- (i) *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;*
- (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."

7.8 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."

Rights

7.9 The Expert finds that the Complainant clearly has rights in respect of its ALLPHONES trade mark registered in New Zealand. The Expert is satisfied that the trade mark rights were established and existed prior to registration of the disputed Domain Name on 14 May 2008.

Identical or similar

7.10 The disputed domain name is identical to the Complainant's registered trade mark ALLPHONES. It is also confusingly similar to the Complainant's other trade marks which incorporate "ALLPHONES" as the dominant word.

Unfair registration

7.11 The Expert does not propose to address every one of the separate paragraphs of the Policy relied on by the Complainant as only one is specifically necessary in order for a Complaint to succeed. The Complainant's actions at the date of registration of the disputed domain name cannot be considered since they occurred more than 3 years

before the filing of the Complaint. Consequently, the first definition of “unfair registration” does not apply.

- 7.12 However, in the words of the second definition of “unfair registration” shown at paragraph 7.5 above, the disputed domain name has been or is likely to be used in a manner which took or takes advantage of or was or is unfairly detrimental to the Complainant’s rights.
- 7.13 The facts demonstrate that the Respondent is using the disputed domain name in a way likely to confuse, mislead or deceive internet users into believing it has some connection with the Complainant. The website is accessed by a domain name which is identical to the Complainant’s registered mark. The website advertises telecommunication services which must mislead internet users who may well think that the Respondent has some connection with the Complainant in the field of telecommunication retailing. Although the Complainant has not established a retail presence in this country, its numerous retail outlets in Australia cannot have escaped the attention of at least some New Zealand internet users who would have visited Australia.
- 7.14 The Complainant’s several New Zealand trademarks indicate its intention to safeguard its rights in its mark in this country. The disputed domain name blocks the Complainant from registering a domain name reflecting its trade marks.
- 7.15 The Respondent has not discharged the onus of proving that it comes within one of the exceptions set out in Para. 6.1 of the Policy quoted above. In the 3 years before the Complaint was filed, the Complainant has made no demonstrable preparations to use the disputed domain name in a genuine offering of goods and services. Nor is it known by the disputed domain name. Nor is there any evidence of any legitimate non-commercial use.
- 7.16 Accordingly, the Expert concludes that there is an unfair registration of the disputed domain name.
- 7.17 It is unnecessary to consider the submissions based on the Respondent’s alleged use of other domain names.

8. Decision

- 8.1 For the foregoing reasons the Expert finds the Complaint upheld. The disputed domain name <allphones.co.nz> is to be transferred to whichever of the two Complainants requests the transfer.

Place of decision Auckland

Date 8 February 2012

Expert Name Hon Sir Ian Barker QC

Signature