

.nz Dispute Resolution Service

DRS Reference: 770

Water Pik, Inc v Waterpik

Key words – registered mark – identical – unfair use – likely to confuse, mislead or deceive – prior relationships between the parties

1. Parties

Complainant:

Water Pik, Inc

1730 East Prospect Road

Fort Collins

Colorado

United States of America

Represented by: Ms Margaret Shearer

Respondent:

Waterpik

67 Dalwhinnie Parade Highland Park

Auckland

NZ (NEW ZEALAND)

Represented by:

2. Domain Name/s

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

3. Procedural history

The Complaint was lodged on 29/02/2012 and Domain Name Commission (DNC), notified the Respondent of the validated Complaint on 3/03/2012. The Domain Name was locked, preventing any changes to the record until the conclusion of these proceedings.

The Respondent filed a Response to the Complaint on 3/04/2012 and DNC so informed the Complainant on 3/04/2012. The Complainant filed a Reply to the Response on 11/04/2012. The DNC informed the parties on 8/05/2012 that informal mediation had failed to achieve a resolution to the dispute.

The Complainant subsequently paid DNC the appropriate fee 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 17/05/2012 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. The Expert was appointed on 18/05/2012.

4. Factual background

The Complainant

The Complainant is a United States Corporation based in Denver, Colorado. It manufactures and distributes, among other things, dental hygiene apparatus, including water jets and electric toothbrushes. It markets its products under a WATER PIK trade mark through distributors in a number of countries, including New Zealand.

The Complainant says, and the Respondent does not dispute, that it is the registered proprietor of two WATER PIK trade marks in New Zealand, being trade mark 95778 registered in 1970 in respect of “dental hygiene apparatus incorporating water jets”, and trade mark 96580 registered in 1971 in respect of “electronic toothbrushes”.

The Complainant has operated a website at www.waterpik.com (“the Complainant’s website”) since 1998, and has used its WATER PIK mark since that time. It produced pages from the Complainant’s website from various dates in May and June of 2007, downloaded from the Wayback Machine at www.archive.org. There were numerous photographs of the Complainant’s various products, and a prominent, stylized version of the WATER PIK mark immediately above the slogan “That’s better”.

Screenshots taken from the Complainant’s website in February 2012 showed that the stylised version of the WATER PIK trade mark which appeared on the Complainant’s website in 2007 was still being used.

The Respondent and the Domain Name – The Complainant’s Case

The Domain Name was registered on 27 June 2007, and it resolves to a website (“the Respondent’s website”) which offers WATER PIK products for sale.

In 2007 the Respondent’s website included the following statement:

“Welcome to netdental, your online dental shop ... Waterpik coming to NZ ... As the waterpik distributor in nz, we would like to introduce waterpik, the number one seller of oral irrigator to you ... Waterpik, the big name in oral irrigator ...”

The Complainant produced copies of several pages from the Respondent’s website printed on 30 October 2007, and one of the pages displayed what was clearly a copy of the stylised version of the WATER PIK mark used on the Complainant’s website. The expression “That’s better” also appeared beneath the stylised version of the WATER PIK mark, in what appeared to be the same position as it has appeared on

the Complainant's website. A small "TM" symbol appeared beside the expression "That's better". The Complainant contends, and the Respondent does not deny, that photographs appearing on the Respondent's website in 2007 had been copied from the Complainant's website.

The Complainant also produced three pages from the Respondent's website printed, or copied from the Wayback Machine, in 2010. The Home page referred to the Complainant as "we", or "us", in several places (for example, "... not only did Water Pik, Inc. (first known as AquaTec) invent the dental water jet oral irrigator, we have continued to be a leading developer, manufacturer and marketer of innovative health care products for the entire family. Although the name has changed over the years, some things have remained constant at Water Pik ..."; things that are important to us and to our customers").

The "About Us" page showed the Respondent referring to itself as "waterpik.co.nz" (e.g. "... At waterpik.co.nz, our mission is to save shoppers time and money ...").

A copy of the "Products" page printed from the Wayback Machine on 26 May 2010 contained a number of photographs of the Complainant's products. The Complainant says that at that time no other company's products were advertised on the Respondent's website.

However one or more non-WATER PIK products *were* featured on the 20 February 2012 "Products" page of the Respondent's website. One such product was a product called "H2O Floss Personal Dental Water Jet". Immediately below the description of this particular product, there appeared in brackets the expression "equals to WP-65". The Complainant explained that that is the code number for the equivalent product marketed by the Complainant. The description of the H2O Floss product appeared beside a photograph of a genuine WATER PIK product.

The Complainant says that following correspondence from it in 2007, the Respondent's website was taken down for a period of time. However, the Complainant learned that the Respondent's website was back up again in 2010. Subsequent negotiations between the parties ultimately failed to resolve the issues.

The Complainant says, and the Respondent does not deny, that the Respondent is not commonly known by the name "WaterPik" (the Respondent calls itself "Netdental", and the email address provided on the Respondent's website incorporates the expression "netdental").

The Complainant says that the Respondent is not an authorised reseller of WATER PIK products, and has not been authorised by the Complainant to register or use the Domain Name.

The Response

The Respondent says that it was the distributor in China for Water Pik Products in 2003, and that at that time the Complainant's General Manager for Asia told the Respondent that if it could move to New Zealand, the Complainant's Asia General Manager would "support us". The Respondent says that it then registered the Domain Name, and started selling Water Pik Products in New Zealand. It says that it is operating the Respondent's website with the permission of the Complainant's Asia General Manager.

The Respondent contended that, without the Complainant's support, it could not have sold Water Pik products in New Zealand at that time.

The Respondent went on to say in the Response that it has not been claiming that it is an authorised Water Pik distributor. The Respondent said in the Response:

"... We have explained to our customers clearly that we are the seller of Waterpik and other products, did not misleading any how. Because what [the Complainant] said is that we are not the authorised distributor, which means there is no bond with us, so we have the right to sell anything."

Pre-commencement Correspondence between the Parties

The Complainant first wrote to the Respondent on some date in 2007 (the copy of the Complainant's letter was not dated, but it is possible to say that the letter was probably written in late 2007, as it gave the Respondent a deadline of 26 November 2007 to comply with certain demands (which included a demand that the Respondent cease and desist using the Domain Name, and sign appropriate forms to transfer the Domain Name to the Complainant)). The 2007 letter specifically alleged that the Respondent was neither an authorised distributor of the Complainant's Products, nor authorised to use the Complainant's trade marks. The Complainant contended that the Respondent holding itself out as a Water Pik distributor would cause confusion and deception.

The Complainant also produced a copy of a letter from its United States attorneys to the Respondent, which appears to have been sent in early 2010 (again, the letter is undated, and the Expert is only able to conclude from an April 10, 2010 deadline which was given near the end of the letter, that it was probably sent in early 2010. The letter referred to earlier correspondence sent by the Complainant to the Respondent relating to the Respondent's website, following which the Respondent's website was said to have been shut down. The letter went on to note that the Respondent had recommenced use of the Domain Name to offer a website featuring the Complainant's products. The combined use of the Domain Name and the layout of the Respondent's website was said to falsely suggest to customers that the Respondent was either the

sole authorised distributor of genuine WATER PIK Products in New Zealand, or part of the Complainant organisation. The Complainant's attorneys demanded that the Respondent take down the Respondent's website, cease and desist any future use of the Domain Name, and sign appropriate forms or take appropriate action to transfer the Domain Name to the Complainant.

Neither party produced any other correspondence, and it is not clear whether the Respondent replied to either of these letters.

The Complainant's Reply

In its reply, the Complainant stated that it has terminated its relationship with the person who was its Asia General Manager in 2003. That individual was the appointed distributor for China, Hong Kong, Singapore, and Taiwan only, and although he was permitted to appoint sub-distributors, he only had authority to do so in the territories in which he was himself authorised to sell (i.e., China, Hong Kong, Singapore, and Taiwan). Furthermore, any sub-distributors who might have been appointed by the Complainant's Asia General Manager would have been required to operate dental offices or pharmacies i.e., on-the-ground facilities. The Complainant stated that its Asia General Manager in 2003 was not authorised to register domain names using the WATER PIK mark, or to sell the Complainant's goods generally on the Internet (that would have been contrary to exclusive arrangements the Complainant had with distributors in other territories).

Contrary to the Respondent's assertion, the Complainant contended that it is entirely possible that the Respondent could have obtained WATER PIK products without any direct purchase or support from the Complainant. However, any supply from the Complainant's former Asia General Manager, knowingly for sale in New Zealand or online, would have been unauthorised.

5. Parties' contentions

a. Complainant

The Complainant contends:

1. The Domain Name is an Unfair Registration in the hands of the Respondent, under paragraph 5.1.2 of the Policy. The Respondent is using and has used the Domain Name 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. Apart from the references on the Respondent's website to the Complainant in the first person, there is no other branding or material on the Respondent's website which would indicate that someone else is operating the site, or that the site is not authorised by or

representative of the Complainant. For example, there is no third party branding banner on the web pages, and the only quasi-entity clearly referred to on the Respondent's website (apart from the Complainant) is "waterpik.co.nz". This reinforces the impression of the Respondent's website being the authorised site for the Complainant's products in New Zealand.

2. The fact that the Respondent has sold genuine products of the Complainant through the Respondent's website does not prevent the Domain Name from being an Unfair Registration. First, the Respondent has not been using the Respondent's website to sell *only* the Complainant's WATER PIK goods. Secondly, the Respondent's website does not accurately disclose the Respondent's relationship (or the absence of a relationship) with the Complainant as the owner of the WATER PIK mark (citing *Oki Data Americas Inc v ASD Inc*, WIPO Case No. D2001-0903, *Nikon Inc v Technilab*, WIPO Case No. D2000-1774, and *Houghton Mifflin Co v Weatherman Inc*, WIPO Case No. D2001-0211). These decisions under the Uniform Domain Name Dispute Resolution Policy ("UDRP") have held that compliance with those conditions is necessary if sales of a trade mark owner's genuine goods through a website at a disputed domain name which is identical to the trade mark, are to be regarded as *bona fide* transactions. The criteria under the UDRP for assessing a respondent's *bona fides* in those circumstances, are equally applicable to assessing the issue of "Unfair Registration" under paragraph 5.1.2 of the Policy – both address the issue of whether use of the disputed domain name would be likely to confuse, mislead, or deceive people or businesses into believing that the disputed domain name is registered to, operated or authorised by, or otherwise connected with the complainant.
3. The fact that the Respondent's website now promotes products other than WATER PIK products on a website that appears to be the official website of the Complainant in New Zealand, unfairly disrupts the business of the Complainant, by drawing customers to the Respondent's website by the use of the Complainant's reputation and trade mark, and then offering substitute products for sale by reference to their similarity with the genuine products of the Complainant. Accordingly, the Respondent's use of the Domain Name also offends against paragraph 5.1.1(c) of the Policy.
4. The Complainant denies the Respondent's contention that it was authorised to register and use the Domain Name.

b. Respondent

The Respondent contends:

1. The Respondent registered the Domain Name with the permission of the Complainant, given through the Complainant's Asia General Manager.
2. The Respondent considers that the Domain Name is its property, because of that permission and because the Complainant had not registered the Domain Name.
3. Because the Complainant has registered WATER PIK and waterpik.com in the United States, that does not give the Complainant any automatic right to register the Domain Name. When the Complainant registered its WATER PIK trade mark in the United States in the early 1970s, the Internet was not very popular at that time and it "did not bring all waterpik under its name, of course that name is not being protected on the moon".
4. The Respondent has not been misleading its customers on the issue of its relationship with the Complainant.
5. Because the Respondent is not an authorised distributor of the Complainant, it has no bond with the Complainant, and so has the right to sell anything.
6. The Complainant's claim is unfair.

7. Discussion and findings

A. 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 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; and*

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.

...

5.1.5 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.”

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:

- (a) used or made demonstrable preparations to use the Domain Name or a Domain Name which is similar to the*

Domain Name in connection with a genuine offering of goods or services;

- (b) *been commonly known by the name or legitimately connected with a mark which is identical or similar to the Domain Name;*
- (c) *made legitimate non-commercial or fair use of the Domain Name."*

The list in paragraph 6 also includes the following:

"6.1.3 In relation to paragraph 5.1.5, that the Respondent's holding of the Domain Name is consistent with an express term of a written agreement entered into by the Parties."

Paragraph 5.4 of the Policy precludes the Expert from taking into account any evidence of acts or omissions amounting to unfair registration or use, which occurred more than three years before the date of the Complaint.

B. 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.

This element of the Complaint has been proved. There is no dispute that the Complainant is the registered proprietor of a WATER PIK trade mark, and that mark is identical to the Domain Name (the generic suffix ".co.nz" is not taken into account in the comparison).

C. Unfair Registration in the hands of the Respondent

The first point to be noted under this heading, is that the Complainant cannot rely on the first limb of the definition of "Unfair Registration". That limb is concerned with the circumstances which existed at the time the Domain Name was registered by the Respondent, and that occurred back in June of 2007. The Complaint was not filed until 29 February 2012, and clause 5.4 of the Policy prevents the Expert from taking into account any act or omission of the Respondent which occurred more than three years before that date.

For the same reason, the Expert cannot and does not take any account of the Complainant's evidence of events which occurred in 2007, or of the Respondent's Website as it stood in that year.

The question then, is whether the Complainant's evidence of circumstances or events existing or occurring after 29 February 2009, is sufficient to bring the Respondent's conduct within the second limb of the definition of "Unfair Registration", namely:

“(ii) [the Domain Name] 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.”

The Complainant relies on paragraph 5.1.2 of the Policy, alleging that the Respondent has been 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.

In the Expert’s view, the Complainant has provided ample evidence of circumstances falling within this paragraph. First, the use of the expressions “we” and “us” on the Respondent’s website in 2010 appears to have been clearly calculated to create the impression that the Respondent’s website was the website of the Complainant (e.g. the text on the Respondent’s website at that time claimed that “we have continued to be a leading developer, manufacturer and marketer of innovative healthcare products ...”. As far as the evidence shows, the Respondent has never been a manufacturer of any relevant product). And the Complainant’s unchallenged statement that the only products displayed on the Respondent’s website in 2010 were products of *the Complainant*, leaves little room for doubt that the Respondent’s intention at that time was to create the impression that the Respondent’s website was the official New Zealand website of the Complainant.

The likelihood of confusion has been exacerbated by the fact that the Complainant is the registered proprietor of the WATER PIK mark in New Zealand for “dental hygiene apparatus incorporating water jets”, and the Respondent appears to have been marketing products of that description through the Respondent’s website (e.g. the “H2O Floss Personal Dental Water Jet”, featured on the Respondent’s website on 20 February 2012).

The Expert has visited the Respondent’s website (on Friday, 25 May 2012), and notes that the Respondent’s website still contains the first person plural language that suggests that the website is operated by the Complainant. The “About Us” page identifies the operator of the website only as “waterpik.co.nz”, and refers to that entity bringing “a comprehensive range of waterpik dental care products into New Zealand”. The text relating to the H2O Floss Personal Dental Water Jet had been removed by 25 May 2012.

Nowhere on the Respondent’s website did there appear to be anything in the nature of a disclaimer, advising website visitors that the Respondent has no current connection with the Complainant.

The clear overall picture the Expert has from the evidence, is that the Respondent has been using the Complainant’s goodwill in its WATER PIK mark to attract Internet users to the Respondent’s website, for commercial gain. In the Expert’s view, the circumstances fall squarely within paragraph 5.1.2 of the Policy.

The evidence of circumstances falling within para 5.1.2 of the Policy has not been countered by evidence of use of the Domain Name in connection with a “genuine” offering of goods or services (Policy, para 6.1.1(a)). In the Expert’s view, an offering of goods or services through a website at a disputed domain name cannot be “genuine” if the respondent’s intention has been to mislead Internet users into believing that the website at the disputed domain name is operated or endorsed by the complainant.

Turning to the Respondent’s other contentions, the submission that the Domain Name is its property because the Domain Name was available and the Respondent was the first to register it, can be disposed of quickly. When the Respondent registered the Domain Name, it undertook to abide by the terms of the Policy. In so doing, the Respondent agreed that it might *not* be entitled to retain the Domain Name if a party holding relevant “Rights” asserted in a complaint made under the Policy that the Domain Name in the hands of the Respondent constituted an “Unfair Registration”. That is precisely what has occurred.

The Respondent also contended that it registered the Domain Name, and has continued to use it, with the permission of the Complainant’s Asia General Manager. The Complainant denies that its former Asia General Manager had any authority to give such permission.

The Expert notes that the Respondent has produced nothing in writing to support the alleged “permission” from the Complainant’s Asia General Manager. All there is, is a bare allegation that the Complainant’s Asia General Manager told the Respondent that he or she would “support” the Respondent if it moved to New Zealand. That unsupported allegation falls far short of the situation described in para 6.1.3 of the Policy – circumstances showing that a respondent’s continued holding of a disputed domain name is consistent with an express term of a written agreement entered into by the parties.

And in any event the Expert is not concerned with the Respondent’s bona fides or otherwise in *registering* the Domain Name; because of para 5.4 of the Policy, he is only concerned with events occurring after 29 February 2009, and in particular the Respondent’s *use* of the Domain Name after that date. At least as far as its use of the Domain Name in 2012 is concerned, the Respondent now seems to accept that it is not an authorised distributor of the Complainant’s products. It submits that in those circumstances it has “the right to sell anything”. The Expert does not accept that submission, essentially for the reasons advanced by the Complainant on the basis of the *Oki Data Americas* case. The Respondent cannot register the Complainant’s New Zealand trade mark as a domain name and then use that domain name to establish a website at which goods of the Complainant’s competitors are sold – to do so is to misappropriate the Complainant’s goodwill in its mark for the purpose of diverting potential business from the Complainant (or its authorised New Zealand distributor) to the Respondent. The position is exacerbated by the absence of any statement on the Respondent’s website that the Respondent has no relationship with the Complainant. In the Expert’s

view such use of the Domain Name has clearly been detrimental to the Complainant's rights in its WATER PIK mark.

The Expert need only address the Respondent's other submissions very briefly. First, the Expert cannot understand the Respondent's reference to the Complainant's 1970s registration of WATER PIK trade marks. The Complainant, as the registered proprietor of a WATER PIK mark in New Zealand, has no need to rely on marks registered in the United States. Secondly, the Expert is satisfied on the evidence in this proceeding that the Respondent *has* been misleading its customers on the issue of its relationship with the Complainant. The very use of a Domain Name consisting precisely of the Complainant's New Zealand-registered trade mark to sell online goods similar to those marketed by the Complainant, coupled with the absence of any clear statement on the Respondent's website that the Respondent has no connection with the Complainant, leaves little room for doubt that the Respondent has been wrongly endeavouring to attract to the Respondent's website Internet users who were expecting to find a website operated or endorsed by the Complainant.

In the Expert's view the Respondent's use of the Domain has taken unfair advantage of the Complainant's Rights as the registered proprietor of the WATER PIK mark in New Zealand. It has also been detrimental to those rights.

For all of the foregoing reasons, the Expert finds that the Domain Name, in the hands of the Respondent, is an Unfair Registration as defined in the Policy.

8. Decision

For the foregoing reasons, the Expert orders that the Domain Name <waterpik.co.nz> be transferred to the Complainant.

Place of decision Auckland, New Zealand

Date 29 May 2012

Expert Name Mr Warwick Smith

Signature