

## **.nz Dispute Resolution Service**

**DRS Reference: 787**

### **Zippo Manufacturing Company v Lin Shen**

Key words - Domain name – zippo.co.nz – identical trade mark – registered mark – unregistered mark – unfair registration – offer to sell – monetary demands – likely to confuse, mislead or deceive – respondent having no connection with trade mark - transfer

#### **1. Parties**

Complainant:

Zippo Manufacturing Company

33 Barbour Street

Bradford

Pennsylvania 16701

United States of America

Represented by: Mr Thomas Huthwaite

Respondent:

Lin Shen

Fu Li Jia Yuan 19 Zhuang 302 Shi

Huzhou

Zhejiang 313000

China

Represented by: Lin Shen

#### **2. Domain Name/s**

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

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

- 3.1 The Complaint was lodged on 24/05/2012 and Domain Name Commission (DNC), notified the Respondent of the validated Complaint on 29/05/2012. The domain was locked on 23/05/2012, 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 Domain Name Commission Limited the appropriate fee on 29/06/2012 for a decision of an Expert, pursuant to Paragraph 9 of the .nz Dispute Resolution Service Policy ("the Policy").
- 3.4 Mr Andrew Brown QC, the undersigned, ("the Expert") confirmed to the DNC on 3/07/2012 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. Factual background**

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

- 4.1 The Complainant is Zippo Manufacturing Company, a company incorporated in Pennsylvania, United States. The Complainant carries on business primarily as a manufacturer and retailer of cigarette lighters, cigarette lighter accessories, and various other personal accessories and products.
- 4.2 The Complainant states that, since 1932, it has manufactured, advertised and sold cigarette lighters and other related products under the ZIPPO trade mark. It states that it also offers various services, including electronic information services, relating to cigarette lighters and other articles, retail and wholesale services, online sales of its products, and financial sponsorships.

##### ***Complainant's Registered Trade Marks***

- 4.3 The Complainant is the owner of a number of trade mark registrations in New Zealand which comprise or incorporate the word ZIPPO variously in classes 3, 4, 8, 9, 11, 14, 16, 18, 25, 28, 34, 35, 36, 37, and 42. The deemed dates of registration for the Complainant's registered trade marks range between 15 March 1944 to 14 February 2008.
- 4.4 The Complainant relies in particular on the following trade mark registrations in class 34 covering cigarette lighters and various cigarette related articles:
- (a) The device mark ZIPPO (40359) with a deemed date of registration of 15 March 1944 for:
- "Smokers' articles of all kinds, cigar, and cigarette lighters; pyrophoric lighters, parts and accessories; sparking metal; flints; cigar and cigarette holders; pipes"
- (b) The device mark ZIPPO (650559) with a deemed date of registration of 24 December 2001 for:
- "Cigarette papers"
- (c) The word mark ZIPPO (773389) with a deemed date of registration of 6 August 2007 for:
- "Lighters, including cigarette lighters, not of precious metal; lighters, including cigarette lighters, of precious metal"

- 4.5 The Complainant also relies in particular on trade mark no. 284885 with a deemed date of registration of 17 November 1997 for the word mark ZIPPO in class 35 in relation to various information services with reference to cigarette lighters (including via electronic communications), retail and wholesale services featuring cigarette lighters and other items.

*Complainant's reputation*

- 4.6 The Complainant asserts that:
- (a) It enjoys reputation and goodwill in its ZIPPO marks globally and in New Zealand in relation to the manufacture and sale (including online) of cigarette lighters, cigarette lighter accessories and various other personal accessories and products;
  - (b) It has extensively promoted its products and services under the ZIPPO mark on the Internet for many years, including via its website [www.zippo.com](http://www.zippo.com);
  - (c) Its ZIPPO registered trade marks have long been among the most recognised and famous brands in the world and are something of an American icon. It announced in April 2012 that it expected to produce its 500 millionth lighter in the same year;
  - (d) Its global annual turnover exceeded USD\$140,500,000 (NZ\$184 million) in 2011, and in New Zealand alone in the same year sales amounted to USD\$256,000 (NZ\$335,250);
  - (e) It has an authorised distributor in New Zealand (Sheldon & Hammond), and Minit Group and two other distributors distribute its products to small tobacco shops and similar outlets;
  - (f) The annual advertising expenses of its distributors in New Zealand are approximately USD\$7,900 (NZD\$10,350), such expenses in 2011 being approximately USD\$5,000 (NZD\$6,550);
  - (g) For these reasons, the ZIPPO marks are famous, based on the Complainant's international and widespread use of the ZIPPO Marks for decades, significant sales of products and services, widespread publicity, advertising and sponsorship, widespread consumer use, registrations of the ZIPPO Marks in countries around the world, and the Complainant's use of the ZIPPO Marks in its corporate names and domain names.
- 4.7 The Complainant states that an unknown third party, Jim White, contacted it by email on 24 April and 14 May 2012 offering to sell it the

Domain Name for USD\$5,000. The Complainant states that it first became aware of the Domain Name and its associated website upon receiving the first email from Jim White on 24 April 2012. After further investigation, it became aware that the actual registrant of the Domain Name was the Respondent and not someone named "Jim White".

### ***The Respondent***

- 4.8 The Respondent is Lin Shen of Huzhou, China. The Respondent registered the Domain Name on 18 February 2012.

### ***Content hosted at the Domain Name***

- 4.9 As at the date of the Complaint, the Domain Name was being used to host a website containing sponsored links including to websites offering for sale:

- (a) Genuine Zippo cigarette lighters;
- (b) Cigarette lighters manufactured by competitors of the Complainant;
- (c) Other smoking related products not manufactured by the Complainant.

- 4.10 Also as at the date of the Complaint, the Domain Name contained a link to a website offering the Domain Name for sale for USD\$5,000.

## **5. Parties' contentions**

- 5.1 The Complainant contends that the Domain Name is an unfair registration because:

- (a) The Respondent's actions infringe the Respondent's registered trade mark for ZIPPO under at least sections 89(1)(a) and/or (b) of the Trade Marks Act 2002;
- (b) To any extent that the Respondent's actions are considered use of dissimilar services to those for which the Complainant holds trade mark registrations, the ZIPPO marks are well known and the Respondent's actions take unfair advantage of or are detrimental to, the distinctive character or repute of the ZIPPO Marks according to section 89(1)(d) of the Trade Marks Act 2002;
- (c) The Domain Name is confusingly similar to the Respondent's famous and registered trade marks for ZIPPO (the "ZIPPO Marks");

- (d) The Respondent does not have any rights to or a legitimate interest in the Domain Name because it appears to improperly benefit from the goodwill of the ZIPPO Marks, whether by revenue gained by click-through advertising or by cybersquatting for the purposes of sale. The Respondent is not and has never been authorised by the Complainant to use the ZIPPO Marks or register the Domain Name;
- (e) The Respondent's registration and use of the Domain Name constitute bad faith because it is using the fame of the ZIPPO Marks to generate revenue from advertising, and because the Respondent is cybersquatting for the purposes of selling the website;
- (f) The Respondent can have no legitimate intention for the use of the Domain Name and is preventing the Complainant, as the rightful owner of the ZIPPO Mark, from using the Domain Name;
- (g) The Respondent's actions constitute a misrepresentation in the course of trade, calculated to injure the business or goodwill of the Complainant, or being likely to mislead or deceive, and is causing actual damage or will cause damage to the Complainant.

5.2 The Complainant has drawn to the attention of the Expert five decisions of previous Experts which it says are comparable and in which the relevant Domain Name was transferred to the relevant Complainant.

5.3 The Respondent did not respond to the Complaint.

## **6. Discussion and findings**

6.1 The Complainant is required to satisfy the Expert on the balance of probabilities that it has met the requirements of paragraph 4 of the Policy namely 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.”

### **Rights**

6.2 The term “Rights” is defined in paragraph 3 of the Policy which provides as follows:

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

- 6.3 The Complainant has clearly demonstrated that it has registered trade marks in New Zealand for marks comprising ZIPPO. Under s10(1) of the Trade Marks Act 2002 the Complainant has the exclusive right in New Zealand to:
- (a) Use those registered trade marks; and
  - (b) Authorise other persons to use those registered trade marks.
- 6.4 The Complainant accordingly has rights enforceable under New Zealand law in the word mark ZIPPO. These rights existed prior to registration of the Domain Name (the deemed dates of registration of the Complainant's New Zealand trade marks being between 15 March 1944 and 14 February 2008).
- 6.5 The Expert also finds that the Complainant has shown that as at the date of registration of the Domain Name, the Complainant had reputation rights in New Zealand in the mark ZIPPO, including by way of the sale and advertising of the Complainant's products in New Zealand.
- 6.6 The Expert considers that the Domain Name is identical to the Complainant's registered trade mark ZIPPO and satisfies the requirement in paragraph 4.1.1 that the Complainant have rights in respect of a mark which is identical or similar to the Domain Name.

### **Unfair registration**

- 6.7 Unfair registration is defined in paragraph 3 of the Policy as follows:

**"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."

- 6.8 A non-exhaustive list of factors which may be evidence that the Domain Name is an Unfair Registration is set out in paras 5.1.1 – 5.1.5 of the Policy:

- 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 has knowingly given false contact details to a Registrar and/or to the DNC; or

5.1.4 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 Complaint would be entered in the Register as the Registrant of the Domain Name;

6.9 The Expert considers that the Domain Name:

(a) 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; and

(b) Has been, and (if not transferred) is likely to continue to be, used in a manner which takes unfair advantage of or is unfairly detrimental to the Complainant's Rights.

(a) *Trade mark infringement: ss 89(1)(a) and (b)*

6.10 The Expert agrees with the Complainant's contention that the Respondent's actions constitute trade mark infringement of the Complainant's registered trade mark ZIPPO (word mark) in classes 34 and 35. The Respondent is using the mark ZIPPO in relation to the offering for sale (via links from the Domain Name) of cigarette lighters and other smokers accessories which are not manufactured by the Complainant and which are not genuine ZIPPO products.

(b) *Registration for the primary purpose of selling the Domain Name*

6.11 The presence on the website hosted at the Domain Name of a link to another website offering the Domain Name for sale for US\$5,000 (which link must have been put in place or authorised by the

Respondent) indicates that when the Respondent registered the Domain Name, it did so primarily for the purpose of selling the Domain Name to the Complainant. This satisfies item 5.1.1(a) in the non-exhaustive list of factors which may be evidence that a Domain Name is an Unfair Registration.

- 6.12 As to the emails dated 24 April and 14 May 2012 from “Jim White” to the Complainant offering to sell the Domain Name for US\$5,000, there is no direct evidence that “Jim White” was the Respondent. However, it is noteworthy that the offer price of US\$5,000 is identical to that listed in the links on the Domain Name. This fact plus the direct written approaches to the Complainant on two occasions strongly suggests that, even if “Jim White” was not the Respondent, the sales offers were made with the approval or authority of the Respondent. The offers themselves state that the author of the letter is “the owner of zippo.co.nz”.
- 6.13 For all these reasons, the Expert is satisfied that the Complainant has met the requirements of both limbs of the definition of Unfair Registration. Further, there is no evidence that the Respondent has any rights to the mark ZIPPO.

## 7. Decision

- 7.1 For the foregoing reasons, the Expert orders that the Domain Name *www.zippo.co.nz* be transferred to the Complainant.

**Place of decision**                      Auckland

**Date**    10 July 2012

**Expert Name**                              Mr Andrew Brown QC



**Signature**