

.nz Dispute Resolution Service

DRS Reference: 789

QUIX New Zealand Limited v HINGE SERVICES CENTRAL LTD

Key words – registered mark – Unfair Registration – legitimate non-commercial or fair use – likely to confuse, mislead or deceive - materiality and weight.

1. Parties

Complainant:

Quix New Zealand Limited, Quix Auckland Limited, and Azura Consultants Limited

c/o SEQEL Partners

Level6 , 2 Commerce Street

Auckland

New Zealand

Represented by: Mr Donald Jaine

Respondent:

Hinge Services Central limited

Waitaki Sound Technologies Limited (t/a) QUIX (sin

(previously): 'Hinge Services Central Limited' t/a

P.O. Box 79

9441

Roxburgh

NZ (NEW ZEALAND)

Represented by: Mr Keith Clare

2. Domain Name/s

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

3. Procedural history

1. The Complaint was lodged on 29/05/2012 and Domain Name Commission (DNC), notified the Respondent of the validated Complaint on 29/05/2012. The domains were locked on 29/05/2012, preventing any changes to the record until the conclusion of these proceedings.
2. The Respondent filed a Response to the Complaint on 22/06/2012 and the DNC so informed the Complainants on 22/06/2012. The Complainants filed a Reply to the Response on 29/06/2012. The DNC informed the parties on 19/07/2012 that informal mediation had failed to achieve a resolution to the dispute.

3. The Complainants paid DNC the appropriate fee on 23/07/2012 for a decision of an Expert, pursuant to Paragraph 9 of the .nz Dispute Resolution Service Policy (“the Policy”).
4. Mr Warwick Smith, the undersigned (“the Expert”) confirmed to DNC on 25/07/2012 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. The Expert was appointed by DNC to give a decision in this case, on 26/07/2012.
5. Due to the exceptionally large volume of documents submitted in the case, it was impracticable for the Expert to give his decision within 10 working days. Accordingly, on 09/08/2012 the Expert extended the time for the decision until 17/08/2012.

4. Factual background

The Complainant

6. The Complainant Quix New Zealand Limited established a national network of independent plumbing businesses, which operate under the trademark “QUIX”, in 2010. The Complainant, Quix Auckland Limited, a company created by the merger of two pre-existing plumbing businesses in Auckland, became the first independent member of the Quix New Zealand Limited network.
7. The third Complainant, Azura Consultants Limited (“Azura”), is the registered proprietor of the New Zealand registered word mark “QUIX”. That mark has been registered with effect from 20 May 2008, for “building construction, repair and maintenance services including, but not limited to plumbing and drainage services of all types”, in Class 37. According to the Complainants, Azura has licensed the use of the registered “QUIX” mark to Quix New Zealand Limited, and that company has on-licensed the use of the mark to Quix Auckland Limited.
8. The Complainants provided with the Complaint a declaration made by Donald Rodney Jaine, a lawyer and former patent attorney who was instrumental in the establishment of Quix New Zealand Limited. Azura is a company owned by Mr Jaine.
9. In his declaration, Mr Jaine stated that he created the trademark “QUIX” as an acronym, which would suggest the words “Quick” and “Expert”, for use by the new consolidated plumbing business.

10. At the time of registering the QUIX trademark in 2008, Mr Jaine stated that he conducted a trademark search to identify that there was no competitive service mark. His evidence was that, at the time, the only “QUIX” registrations were in very different classes. He stated that a search of the internet at the time revealed no website exposure or use of the Domain Name.
11. It appears that it was not until 2010, when the Quix Auckland Limited business was established, that steps were taken by the Complainants to secure a “quix” domain name and establish a website. The domain name <quixnz.com> was secured, and a member of Mr Jaine’s family who is a professional designer developed a website for the new business, at that domain name. Mr Jaine stated that it was at this time that the Complainants discovered the existence of the Domain Name. There was then no website at the Domain Name, nor any evidence of an active business involving the Domain Name.
12. At paragraph 15 of his declaration, Mr Jaine stated:
 - “15. Given that the group had by then expended considerable monies on developing brands, websites, etc. and also having regard to the fact that we could find no identified business under the quix.co.nz domain name, we elected to continue to proceed with the trademark QUIX and obtained a registration for quixnz.com as a domain name.”
13. Mr Jaine declared that, from the outset of the establishment of Quix Auckland Limited, objections to its use of the expression “Quix” have been received from Mr Clare of the Respondent. The Complainants elected to ignore Mr Clare’s complaints, on the stated basis that engaging in dialogue with Mr Clare was not likely to achieve any positive outcome for Quix New Zealand Limited or its network members.
14. Mr Jaine said that court action against Mr Clare and/or the Respondent had been considered under the Fair Trading Act, but that that approach “*appears fraught because of the time and cost and the fact that Mr Clare has no competing business and is simply running “interference”*”.

The Respondent and the Domain Name

15. The Respondent (now called Waitaki Sound Technologies Limited) was incorporated on 28 October 1999, and the Domain Name was registered on 18 November 2002.
16. No website has ever been established at the Domain Name, but it is apparent that the Respondent has been using the Domain Name for sending and receiving emails, or at least has been permitting Mr Clare to do so.

17. Mr Clare is both the major shareholder in the Respondent and the administrative contact for the Domain Name. A copy of an application to open a credit account with a commercial organisation which was produced with the Response, showed his date of birth as “23/11/53”. It appears from the voluminous Response and the material produced with it that Mr Clare is an electrician, and that he has also been an inventor (e.g. as the holder of New Zealand Registered Patent No. 330552 for an invention relating to improvements to a hinge).
18. In a 23 page statement attached to the Complaint, Mr Clare contended that he had coined the expression “Quix” in 1965, when he found how to create an “original ambient analogue surround sound” system. The expression “Quix” was said to be a combination of an abbreviation for “Quick Fix”, and an acronym for Mr Clare’s theories of “**Q**uadrasonic **U**nity of **I**nnovative **eX**ponential functionality”.
19. The Respondent provided a number of exhibits showing that it has used a “Quix” mark in trade. These included business cards, a bank statement, and a truck number plate. (The Complainants do not dispute that the Respondent has used a “Quix” trade mark. However, they say that the Respondent’s use of that expression has been limited to that of a sole trader in the Roxburgh area, dealing in a loose assortment of services of an electrical contracting nature. They deny that the Respondent or Mr Clare had used the mark QUIX for plumbing services in New Zealand before Azura obtained its registration of that mark in May 2008).
20. The Respondent produced extracts of letters from a firm of patent attorneys showing that Mr Clare has received at least some advice on what would be required to obtain trade mark registration for the expression “Quix”. He appears not to have acted on that advice, however, and as far as the evidence shows, has never sought registration for his claimed “Quix” mark. Instead, the Respondent and Mr Clare appear to have acted on advice which Mr Clare said was given to him by his patent attorney in 1998, pursuant to which he “undertook to make his “QUIX” trade name highly visible by any and all means available”. Those “means” appear to have included various product flyers, the personalised “Quix” number plate on the company truck, numerous “Quix” websites, and use of the expression “Quix” on numerous Internet sites and blogs. However there was very little evidence of the use of the expression in association with the provision of specific goods or services.
21. In the Response, the Respondent stated that emails appearing to have come “from main.office@quix.co.nz”, were not in fact sent from any website at the Domain Name, but from Telecom’s Xtra servers (on the Respondent’s behalf). The Respondent described the Domain Name as a “portal point” to quix@xtra.co.nz, and at page 12 of his 23-page supplementary statement, Mr Clare described the Domain Name as “one master domain that has been used to centralise all emails into the company thus far”.

Mr Clare's Emails and Messages

22. The Complainants produced copies of a number of emails sent by Mr Keith Clare from an email address at the Domain Name.
23. These included a lengthy cease and desist email sent on 24 December 2010 to certain individuals associated with the Complainants, as well as to a firm of patent attorneys which had acted in the past for Mr Clare. This email consisted of several pages of largely repetitive text, all with the theme that Mr Clare owned all rights in "Quix" as a trading mark, and that the Complainants should immediately cease and desist from any use of that mark.
24. Mr Clare also left a message on the "Quix Service Request" facility at the Complainants' website at www.quixnz.com, on 24 December 2010. The message alleged that the Complainant "Quix" companies were breaking New Zealand copyright law. Mr Clare also referred to his New Zealand hinge patent. The Complainant "Quix" companies were again requested to cease and desist from any use of the expression "Quix" in New Zealand or on the Internet.
25. On 26 January 2011, a company called Dimond, one of Quix Auckland Limited's suppliers, emailed a quote to "yvette ... @quix.co.nz". That email was received by Mr Clare at an email address at the Domain Name. On 27 January 2011, Mr Clare emailed a response to Dimond stating:

"Please cancel all orders .. Cheers.

QUIX NZ"
26. Dimond promptly raised the matter with Yvette, who referred the matter to Mr Jaine on 2 February 2011, reporting that Dimond had assumed the sender of this email to be a staff member of Quix Auckland Limited, and were confused over what they thought was the cancellation of their business with Quix Auckland Ltd.
27. On 3 June 2011, Mr Clare sent an email addressed to a website design company which had apparently been engaged by the Complainants. In the email, Mr Clare challenged the legality of the Complainants' "Quix" website, referring to a claimed 1965 trademark and to the Domain Name which had been registered by the Respondent in 2002. The email asserted at considerable length that Mr Clare owned the "Quix" brand name, which was said to have been advertised all around the Internet. The Complainants and their website designers were accused of failing to conduct due diligence which would have revealed the Respondent's claimed prior rights in "Quix". The email concluded by advising the website design company to cease and desist (forthwith) "any usage of 1965 trading brand Quix ... anywhere in New Zealand – or upon the Internet ..."

28. In a 13 September 2011 communication to the service mail box at www.quixnz.com, Mr Clare referred to a second email received from Dimond which had been addressed to “Yvette” at the Domain Name. He asserted that the Respondent had never had any employees in the 11 years that it had been trading in New Zealand, and referred to Yvette as the “fictitiously named .. non-employee .. of QUIX”.
29. On 13 September 2011, Mr Clare also sent an email direct to Dimond, asking who the “Yvette” was to whom Dimond had kept sending emails addressed to the email address at the Domain Name (notwithstanding “many requests” from Mr Clare that Dimond desist from doing so). Mr Clare went on to tell Dimond in this email that “QUIX” was and had since 1965 been his own personal, sole trader brand. Mr Clare accused Dimond of illegally sending “spam” emails to his email address at the Domain Name, and referred also to “illegal trading” by two Auckland plumbers. He requested that Dimond cease all trading with Quix New Zealand Limited and Quix Auckland Limited.
30. A similar episode occurred in October 2011 when a plumbing supplies company sent an email to Yvette, “@quix.co.nz”. Mr Clare elected to send a reply email, advising that there never had been anyone called Yvette working for “Quix” (in New Zealand), and that it was Mr Clare who had been using the name “Quix” from 1985 until 2003 for his trade as a sole trader electrician. Mr Clare asserted in this email that “QUIX” was his own acronym for the expression “QUICK FIX”. He complained that the Complainants had not bothered doing any form of due diligence before they started to trade, using Mr Clare’s brand name, in 2010.
31. It appears that the supplier who received Mr Clare’s October 2011 email was not unduly concerned or confused by it: on 28 October 2011, the supplier referred the email on to Mr Rendle of Quix Auckland Limited, with the comment:

“It seems there is a slightly upset electrician with a lot of time on his hands.”
32. On 30 April 2012, a company appearing to be a client of one of the Complainants sent an email to “service@quix.co.nz”, reporting on an overflowing urinal and asking to get a plumber to the relevant area to effect repairs ASAP. Mr Clare received this email, and about an hour after it was sent he emailed the one word reply “no” from an email address at the Domain Name.
33. On 11 May 2012, Yvette sent an email from her iPad asking that an invoice from a law firm should be readdressed, with a copy to her. Yvette’s email was sent to service@quix.co.nz. Mr Clare replied in colourful terms refusing to readdress anything. He accused Yvette of spamming his email address, and referred again to his claimed rights in the Domain Name.

34. At page 6 of the Respondent's 23-page statement, Mr Clare referred to "supplier-generated spam deliberately generated from around Auckland areas". The implication of this statement appears to be that the spam emails were generated by the Complainants.
35. The Respondent produced copies of a number of emails received at the inbox at the Domain Name which it said were spam emails addressed "@quix.co.nz". All appear to have been sent on 21 May 2012. Mr Clare sent a reply email setting out details of the Respondent's claimed rights in a "Quix" mark, and rejecting the "spam".
36. The sender of these wrongly addressed emails quickly sent a reply email saying:
- "Sorry mate, sent to wrong person. Thanks for your life story.
..."
37. The Respondent acknowledged that Mr Clare sent numerous cease and desist emails or messages to the Complainants, and it did not challenge the authenticity of the communications from Mr Clare upon which the Complainants rely. However, it contended that those communications were entirely justified having regard to its or Mr Clare's sole rights to the use of the expression "Quix" in New Zealand and on the Internet.
38. The Respondent said in the Response that Mr Clare had telephoned the Complainants' accountants, but they had hung up on him when he mentioned his "Quix" copyright and trade mark priority. The Respondent said that all other attempts to contact the Complainants had been to no avail.
39. The Respondent denied any harassment of the Complainants' customers. His contention (at page 11 of the 23-page statement) was that he was trying to alert the customers to the Complainants' allegedly illegal activities, and to dissuade them from continuing to "spam" the Respondent's email systems.

5. Parties' contentions

a. Complainants

40. The Complainants contend:
1. that the Complainants have rights in the New Zealand-registered trademark QUIX;
 2. the Domain Name is identical to the Complainants' QUIX mark;
 3. Quix New Zealand Limited has a registered trademark and has also acquired common law trademark rights in the expression "Quix" for plumbing services in New Zealand. The Respondent's business, on the other hand, is at best very small,

being a part time operation based in Roxburgh. The Respondent has not established any website at the Domain Name, and there is no evidence of any use by the Respondent supporting goodwill in the trademark QUIX except as a sole trader in Mr Clare's home town. As a consequence, continuance of the Domain Name in the hands of the Respondent is an unfair registration.

4. Neither the Respondent nor Mr Clare could conduct any business in the Complainants' field, the provision of plumbing services, as they do not hold a licence to conduct a plumbing business, and they would be infringing the Complainants' rights under Azura's registered trademark if they did so.
5. The Respondent's view that it has legal rights in the trademark QUIX for all goods and services in the world is wrong.
6. Copyright law is not relevant, and nor is the Respondent's registered patent.
7. The Respondent has been continuously interfering in the Complainants' business, and its activities constitute a serious and escalating attempt to frustrate the Complainants' legitimate business.
8. The Respondent's conduct demonstrated by the emails produced with the Complaint provides a clear indication of abusive action by the Respondent, and also misleading and deceptive conduct.
9. The Respondent seems unwilling to accept that its registration of the Domain Name does not provide it with any right to prevent the Complainants from conducting their legitimate business. If requested to act in a proper manner with respect to the redirection of emails from the Complainants' customers, the Respondent will not behave in a professional manner.
10. The Complainants ask for the transfer of all of the Respondent's domain names which may include the trademark QUIX.

b. Respondent

41. The Respondent contends:
 1. The Complainants have no rights in any relevant "Quix" mark or name.
 2. The Complainants have deliberately made a frivolous, malicious and vexatious claim, while having absolutely no grounds for that claim.

3. Mr Clare and/or the Respondents have used the mark “QUIX” worldwide since 1999, including in respect of a “Quix” patented invention. Mr Clare personally holds the rights for all New Zealand uses of “Quix”, having regard to his 1965 copyright in that expression.
4. The Respondent’s rights in “Quix” pre-date the Complainants’ claims.
5. The Complainants have been guilty of a deliberate and malicious attempt at reverse domain name hijacking.
6. The Complainants have been guilty of spamming the Respondent’s email address with falsified emails, and they have acted in breach of the Copyright Act 1993, the Trademarks Act 2002, and New Zealand’s fair trading laws. Azura’s claimed trademark rights in a “QUIX” mark were illegally obtained, as the Respondent held unregistered rights in the QUIX mark which pre-dated the Azura application.
7. The company Quix New Zealand Limited was registered in 2010 in defiance of the Companies Act 1993 (no new company can be registered with a name corresponding to a prior existing trademark held by another New Zealand company).
8. The Respondent counterclaims that the Complainants’ domain name <quix.net.nz>, registered on 4 August 2010, was falsely registered, and constitutes an unfair registration (having regard to the Respondent’s prior rights in a “Quix” copyright and/or trademark). The Respondent claims “full entitlement” to that domain name, the registration of which constitutes cybersquatting *vis-à-vis* the Domain Name.
9. The Respondent is entitled to claim that its rights in the mark QUIX have acquired the status of a famous mark.
10. The Respondent requests the handing over of the Complainants’ assets advertised on the Complainants’ website, as well as all rights to that website.

6. Discussion and findings

Relevant Provisions of the Policy

42. 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)
43. The Complainant is required to prove on the balance of probabilities that both elements are present (Policy, paragraph 4.2).
44. 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.
45. 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.”
46. Under paragraph 5.4 of the Policy, the Expert is not permitted to take 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.
47. 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:
-5.1.2 *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.*”
48. Paragraph 5.2 of the Policy provides that a respondent’s failure to use a disputed domain name for the purposes of email or a website is not in itself evidence that that domain name is to be regarded as an unfair registration in the hands of that respondent.
49. 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.*

Application of the Policy in this Case

(1) *Do the Complainants have enforceable rights in a name or mark which is identical or similar to the Domain Name?*

50. For the purposes of this Complaint, the Complainants have sufficiently proved that the Complainant Azura does hold such rights. Azura is registered as the proprietor of the New Zealand trade mark QUIX (in respect of particular defined services in Class 37), and that mark is identical to the Domain Name.

51. The Respondent protests that Azura is not entitled to that registration, but that argument goes far beyond the scope of administrative proceedings such as these, which provide only for a relatively cheap, “fast-track” means of resolving disputes about domain names. Once a complainant in a proceeding under the Policy demonstrates that it holds a registered trademark which is identical to the at-issue domain name, the expert dealing with the dispute is in no position to second guess the decision of the Commissioner of Trade Marks to register the mark, and he or she will rarely if ever do so. This Expert sees no reason to depart from that approach. If the Respondent remains aggrieved by the presence of Azura’s QUIX mark on the register of trade marks, it is for the Respondent to make an application to the Court or to the Commissioner of Trade Marks to have the registration revoked.

(2) *Is the Domain Name, in the Hands of the Respondent, an Unfair Registration?*

52. In the Expert’s view, the answer to that question is “no, not yet”.

53. The first pertinent point to note is that the Respondent registered the Domain Name as long ago as 2002, some six years before Azura acquired its registered QUIX trade mark and approximately eight years before the Complainants commenced any trade use of their QUIX mark. The immediate implication of that fact is that the first limb of the definition of “Unfair Registration” can have no application in this case. At the time the Domain Name was registered the Complainants had no

Rights at all, and the Respondent's manner of acquisition of the Domain Name could not have taken unfair advantage of, or been unfairly detrimental to, Rights which did not then exist. The Complainants therefore had to make out their case under the second limb of the definition of "Unfair Registration", namely that the Domain Name:

"(ii) has been, or is likely to be, used in a manner which took unfair advantage or was unfairly detrimental to the Complainants' Rights."

54. Paragraph 5.4 of the Policy precludes the Expert from taking into account any evidence of acts or omissions alleged to amount to Unfair Registration which occurred more than three years before the Complaint was filed. In this case, that means that the Expert is only concerned with acts or omissions (which are alleged to be evidence of an Unfair Registration) occurring after 29 May 2009.
55. There is no evidence in this case that the Respondent has been using the Domain Name in a manner which takes *unfair advantage* of the Complainants' Rights in their QUIX mark. Nor is there any evidence that the Respondent, who does not hold the necessary licence to provide plumbing services under the regulations governing the plumbing industry, is ever likely to do so. The Complainants' case can only be that the Respondent has been using, or is likely to use, the Domain Name in a manner which is *unfairly detrimental* to the Complainants' Rights in their QUIX mark.
56. The Complainants point to the fact that the Respondent has never established a website at the Domain Name. But that cannot be enough. The mere absence of a website could hardly, of itself, cause detriment to somebody else's trade mark. Furthermore, the Policy provides at paragraph 5.2 that a respondent's failure to use a disputed Domain Name "for the purposes of email or a website" is not in itself evidence that the disputed Domain Name is an Unfair Registration. And it is not disputed that the Respondent has been using the Domain Name for the purposes of email (whether that use has been through redirection to a Telecom server seems to the Expert to be beside the point – the fact is that the Respondent has deployed the Domain Name in such a way that any third party addressing an email to the Domain Name will reach the Respondent, and an email address at the Domain Name will appear on emails sent by Mr Clare from the Domain Name).
57. Even if the Respondent had not been using the Domain Name for email purposes, the Expert does not consider that this is a case where mere "passive holding" of the Domain Name by the Respondent could be considered abusive, or unfair. The Complainants concede in their Reply that the Respondent has shown some modest use of a QUIX mark in trade, albeit restricted to the general Roxburgh locality where Mr Clare resides. That use clearly preceded the Complainants' use of

their QUIX mark. In those circumstances, it would be impossible to say that there was no conceivable legitimate use to which the Respondent might have put the Domain Name (an essential ingredient of the concept of bad faith use through passive holding of a domain name, of the kind discussed by the panel in *Telstra Corporation Limited v Nuclear Marshmallows*, WIPO Case No. D2000-0003, a leading case decided under the Uniform Domain Name Dispute Resolution Policy¹).

58. In the Expert's view, the Complainants' strongest argument for "detriment" to their QUIX mark, is that at least some of the emails which the Respondent has sent from an email address at the Domain Name have arguably been 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. Mr Clare's emails referred to at paragraphs 25 and 32 above, in particular, appear to fall into that category. As such, they may constitute evidence that the Domain Name, in the hands of the Respondent, is an Unfair Registration (Policy, paragraph 5.1.2).
59. In these emails, Mr Clare clearly intended to give the impression that the replies were coming from the Complainants. No matter how frustrated Mr Clare may have felt at receiving emails wrongly addressed to him at the Domain Name, it was a step too far for him to reply to Dimond with an email giving the appearance that the Complainants were cancelling all orders previously placed by the Complainants with Dimond. Likewise, sending a terse "no" reply to a company which had obviously intended to approach the Complainants to arrange urgent repairs to a urinal, was capable of confusing the recipient of the email and potentially causing damage to the Complainants' goodwill in their QUIX mark.
60. In the Expert's view, these two emails do constitute circumstances falling within paragraph 5.1.2 of the Policy.
61. The email communications which the Respondent or Mr Clare have sent so far to the Complainants themselves, or to their web design company, do not in the Expert's view come within paragraph 5.1.2. They would not have misled or deceived anyone. Nor is it easy to see how communications directed to the Complainants and their professional advisers could have had any detrimental effect on the Complainants' rights in their QUIX mark.
62. Similarly, the reply emails Mr Clare sent to the plumbing supplies company who had emailed "Yvette...@quix.co.nz" (referred to in paragraph 30 above), and to the sender of the wrongly addressed May 21, 2012 emails (paragraph 35 above) do not appear to have confused or misled the recipients. Mr Clare set out his claims to rights in a

¹ The Uniform Domain Name Dispute Resolution Policy applies to domain name disputes in a number of generic top level domains, including .com, .org, .net and .biz.

“QUIX” mark in those replies, and the recipients quickly realised that they had sent their emails to the wrong address.

63. Proof of a limited number of incidences of conduct falling within paragraph 5.1.2 of the Policy does not necessarily mean that the Complainants have succeeded in establishing that the Domain Name is an Unfair Registration in the hands of the Respondent. As the Appeal Panel noted in the United Kingdom case of *Verbatim Limited v Michael Toth*, (Nominet Appeal Panel Decision No. DRS 04331, 31 July 2007):

*“The Policy states that the factors set out in paragraph 3 [the UK equivalent of paragraph 5 of the New Zealand Policy] **may be evidence** that the Domain Name is an Abusive Registration [the UK equivalent of an “Unfair Registration”]... it is clear that no single factor, without any additional ingredients, will necessarily establish abuse... the Expert’s role is then to consider the materiality and weight of all the evidence in determining whether it is sufficient to establish that the domain name is an Abusive [in New Zealand, “Unfair”] Registration.”*

64. In this case, there are other factors which must be weighed against a small number of proved uses falling within paragraph 5.1.2 of the Policy. First, it appears likely that the Respondent is entitled to point to factors which are deemed under the Policy to be evidence that the Domain Name is *not* an Unfair Registration in its hands. The evidence shows that the Respondent has been using the Domain Name for an email address, and there is nothing to suggest that he has only recently commenced doing that. As the Domain Name was registered as long ago as 2002, it seems more likely than not that the Respondent was using the Domain Name for email purposes before Azura acquired rights in its QUIX mark in 2008. To the extent that the Respondent was using the Domain Name for emails relating to the genuine offering of some goods or services before 2008, such use would appear to come within paragraph 6.1.1(a) of the Policy. To the extent that the Respondent may have been using the Domain Name before 2008 for private, non-commercial purposes, the use would come within paragraph 6.1.1(c) of the Policy (non-commercial use of the Domain Name).
65. So there are some factors pointing towards Unfair Registration, and others pointing to the opposite conclusion. The Expert’s task is to decide what weight should be given to these factors and decide, in the round, whether the Respondent’s use of the Domain Name has been (or is likely to be) unfairly detrimental to the Complainants’ Rights in its QUIX mark, and is thus an Unfair Registration.
66. In carrying out that task, the Expert finds the following factors particularly relevant:

- (i) The Respondent registered the Domain Name, perfectly lawfully, in 2002. The Complainants, having acquired legal rights in a QUIX mark some 6-8 years later, now seek to deprive the Respondent of its registration. Under the Policy, the onus of proof is on the Complainants to justify the transfer order they seek.
- (ii) Wrongly directed emails are an irritation to which all of us who use the internet are occasionally subjected. Some recipients will politely forward the email on if they believe they know the identity of the intended recipient, others will simply delete the email. The Expert is not aware of any Internet or other protocol which would require the Respondent to re-direct to the Complainants emails which have been wrongly addressed to an email address at the Domain Name, and the Complainants did not direct the Expert's attention to any such protocol.
- (iii) After the Complainants commenced business under their QUIX mark in 2010, Mr Clare repeatedly put his case to them. The Complainants made a deliberate decision not to reply. While that decision may have been understandable given the repetitive and aggressive nature of Mr Clare's correspondence, the Complainants' stance may have had the unfortunate (and, no doubt, unintended) effect of allowing Mr. Clare to believe that the Complainants had no answer to his claims. The Expert notes that many of Mr Clare's claims to legal rights in the expression "quix" appear to have had no merit, and if that had been pointed out to the Respondent by the Complainants fairly early in the piece, there is at least the possibility that the Respondent may have sought advice and been dissuaded from the conduct of which the Complainants now complain. In the Expert's view, the fact that the Complainants elected to remain silent in the face of Mr Clare's claims, is a factor going to the question of whether any detriment the Respondent's emails may have caused to the Complainants' rights in its QUIX mark, can be described as "unfair".
- (iv) The very nature of Mr Clare's communications, in which he has generally set out his claimed rights in the expression "quix" at length, tend, in the Expert's view, to make it less likely that third parties would be confused or deceived by them. The reference to "a slightly upset electrician with a lot of time on his hands", and the reply comment from one Internet user who had wrongly sent an email to the email address at the Domain Name: "Thanks for your life story", do not suggest that Mr Clare's actions have been causing any significant detriment to the Complainants, at least at

this stage. The Expert also notes that Dimond's business relationship with the Complainants apparently did not cease after Mr Clare sent the reply email to Dimond purporting to cancel all orders.

- (v) No doubt those who send emails to incorrect email addresses appreciate that they are themselves at fault in that respect, and that the intended recipient should not be held accountable for whatever may be the response of the actual recipient of the email.

67. Weighing it all up, the Expert is not satisfied at this stage that the Complainants have proved that the Domain Name, in the hands of the Respondent is an Unfair Registration. In the Expert's view, the Respondent's frustrated reactions on receiving a few wrongly addressed emails have not yet reached the threshold of being likely to cause detriment to the Complainants' QUIX mark.
68. The Complaint will accordingly be dismissed. However the Expert notes that it will be open to the Complainants to lodge a further complaint against the Respondent in the event that the Respondent's future acts with respect to the Domain Name justify a new allegation that the Domain Name has become an Unfair Registration (in the hands of the Respondent), and the new complaint can meet the requirements of paragraph 12.6 of the Policy.
69. The Respondent has alleged that the Complainants have been guilty of reverse domain name hijacking. That contention is dismissed. The Respondent needs to appreciate that it came very close to losing the Domain Name in this case, and that if it indulges in any unfair conduct with respect to the Domain Name in the future it will put itself at risk of an expert dealing with a second complaint by the Complainants under the Policy deciding that the Domain Name *has become* an Unfair Registration in the hands of the Respondent.
70. The Expert strongly encourages the Respondent to take legal advice on its position. Many of the Respondent's ideas about his legal rights appear to be completely misconceived, and the Respondent and Mr Clare will not help themselves by repeatedly advancing claims which appear to have little or no merit.²
71. It remains only to mention the various other "claims" made on both sides. First, there is the Respondent's "counterclaim" for an order that the domain name <quix.net.nz> be transferred to it. The Policy makes

² By way of example only, the Respondent and/or Mr Clare have claimed copyright in the word "quix". Quite apart from the fact that Mr Clare would only have been 12 years old when he claims to have coined the expression, it seems unlikely that there could be any copyright in a simple four-letter expression such as "quix". The Respondent and its legal advisers might begin by looking at the decision of the UK Court of Appeal in *Exxon Corporation & Ors v Exxon Insurance Consultants International Ltd* [1981] 3 All ER, where the Court held that the (longer) expression "Exxon" was not an original literary work in which copyright could subsist.

no provision for such counterclaims, and if the Respondent wishes to pursue that matter, it will need to file a separate complaint with DNC, and (if no Response is filed, or if no resolution is reached at a mediation), pay the appropriate fee for an expert determination.

72. The Expert similarly has no jurisdiction to address the Respondent's claims to the "handing over" of the Complainants' assets associated with their "Quix" website.
73. Likewise, the Complainants' claim (made at the end of their Reply) "for transfer of all of the Respondent's domain names, including the trademark QUIX", is dismissed. The Expert only has authority to make orders concerning the specific Domain Name which is the subject of the Complaint. Any concerns the Complainants may have with other domain names owned by the Respondent will have to be the subject of a fresh proceeding or proceedings under the Policy.

7. Decision

For the foregoing reasons, the Complaint is denied.

Place of decision Auckland, New Zealand

Date 17 August, 2012

Expert Name **Warwick Smith**

Signature