

.nz Dispute Resolution Service

DRS Reference: 877

Shutterstock, Inc. v Bai Xiqing

Key words – Registered Mark – identical – offer to sell, rent or otherwise transfer – likely to confuse, mislead, or deceive.

1. Parties

Complainant:

Shutterstock, Inc.

60 Broad Street

30th Floor

New York

United States of America

Represented by: Mr William Clark

Respondent:

Bai Xiqing

1328 Pudong Avenue

Shanghai

China

Represented by: Bai Xiqing

2. Domain Name/s

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

3. Procedural history

The Complaint was lodged on 17/06/13 and Domain Name Commission (DNC), notified the Respondent of the validated Complaint on 20/06/13. The domain/s were locked on 17/06/13, preventing any changes to the record until the conclusion of these proceedings.

There was no response filed by the Respondent.

The Complainant paid Domain Name Commission Limited the appropriate fee on 29/07/13 for a decision of an Expert, pursuant to Paragraph 9 of the .nz Dispute Resolution Service Policy ("the Policy").

On 30/7/2013, The undersigned Warwick Smith was appointed by DNC as an independent expert under the Policy, to give a decision on the Complaint.

4. Factual background

The Complainant

The Complainant is a New York corporation, which carries on business in the field of licensing the use of digital data, including still and moving images. According to the Complainant, it is known to artists, photographers, designers, producers, editors and other creators and consumers of images and film clips, around the world.

The Complainant is the registered proprietor of the word mark SHUTTERSTOCK (“the Word Mark”), registered on the principal register maintained by the United States Patent and Trademark Office. The Complainant applied to register the Word Mark on February 8, 2005, and the application proceeded to registration on April 25, 2006. The registration covers the “licensing of digital data, namely still images for use in the fields of electronic and print publishing, graphic design, advertising, product packaging and interactive multimedia, in International Class 35.

The Complainant also holds an International registration for the Word Mark under the Madrid Agreement and Protocol, effective July 24, 2008.

The Complainant says that its marks have been used worldwide, including in New Zealand.

The Respondent and the Domain Name

The Domain Name was registered on 17/4/2013. It resolves to a Sedo parking page (“the Respondent’s website”) that includes a search engine and links to third party websites advertising stock content (with illustrations and photographs). Some of these links are to websites of the Complainant’s competitors. One of the click-on links shown on a copy of the Respondent’s website which the Complainant produced, was “Shutter Stock images”. There was also a link to the Complainant’s website at www.shutterstock.com.

The copy of the Respondent’s website which the Complainant produced was headed: “BUY THIS DOMAIN: The domain shutterstock.co.nz may be for sale by its owner!”

The Complainant also produced extracts from the website www.sedo.com, showing the Domain Name listed for sale, first at US\$5000 and later at \$500.

As requested in the Complaint, the Expert has visited the Respondent’s website. While some of the sponsored links were different, the Respondent’s website appeared to be in substantially the same form as the copy produced by the Complainant.

The Respondent is not associated in any way with the Complainant, and has not sought the Complainant’s permission to use its marks.

Pre-Commencement Correspondence

The Complainant's representative sent a cease and desist email to the Respondent on 30/4/2013. The email sought the transfer of the Domain Name to the Complainant, on the basis that the Complainant would compensate the Respondent for his costs directly relating to the transfer.

The Respondent replied on 2/5/2013, advising that he would transfer the Domain Name for \$1,000.

The Complainant immediately offered US\$300 for the Domain Name, and the Respondent countered with a figure of US\$800 the same day, saying that that was his minimum figure.

The Complainant's representative replied immediately, advising that unless the Respondent could provide a specific and compelling rationale for his US\$800 figure, the Complainant would commence formal proceedings to recover the Domain Name.

The Respondent then emailed: "For a quick sale, my final offer is \$500."

The Complainant then commenced the present proceeding.

5. Parties' contentions

a. Complainant

The Complainant contends:

- (1) The Complainant has Rights in respect of the Word Mark, and the Word Mark is identical or similar to the Domain Name.
- (2) The Domain Name, in the hands of the Respondent, is an Unfair Registration, having regard to the following:
 - (a) The Respondent is aware of the strength of the Word Mark and has been relying on the strength of the Word Mark to draw internet traffic to the Respondent's website. The Respondent has thus been using the Word Mark to directly compete with the Complainant for the Complainant's customers.
 - (b) The Respondent has no rights or legitimate interests in respect of the Domain Name. He has not been using the Domain Name in connection with any *bona fide* offering of goods or services, nor making any legitimate non-commercial or fair use of the Domain Name.
 - (c) The Respondent's intention has been to deceive visitors looking for the Complainant's website, for the purpose of generating

advertising revenue, including from advertisements for the Complainant's direct competitors.

- (d) The Respondent's rapidly changing demands for payment for the Domain Name upon being contacted by the Complainant, provide further evidence of the Respondent's bad faith. The Respondent's intention has been to sell the Domain Name to the Complainant for a significant amount.
- (e) There is no reason for the Respondent to have registered the Domain Name other than to trade off the reputation and goodwill the Complainant has in its SHUTTERSTOCK marks.

b. Respondent

The Respondent did not submit any response.

6. Discussion and findings

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:*

- (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;*

...

- 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."*

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.*

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."

Application of the Policy in this Case

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

The Expert is satisfied that the Complaint *does* have such rights. The Complainant has sufficiently proved that it is the registered proprietor of the Word Mark, and the Word Mark is identical to the Domain Name (the ".co.nz" suffix is not taken into account in the comparison which is required by paragraph 4.1.1 of the Policy).

It does not matter that the Word Mark is not registered in New Zealand. The definition of the expression "Rights" in the Policy is wide enough to cover a trade mark or service mark registered on the principal register maintained by the United States Patent and Trademark Office.

(2) Is the Domain Name an Unfair Registration in the hands of the Respondent?

Again, the Expert is satisfied that it is.

First, the Expert is satisfied that the Respondent must have known of the Complainant and the Word Mark when he registered the Domain Name in April of 2013. The Domain Name is not the kind of expression anyone who was not aware of the Complainant and the Word Mark would have thought of, and the Respondent has not denied knowledge of the Complainant, whether in the pre-commencement correspondence or by way of Response filed in this proceeding.

If the Respondent was aware of the Complainant and the Word Mark, which the Expert finds to be the case, the Respondent must have appreciated that any website established at the Domain Name would attract internet users who would believe the website to be operated or associated with the Complainant. The circumstances fall squarely within paragraph 5.1.2 of the Policy – i.e. 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.”

The fact that the Domain Name was offered to the Complainant for sale only 15 days after it was registered, confirms the Expert’s impression that the Respondent had no intention to make any *bona fide* use of the Domain Name when it was registered. It appears from the evidence that the Respondent registered the Domain Name with the intention of attracting to the Respondent’s website internet users who would assume the Respondent’s website was connected with the Complainant, for the purpose of deriving pay-per-click or other advertising revenue, and/or for the purpose of provoking an offer from the Complainant to buy the Domain Name, at a price which would provide the Respondent with a profit (itself deemed by paragraph 5.1.1(a) of the Policy to be evidence of an Unfair Registration).

None of the matters specified in paragraph 6 of the Policy (factors which may provide evidence that a domain name registration is not an Unfair Registration) apply in this case. On the available evidence, the Respondent’s use of the Domain Name has been neither legitimate nor fair, for the reasons set out above. Nor has there been any “genuine” offering of goods or services by the Respondent – the Domain Name simply resolves to a parking page, and the fact that it was listed for sale within days of its registration confirms that no genuine offering of goods or services was intended.

Having regard to the foregoing matters, the Expert is satisfied that the Domain Name was registered and has been used in a manner which took and has taken unfair advantage of the Complainant’s Rights in the Word Mark, and is therefore an “Unfair Registration” under both limbs of the definition of that expression.

The Complainant having proved both elements under paragraph 4.1 of the Policy, there will be an order for the transfer of the Domain Name to the Complainant.

7. Decision

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

Place of decision: Auckland, New Zealand

Date: 6 August 2013

Expert Name: Warwick Smith

Signature