

.nz Dispute Resolution Service

DRS Reference: 983

Key words

Domain name – capitalsmart.co.nz

Identical or similar trade mark or name – registered marks – similar

Rights – no demonstrable preparations to use, or use, before Complaint

Unfair Registration – offer to sell or otherwise transfer – likely to confuse, mislead or deceive – unfairly disrupting the business of the Complainant – blocking registration – Respondent having no connection with name or trade mark

Procedure – remedies – transfer

1. Parties

Complainant:

Capital S.M.A.R.T. Repairs Australia Pty Limited
91 Rushdale Street
Knoxfield
Victoria 3180
Australia

Respondent:

Eastlight Asset Trading No.3 Limited
19 Paterson Street
Wellington 6011
New Zealand

2. Domain Name/s

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

3. Procedural history

- 3.1 The Complaint was lodged by the Complainant's representative (Chris Round of K & L Gates at Melbourne) on 27 June 2014. The domain was locked on 27 June 2014, preventing any changes to the record until the conclusion of this case. The .nz Domain Name Commission ("DNC")¹ notified the Respondent of the validated Complaint by letter dated 27 June 2014.

¹ Domain Name Commission Limited is a company wholly-owned by InternetNZ (Internet New Zealand Inc) responsible for the day-to-day oversight of the .nz domain name registration and management system.

- 3.2 The Respondent had until 22 July 2014 to file a Response. The Respondent filed a Response to the Complaint on 22 July 2014. The Complainant had until 4 August 2014 to file a Reply to the Response. The Complainant filed a Reply on 4 August 2014.
- 3.3 The DNC referred the dispute to informal mediation on 5 August 2014. The DNC notified the parties on 21 August 2014 that it had not been possible to resolve the dispute by informal mediation.
- 3.4 By letters dated 21 August 2014, the DNC notified the parties that the Complaint would be referred to an independent expert for decision if the Complainant paid the appropriate fees. The Complainant's representative paid the appropriate fees on 8 September 2014.
- 3.5 Terence Stapleton QC, the undersigned, confirmed to the DNC 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. On 10 September 2014, Mr Stapleton was appointed to act as the independent expert in this case ("the Expert") pursuant to paragraph 9 of the Policy.

4. Factual background

- 4.1 The Complainant is incorporated in Australia and has operated motor vehicle repair centres in Australia under the "CAPITAL S.M.A.R.T. REPAIRS" name since 2007. The Complainant currently operates 25 motor vehicle repair centres in Australia.
- 4.2 The Complainant is the registered owner of the capitalsmart.com.au domain name and has operated a website from that domain name since 2010.
- 4.3 The Complainant is the owner of 15 pending and registered New Zealand trade marks including trade mark 975796 for the device "CAPITAL S.M.A.R.T. REPAIRS" in class 37. The trade mark was entered on the register on 18 October 2013, with a deemed registration date of 17 April 2013, and is current until 17 April 2023.
- 4.4 The Domain Name was registered by Courtney Wooller on 29 August 2013. As at 22 May 2014 (the date of Annexure E to the Complaint), Ms Wooller was still the registrant, admin and technical contact for the Domain Name.
- 4.5 On 8 April 2014, Capital S.M.A.R.T. Repairs New Zealand Pty Limited was incorporated in New Zealand under the Companies Act 1993. The New Zealand company is wholly owned by the Complainant.
- 4.6 As at 16 April 2014 (Annexure F to the Complaint), the website hosted from the Domain Name stated "capitalsmart.co.nz is this the site for you? DOMAIN NAME FOR SALE" and invited interested parties to "ENQUIRE HERE Please use the contact form below – or alternatively call me on 021 254 4100". As is clear from Annexure E, the telephone number in Annexure F is Ms Wooller's mobile telephone number.

- 4.7 By letter dated 29 April 2014 (Annexure G to the Complaint), the Complainant's representative wrote to Ms Wooller. For the reasons set out in the letter, the Complainant's representative requested Ms Wooller by 12 May 2014 to sign the written undertaking enclosed with the letter and to transfer the Domain Name to the Complainant. The letter concluded by recommending that Ms Wooller "*seek legal advice in this matter*".
- 4.8 By email on 29 April 2014 (Annexure H to the Complaint), Ms Wooller advised the Complainant's representative that she accepted his letter, that she apologised sincerely for the mix up, that she "*would be more than happy to sign over the domain name etc*", that she had "*just tried signing the attached documents, however they are in the wrong format for me to print sign and send back. Can you send them in a Microsoft format? i.e. Word?*", and concluded by asking "*Is there any thing more I could do for now?*".
- 4.9 By email on 2 May 2014 (Annexure I to the Complaint), the Complainant's representative thanked Ms Wooller for "*responding so quickly*" and made the necessary arrangements with her for the change of registration of the Domain Name and for the completion of the undertaking enclosed with the letter dated 29 April 2014.
- 4.10 On 9 May 2014 (Annexure J to the Complaint), the Complainant's representative heard not from Ms Wooller, but from Blackguard Finance Limited ("Blackguard"). Blackguard's letter stated that "*[the Respondent] has purchased the [Domain Name] to be used in our finance business for the purpose of supplying finance capital into businesses for vehicles, plant, mortgages and working capital*". The letter stated that "*[the Respondent] had reached agreement with Courtney Whooller (sic) to purchase the domain name sometime back and on receiving your letter of 29 April Courtney contacted me to say she could no longer sell the domain name to us due to fear implanted in her by your letter*".
- 4.11 In the circumstances, the Expert notes the following matters:
- (a) the Complainant's representative's letter dated 29 April 2014 was received by Ms Wooller by email at 11:05am that day;
 - (b) Ms Wooller's email reply referred to in paragraph 4.8 of this decision was sent at 11:50am on 29 April 2014, 45 minutes after Ms Wooller received the Complainant's representative's letter by email;
 - (c) the contents of Ms Wooller's email are entirely inconsistent with the assertions in Blackguard's letter dated 9 May 2014 and are not supported by any evidence independent of Blackguard or the Respondent;
 - (d) if there was any basis for the assertions in Blackguard's letter, then one would reasonably have expected Ms Wooller to have referred to them in her email at 11:50am on 29 April 2014 (there is no mention of them at all) or Blackguard's letter (given the matters recorded at paragraphs 4.4 to 4.9 of this decision and the stated relationship in the Response between Mr Kooiman and Ms Wooller's father) to have included an

explanatory statement or statutory declaration from Ms Wooller (there is no such document);

- (e) Blackguard's letter is signed by Mike Kooiman. Mr Kooiman is the sole director of both Blackguard and the Respondent. Annexure M to the Complaint is a media release from Inland Revenue issued on 15 March 2011 recording that Mr Kooiman was sentenced to 12 months home detention and 350 hours community service for tax evasion, involving nearly \$1.5 million, after admitting 77 charges of aiding his companies to evade tax and evading his personal taxes;
- (f) not only is there no evidence to confirm the assertions in Blackguard's letter noted in paragraph 4.10 of this decision, but Annexure K to the Complaint is consistent with Blackguard acquiring the Domain Name from Ms Wooller not "*sometime back*" before the Complainant's representative's letter dated 29 April 2014, but on 8 May 2014, the day before Blackguard's letter;
- (g) in all the circumstances, the Expert does not accept the contents of the Response relating to matters asserted by Mr Kooiman to have occurred between himself and Ms Wooller in respect of the Domain Name.

5. The Complainant's contentions

5.1 The Complainant's contentions that the registration of the Domain Name is an Unfair Registration are summarised as follows:

- (a) the Domain Name 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;
- (b) the Domain Name was registered or otherwise acquired primarily 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 documented out-of-pocket costs directly associated with acquiring or using the Domain Name;
- (c) the Respondent acquired the Domain Name as a blocking registration against the Complainant which legitimately needs the Domain Name for its business;
- (d) the Respondent acquired the Domain Name primarily for the purpose of unfairly disrupting the Complainant's business, including by diverting potential customers away from the Complainant's business;
- (e) 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.

6. The Respondent's contentions

6.1 The Respondent's contentions are summarised as follows:

- (a) in the second paragraph of the Response, the Respondent states *"The Complainant is claiming that it has certain rights to the Domain Name based on the Device trademark registrations in New Zealand and we agree that this is the case"*;
- (b) the Respondent's intended use of the Domain Name as specified in the letter dated 9 May 2014 does not conflict with the Complainant's class 37 activities because the Respondent's intended activities are class 35 and 36 activities;
- (c) the Complainant has never traded in New Zealand and, in fact, only intends to trade in New Zealand through the New Zealand company which was incorporated on 8 April 2014 and in which the Complainant is the sole shareholder;
- (d) generally, the Respondent disputes and rejects the Complainant's contentions in relation to the particular provisions of the Policy referred to in part 5 of this decision.

7. Relevant provisions of Policy and elements required to uphold Complaint

7.1 The dispute is governed by the Policy. Relevant provisions of the Policy in this case are as follows:

3. Definitions

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;

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;

Part A – Policy

4. Dispute Resolution Service

4.1 This Policy and Procedure applies to Respondents when a Complainant asserts to the DNC according to the Procedure 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.

- 4.2 The Complainant is required to prove to the Expert that both elements are present on the balance of probabilities.

...

5. Evidence of Unfair Registration

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

- 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;

...

6. How the Respondent may demonstrate in its Response that the Domain Name is not an Unfair Registration

- 6.1 A non-exhaustive list of factors which may be evidence that the Domain Name is not an Unfair Registration is set out in paragraphs 6.1.1 – 6.1.4:

- 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;

- 7.2 For an Expert to uphold a Complaint, paragraph 4.2 of the Policy requires the Complainant to prove to the Expert on the balance of probabilities that both the following elements are present:

- (a) the Complainant has Rights in respect of a name or mark which is identical or similar to the Domain Name;² and

² Paragraph 4.1.1 of the Policy.

(b) the Domain Name, in the hands of the Respondent, is an Unfair Registration.³

7.3 The Expert now considers each of the elements in paragraphs 4.1.1 and 4.1.2 of the Policy in respect of the Domain Name.

8. Rights in respect of a name or mark

8.1 It is well-established that the requirement for a Complainant to prove Rights in respect of a name or mark is not a particularly high threshold test.

8.2 In this case:

(a) the Complainant had Rights in respect of trade mark 975796 from 17 April 2013 and those rights were in existence at the date of registration of the Domain Name on 29 August 2013;

(b) the existence of the Complainant's Rights is confirmed by the contents of Ms Wooller's email to the Complainant's representative on 29 April 2014 and the second paragraph of the Response dated 21 July 2014 noted at paragraph 6.1(a) of this decision.

8.3 In view of the facts set out in part 4 and paragraph 8.2 of this decision, the Expert is satisfied on the balance of probabilities that the Complainant has Rights in respect of a relevant name or mark, namely trade mark 975796.

9. Identity or similarity between the relevant name or mark and the Domain Name

9.1 It is well-established that Rights in a name cover all conceivable forms⁴ in which the name might be used.

9.2 The Expert is satisfied on the balance of probabilities that the facts set out in part 4 and elsewhere in this decision demonstrate that, in all their conceivable forms, trade mark 975796 is similar to the Domain Name.

10. Unfair Registration

10.1 The Expert is satisfied on the balance of probabilities that, in all the circumstances, the Domain Name is an Unfair Registration because the facts set out in part 4 and elsewhere in this decision demonstrate that:

(a) the Domain Name 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 (para 3 of the Policy); and/or

³ Paragraph 4.1.2 of the Policy.

⁴ Including upper and lower cases and singular and plural.

- (b) any use by the Respondent of the Domain Name will take unfair advantage of, and be unfairly detrimental to, the Complainant's Rights (para 3 of the Policy); and/or
- (c) the Respondent acquired the Domain Name as a blocking registration against the Complainant which legitimately needs the Domain Name for its business conducted through the New Zealand company as its wholly owned subsidiary (para 5.1.1(b) of the Policy); and/or
- (d) the Respondent acquired the Domain Name primarily for the purpose of unfairly disrupting the business of the Complainant conducted through the New Zealand company as its wholly owned subsidiary (para 5.1.1(c) of the Policy); and/or
- (e) any use by the Respondent of the Domain Name 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 (para 5.1.2 of the Policy); and/or
- (f) there is no evidence before the Expert that demonstrates that the Domain Name is not an Unfair Registration as set out in paragraphs 6.1.1 and 6.1.2 of the Policy.

11. Decision

11.1 In view of the findings made in this decision, the Expert directs that the Domain Name capitalsmart.co.nz be transferred to the Complainant.

Place of decision Wellington

Date 25 September 2014

Expert Name Terence Stapleton QC

Signature

A handwritten signature in black ink, appearing to read 'T. Stapleton', written over a horizontal line.