

# **.nz Dispute Resolution Service**

**DRS Reference: 1120**

**Volkswagen AG v Gavin Bloemen**

## **Key words –**

*Domain name*  
vw.co.nz

*Identical or similar trade mark or name*

Registered mark - unregistered mark - well-known mark - identical

*Unfair registration*

Unfair registration – unfair use – offer to sell, rent or otherwise transfer– likely to confuse, mislead or deceive - pattern of registration – false contact details – unfairly disrupting the business of the complainant – blocking registration — respondent having no connection with name or trade mark

## **1. Parties**

### **Complainant:**

Volkswagen AG  
Svenja Freisfeld  
Group Legal Department Brand Protection  
VOLKSWAGEN Aktiengesellschaft Brieffach  
Letter Box 1884/2  
38436 Wolfsburg  
Germany

**Represented by: Jan Schnedler**

### **Respondent:**

Gavin Bloemen  
Kemp House  
152 City Road EC1V 2NX  
London  
United Kingdom

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

vw.co.nz

### **3. Procedural history**

- 3.1 The Complaint was lodged on 10 September 2015 and Domain Name Commission (DNC), notified the Respondent of the validated Complaint on 11 September 2015. The domain was locked on 11 September 2015, preventing any changes to the record until the conclusion of these proceedings.
- 3.2 No Response was received.
- 3.3 The Complainant paid Domain Name Commission Limited the appropriate fee on 13 October 2015 for a decision of an Expert, pursuant to Paragraph 9 of the .nz Dispute Resolution Service Policy (“the Policy”).
- 3.4 Sheana Wheeldon, the undersigned, (“the Expert”) confirmed to the DNC on 19 October 2015 that she knew of no reason why she could not properly accept the invitation to act as expert in this case and that she knew of no matters which ought to be drawn to the attention of the parties, which might appear to call into question her independence and/or impartiality.

### **4. Factual background**

#### *The Complainant’s rights*

- 4.1 The Complainant is Volkswagen AG of Germany. According to the Complaint the company ‘Volkswagenwerk GmbH’ (presumably a predecessor) was established in Germany on 16 September 1938. The Complainant is part of the Volkswagen Group which has headquarters in Germany and is one of the world’s leading automobile manufacturers, and, for the last two decades, the largest car maker in Europe. The Volkswagen Group includes numerous well-known automobile brands including Audi, Bentley, Lamborghini and Porsche, as well as VOLKSWAGEN and VW.
- 4.2 The Complainant owns the trade mark VW which it says is one of the most famous brands in the world and has a substantial recognition and reputation in New Zealand and internationally.
- 4.3 In New Zealand the Complainant points to its ownership of four trade mark registrations covering the mark VW. One of these, no. 711659, covers the word mark VW in classes 12 and 36. It dates from 2004 and the class 12 goods comprise a wide variety of vehicles including automobiles. The other three registrations, nos. 58518, 711658 and 832558, all include class 12 and cover a Logo form of the VW trade mark.
- 4.4 The Complainant also asserts common law rights in New Zealand in its trade mark VW. The facts it relies on in this regard include:
  - a. The first Volkswagen vehicles arrived in New Zealand in 1954 and at the same time Jowett Motors became the first Volkswagen importer franchise in this country.
  - b. An assembly plant was built in Otahuhu, Auckland in 1958 by VW Motors (formerly Jowett Motors).
  - c. In 1962 the 10,000<sup>th</sup> Volkswagen was assembled in New Zealand.

- d. In 1986 the 30,000<sup>th</sup> Volkswagen came off the production line in Otahuhu.
  - e. In present times Volkswagen New Zealand Ltd imports, distributes and services Volkswagen commercial and passenger vehicles in New Zealand. It is based in Auckland and uses the website [volkswagen.co.nz](http://volkswagen.co.nz), and other domains such as [usedvolkswagen.co.nz](http://usedvolkswagen.co.nz), to promote its products in New Zealand.
- 4.5 The Complainant also provides the following information which relates to its reputation internationally but not specifically in New Zealand:
- a. It has registered hundreds of domain names consisting of or comprising the term VW. These include [vw.com](http://vw.com), [vw.eu](http://vw.eu) and [vw.co.uk](http://vw.co.uk). The Complainant or affiliated companies operate websites under most of these domain names or at least forward traffic to other websites of the Complainant.
  - b. The Complainant's products have been marketed throughout the world under the trade marks VOLKSWAGEN and VW for at least six decades.
  - c. In 2014 the Volkswagen Group delivered over 10 million vehicles to customers, being a 12.9% share of the world passenger car market and one in four new cars in Western Europe. (Presumably these figures include not only Volkswagen sales but also the other brands manufactured by the Volkswagen Group).
  - d. In 2014 the Volkswagen Group's sales revenue totalled over €200 billion and its net operating profit after tax was over €11 billion.
  - e. The Complainant was listed at number 8 in the 2015 rankings of the world's largest corporations by Fortune Global 500 which ranks the top 500 corporations worldwide measured by revenue.
  - f. In a number of earlier ICANN UDRP decisions the Panels found that the trade mark 'VW' of the Complainant is world famous.

*The Respondent's activities*

- 4.6 The Domain Name was registered in 2011. The Respondent is Gavin Bloemen whose address and telephone number are in London in the United Kingdom.
- 4.7 The Complainant has provided a copy of what appears to be the Respondent's LinkedIn profile. This indicates that he works at a company called Redmode Ltd in East Sussex. The Complainant points out that he (apparently) has no link to New Zealand.
- 4.8 The Complainant asserts that the Respondent has not actively used the Domain Name (with his own content) since registration in 2011. It points out that at the time the Complaint was filed he was attempting to sell it through the website [vw.co.nz](http://vw.co.nz) for a price of \$5,280 and through the domain selling platform SEDO for a price of US\$13,345. Screenshots evidencing these offers to sell, which are dated 25 August and 19 August 2015 respectively, have been provided.

- 4.9 Further, the Complainant asserts that the Respondent has registered at least 55 domain names with his private email address, and at least 304 domain names under his company Redmode Limited, and has been in the domain selling business since 1999. The website at vw.co.nz includes the following statement:

“The premium domain name(s) above without content is available for sale directly from the seller for you to own outright. All prices are inclusive of any tax (if applicable)...We endeavour to ensure you can use your new domain name within 24 hours...Buyer protection is guaranteed; we are a UK based business (Redmode Ltd. Company #04224593), trading online since 1999. Contact us by email domainsales@redmode.com – Note: we do not reply to offers through this address; these prices are non-negotiable.”

The Complainant points out that the Respondent is also offering other domain names through their respective websites, as follows, and has provided screenshots evidencing this:

- a. nzairways.com for \$1,528.
  - b. the-national-lottery.co.uk and the-national-lottery.uk for £1,250 each or £1,670 for both.
  - c. microsoftwindows.co.uk and microsoftwindows.uk for £340 each or £455 for both.
  - d. ukib.com for £1,852.
- 4.10 The Expert notes based on her own knowledge that MICROSOFT WINDOWS is a very well-known trade mark and THE NATIONAL LOTTERY is a major provider of lottery services in the UK. Further, NZ AIRWAYS while not an actual brand to the Expert’s knowledge, gives the impression of an airline or similar business with connections to New Zealand.
- 4.11 The Complainant has also provided historic screenshots demonstrating other uses of the website associated with the Domain Name. These are sourced from the website screenshots.com, which archives the screenshot history of a website. They include:
- a. On 29 July 2013 a screen containing, on one side, an image of a mountain range with the words ‘Buy this Domain’ and other material below and, in the other half, links to other sites. These links are entitled:
    - New Autos.
    - vw Info.
    - Looking For VW?
    - vw.
    - vw info.
    - Free Local Job Search.
  - b. On 16/02/14 a screen mostly comprising what appears to be a MAZDA website. This displays the MAZDA trade mark and logo on the top left hand side and the notation ‘2014 MAZDA 6 starting at \$20,990\*’, a large

image of a MAZDA vehicle, and a number of options to click through for more information including 'Model & Specs' and 'Request a Quote'.

- 4.12 The Complainant sent a cease and desist letter to the Respondent by registered letter on 2 June 2015 but the Respondent did not respond.

## **5. Parties' contentions**

### *Complainant*

- 5.1 The Complainant seeks to have the Domain Name transferred to it from the Respondent.
- 5.2 As mentioned above the Complainant asserts registered and unregistered trade mark rights in the mark VW in New Zealand.
- 5.3 The main assertions of the Complainant in support of its Complaint are as follows:
- a. The Respondent acquired the Domain Name for the purpose of selling it to the Complainant (as set out in paragraph 5.1.1(a) of the Policy). In support of this assertion the Complainant says:
    - i. The Respondent obviously did not register the Domain Name for its own use as it has not actively used the Domain Name with its own content since registration in 2011.
    - ii. The Respondent is attempting to sell the Domain Name, as described above.
    - iii. The Respondent has no links with New Zealand.

The Complainant also points to the Respondent's registration of numerous domain names and the fact his company has been in the domain selling business since 1999, as is stated on the website at [vw.co.nz](http://vw.co.nz) and more fully described above.

- b. The Respondent intended to block registration of the Domain Name by the Complainant (paragraph 5.1.1(b) of the Policy). In this context the Complainant argues that:
  - i. The Respondent's registration of the Domain Name could potentially damage the Complainant through the intentional diversion of customers and/or dilution of the reputation and goodwill in the Complainant's trade mark VW.
  - ii. The Respondent is tarnishing the Complainant's well-known and famous, and therefore valuable, registered trade mark VW as well as the Complainant's valuable goodwill that it has established in its trade mark through prior lengthy commercial use and promotion, without any right or legal justification for doing so.

- iii. Given the reputation of the Complainant's trade mark VW, and the fact the Complainant uses almost all the domain names worldwide with the second level domain 'vw' in combination with the CCLD for its local country websites, consumers and customers of the Complainant expect the website vw.co.nz to be operated by the Complainant.
  - iv. The Respondent's continued registration of the Domain Name enables it to continue causing such damage to the Complainant.
- c. The Respondent is unfairly disrupting the business of the Complainant (paragraph 5.1.1(c) of the Policy). In support of this assertion the Complainant:
- i. Points to the screenshot history for the website discussed above including the screenshot from February 2014 which has the appearance of an official MAZDA website. Mazda Corporation is a competitor of the Complainant which also sells and distributes passenger vehicles in New Zealand.
  - ii. Says this clearly shows the Respondent was fully aware of the Complainant's trade mark when he registered the Domain Name and is deliberately seeking to disrupt the business of the Complainant by directing consumers seeking the Complainant's website and products to its competitor, Mazda.
  - iii. Argues internet users looking for the Complainant's automobiles on vw.co.nz might switch to Mazda automobiles.

The Complainant notes that the website is not displaying the Mazda website content any longer, but says this may be due to the fact the Complainant sent its cease and desist letter to the Respondent in June 2015. It also says that the Respondent's failure to respond to its cease and desist letter is not consistent with what one would reasonably expect from a good faith registrant accused of cybersquatting.

- d. The Respondent has knowingly given false contact details to a Registrar and/or to the DNC (paragraph 5.1.4 of the Policy). In support of this assertion the Complainant points to the fact that the website at vw.co.nz says its owner is Redmode Ltd, while the Whois information shows that Mr Bloemen is the registered owner.

5.4 The Complainant has also provided evidence of a number of factual matters and made further assertions that are relevant to other provisions of the Policy. These include the following:

- a. The Complainant has noted the number of domain names registered by the Respondent and his company, and that at least some of these appear to fall within paragraph 5.1.3 of the Policy – that is, where the Respondent is the registrant of domain names which correspond to well-known names or trade marks in which the Respondent has no apparent rights, and the Domain Name is part of that pattern.
- b. Based on the historic screenshot dated 29 July 2013 described above, the website has been used to contain advertisements as sponsored links

for which the Respondent automatically receives fees and commissions – i.e. the Respondent was attempting to misdirect internet users familiar with the VW trade mark, for commercial gain via pay-per-click advertising revenues.

This activity of the Respondent supports the suggestion that the Domain Name has been used in a manner which took unfair advantage of, or was unfairly detrimental to, the Complainant's Rights, as set out in the second arm of the definition of Unfair Registration.

### *Respondent*

5.5 The Respondent has filed no response.

## **6. Discussion and findings**

6.1 Given the absence of a Response, the Expert is able to consider only the information and submissions provided by the Complainant, which are undisputed, and to make appropriate inferences from the available facts.

### *Relevant Provisions of the Policy*

6.2 The Complainant is required to prove that it has met the requirements in 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.

6.3 Paragraph 4.2 requires the Complainant to prove to the Expert that both elements are present on the balance of probabilities.

6.4 The Policy provides that 'Unfair Registration' means a Domain Name which either:

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; or

b. 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.

6.5 Paragraph 5.1 of the Policy sets out a series of non-exhaustive factors which may be evidence that a Domain Name is an Unfair Registration. They include 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; or

- 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

#### *Application of the Policy in this case*

6.6 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. Rights must be enforceable under New Zealand law and may be registered or unregistered.

#### *Complainant's rights*

6.7 The Expert finds that the Complainant has rights in respect of the trade mark VW in New Zealand by virtue of its four registered trade marks but in particular no. 711659 which covers the mark VW in word form and dates from 29 April 2004.

6.8 The Expert also finds that the Complainant has unregistered trade mark rights in respect of the mark VW in New Zealand, based on its history of selling vehicles here since 1954, its very substantial global activities and, without it being necessary for this finding, the high profile for many years of the VW brand in New Zealand which would be evident to anyone living in this country.

6.9 The Domain Name is vw.co.nz while the Complainant's trade mark is VW. The Complainant's trade mark VW is therefore identical to the Domain Name.

#### *Is the Domain Name, in the hands of the Respondent, an Unfair Registration?*

6.10 Under paragraph 4.1.2 of the Policy the Complainant must show, on the balance of probabilities, that the Domain Name is an unfair registration in the hands of the Respondent.

6.11 The definition of Unfair Registration includes a Domain Name which either:

- 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; or
- b. 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.

6.12 The Expert notes that under paragraph 5.4 of the Policy:

- 5.4 In making the decision, the Expert shall not take into account any evidence of acts or omissions amounting to unfair registration or use which occurred more than three (3) years before the date of the Complaint.



- 6.13 In the present case the date of the Complaint is 10 September 2015, and hence the Expert cannot take into account acts or omissions amounting to unfair registration or use which occurred prior to 10 September 2012.
- 6.14 The Domain Name was registered in 2011. To the extent that the Complainant asserts that the Respondent's *registration* of the Domain Name amounts to unfair registration, the Complainant cannot succeed. This is relevant to the following assertions of the Complainant:
- a. That the Respondent acquired the Domain Name for the purpose of selling it to the Complainant (paragraph 5.1.1(a) of the Policy).
  - b. That the Respondent in registering the Domain Name intended to block registration of the Domain Name by the Complainant (paragraph 5.1.1(b) of the Policy).
  - c. That the Respondent registered or acquired the Domain Name for the purpose of unfairly disrupting the business of the Complainant (paragraph 5.1.1(c) of the Policy).
- 6.15 Due to the three year limitation the Expert cannot take into account the Respondent's actions in registering the Domain Name but can take into account his actions since September 2012.
- 6.16 The Expert will therefore consider the evidence and the Complainant's arguments in relation to the second arm of the definition of an Unfair Registration. The relevant activities of the Respondent that have occurred during the three year period and/or are ongoing are discussed below, with reference to the Complainant's arguments and relevant provisions of the Policy.

*Respondent is using Domain Name in a way likely to confuse, mislead or deceive people (paragraph 5.1.2)*

- 6.17 The evidence includes a screenshot during the relevant three year period demonstrating use of the Domain Name in association with a website displaying links to other sites which give the appearance of being connected to the Complainant and/or its Volkswagen vehicles (such as 'vw info'). It is reasonable to infer that the links were not to sites of the Complainant but gave members of the public the ability to click through to other sites, for which the Respondent would receive advertising revenue.
- 6.18 This is sufficient to meet the requirements of paragraph 5.1.2 of the Policy. People seeing the links under names such as 'vw info' are likely to be confused or misled into believing that these are associated with the Complainant or its vehicles, when that is not the case. It is also reasonable to infer that the screenshot located by the Complainant does not represent a one off incident but that those contents, or similar contents, were displayed on other occasions.
- 6.19 The Expert understands that the selection of links may not have been determined by the Respondent himself, but either way this use of the Domain Name is ultimately the Respondent's responsibility. Therefore the Expert finds that this use of the Domain Name took unfair advantage of and was unfairly detrimental to the Complainant's Rights.

*Respondent acquired and/or is using the Domain Name primarily for the purposes of selling it, or as a blocking registration, or for the purpose of unfairly disrupting the business of the Complainant*

- 6.20 The Complainant has referred to paragraphs 5.1.1(a), (b) and (c) of the Policy.
- 6.21 Due to the timing issue mentioned above, the Expert cannot take into account the Respondent's actions in registering the Domain Name. However the activities of the Respondent since that time are relevant.
- 6.22 Under paragraph 5.1.1(a) of the Policy, one factor that may be evidence of an Unfair Registration is circumstances indicating a Respondent has registered or acquired the Domain Name primarily for the purposes of selling it 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 it. The Complainant relies on this factor, and more details of its assertions are set out in paragraph 5.3(a) above.
- 6.23 The Respondent is currently offering the Domain Name for sale and from the evidence it seems that has also occurred in the past. The screenshots provided in the Complainant's evidence show that shortly before the Complaint was filed the asking price was \$5,280 on vw.co.nz and US\$13,345 through SEDO. The Respondent makes no secret of the fact that he, apparently through the company Redmode Ltd, is in the business of buying and selling domain names. As mentioned earlier, according to the Complaint the Respondent himself has registered at least 55 domain names and at least 304 domain names under his company Redmode Ltd.
- 6.24 Therefore one use to which the Respondent has put the Domain Name, and continues to put it, is that of selling it. The consideration the Respondent is seeking is in excess of what would have been the usual cost of registering a domain name and maintaining it for the four years since registration.
- 6.25 The Policy is clear that trading in domain names for profit, and holding a large portfolio of domain names, are of themselves lawful activities (paragraph 6.4). Each case must be considered on its merits.
- 6.26 While there is no direct evidence of the Respondent's intentions or purpose, there is a strong inference that in holding and using the Domain Name, at least one purpose the Respondent had in acquiring it, and still has, is to sell it at a profit. It is also not difficult to infer that one potential purchaser of the Domain Name is the Complainant or one of its competitors. For example it would seem obvious that when the Complainant became aware of the misuse of the Domain Name evident in both the screenshots described in paragraph 4.11, it would wish to acquire the Domain Name.
- 6.27 The Complainant has also asserted that the Respondent intended to block registration of the Domain Name by the Complainant (paragraph 5.1.1(b) of the Policy). More details of this assertion are set out in paragraph 5.3(b) above.
- 6.28 In the context of this argument the Complainant refers to ongoing potential damage to the Complainant through the intentional diversion of customers,

and dilution and tarnishing of its goodwill. It refers to the ongoing activities of the Respondent and specifically asserts that the Respondent's continued registration of the Domain Name enables it to continue causing such damage to the Complainant.

- 6.29 It is not difficult to infer that the Respondent is now using, and will continue to use, the Domain Name as a blocking registration against the Complainant's mark VW.
- 6.30 The Complainant has also referred to paragraph 5.1.1(c) of the Policy which refers to use or acquisition of the Domain Name by the Respondent for the purpose of unfairly disrupting the business of the Complainant.
- 6.31 The Complainant has asserted that the Respondent's ongoing activities are unfairly disrupting its business. It gives the example of the MAZDA site and says consumers looking for the Complainant's automobiles and arriving at this site may switch to MAZDA automobiles.
- 6.32 With regard to all three of these factors, it is inconceivable that the Respondent was unaware of the Complainant and its very well known trade mark VW when he registered the Domain Name, or that he is unaware of it today. He has no connection with the trade mark VW. Further, and as the Complainant has pointed out, the Respondent has no connection with New Zealand and has not actively used the Domain Name (with his own content) since registration in 2011.
- 6.33 Based on the Respondent's ongoing activities which include his offering the Domain Name for sale, and the other circumstances described above, the Expert finds that the Respondent acquired the Domain Name, and continues to hold and use it, primarily for the purpose of selling it to the Complainant or a competitor, and/or as a blocking registration, and/or for the purpose of unfairly disrupting the business of the Complainant, and this takes unfair advantage of and is unfairly detrimental to the Complainant's Rights.

*Paragraph 5.1.3 Respondent is engaged in a pattern of registrations of Domain Names which correspond to well-known names or trade marks*

- 6.34 As described in paragraph 4.9 the Respondent owns many Domain Names and it is clear that at least four of these correspond to well-known names or trade marks i.e.:
- a. microsoftwindows.co.uk and microsoftwindows.uk.
  - b. the-national-lottery.co.uk and the-national-lottery.uk.
- 6.35 The Respondent has no apparent rights in those names. Neither does it have any apparent rights in another domain name it owns, nzairways.com.
- 6.36 The Respondent has no apparent rights in vw.co.nz either – quite the contrary.
- 6.37 Therefore the Expert finds that the Respondent is engaged in a pattern of registrations as described in paragraph 5.1.3 of the Policy, and the Domain Name is part of that pattern.

- 6.38 For completeness, the Expert will deal with the Complainant's assertion that the Respondent has knowingly given false contact details to a Registrar and/or to the DNC (paragraph 5.1.4 of the Policy). This assertion is based on the fact that on the website itself it is said that the owner is Redmode Ltd rather than the Respondent himself.
- 6.39 It seems clear that the Respondent is directly associated with Redmode Ltd. More importantly, there is nothing to suggest the Respondent's name and address as given to the Registrar are false.
- 6.40 The Expert therefore finds that this assertion is not made out and indeed it appears to have no basis.
- 6.41 As mentioned earlier, the Respondent has filed no Response, so has not disputed the Complainant's assertions.
- 6.42 There is no evidence of any of the factors listed in paragraph 6.1 of the Policy as potential evidence that the Domain Name is not an Unfair Registration.
- 6.43 The Expert is satisfied that the Complainant has shown, on the balance of probabilities, that the Respondent's Domain Name is an Unfair Registration.

## **7. Decision**

- 7.1 In view of the findings made above the Expert directs that the Domain Name vw.co.nz be transferred to the Complainant.

**Place of decision: Auckland**

**Date: 5 November 2015**

**Expert Name: Sheana Wheeldon**

**Signature:**

