

## **.nz Dispute Resolution Service**

**DRS Reference: 725**

### **New Dream Network v Bestonoffer**

Key words - registered mark, well known mark, identical, unfair registration and use, offer to hand over

#### **1. Parties**

Complainant:

New Dream Network LLC  
A Californian limited liability company  
24772 W. Saddle Peak Road  
Malibu,  
California  
USA

Represented by: Joel Voelzke  
Intellectual Property Law Offices of  
Joel Voelzke APC

Respondent:

Bestonoffer  
PO Box 865  
Gosford, New South Wales  
Australia

Represented by: Mr Aaron Johnson (Admin and Technical Contact)

#### **2. Domain Name**

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

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

- 3.1. The Complaint was lodged on 14/11/2011. The Domain Name Commission (DNC), notified Respondent of the validated Complaint on 15/11/2011. The Domain Name was locked on 18/11/2011, preventing any changes to the record until the conclusion of these proceedings.
- 3.2. There was no response filed by Respondent.
- 3.3. Complainant paid Domain Name Commission Limited the appropriate fee on 13/01/2012 for a decision of an Expert, pursuant to Paragraph 9 of the .nz Dispute Resolution Service Policy ("the Policy").
- 3.4. Mr Clive Elliott, the undersigned, ("the Expert") confirmed to the DNC on 18/01/2012 that he knew of no reason why he could not properly accept the invitation to act as expert in this case and that he knew of no matters which ought to be drawn to the attention of the parties, which might appear to call into question his independence and/or impartiality.

#### **4. Factual background**

- 4.1. Respondent registered the Domain Name on 29 June 2010.

## **5. Parties' contentions**

### **5.1. Complainant**

- 5.1.1. Complainant asserts that it began operating a web hosting service in 1997 and that since launching the service it has built it into a highly successful and widely recognized Web hosting and domain name registration service. It asserts it has used the name DREAMHOST and acquired valuable brand strength and recognition under the name. It further contends that according to the internet market research company Webhosting.info, [DREAMHOST.COM](http://DREAMHOST.COM) is rated as the 11<sup>th</sup> largest Web hosting company in the world.
- 5.1.2. Complainant advises that it currently provides web hosting services under the DREAMHOST name at the site [www.dreamhost.com](http://www.dreamhost.com), which site hosts more than 1,184,000 domains. Complainant states that it registered the DREAMHOST trademark in the United States in 2002, Europe in 2007 and Canada in 2008.
- 5.1.3. Complainant submits that the Domain Name is confusingly similar to both its own registered DREAMHOST trademark and its main domain which resolves to the web site [dreamhost.com](http://dreamhost.com). That is, as it incorporates Complainant's trademark exactly and the only difference between the two domains is the top level domain (TLD) portion.
- 5.1.4. Complainant asserts that it operates an affiliate marketing program by which existing customers can earn monetary rewards for referring new customers to Complainant. Referrals are tracked via click-throughs, and rewards are paid for new customers who sign up after having clicked through from the affiliate's site. Complainant claims that such affiliate marketing programs are common on the Internet.
- 5.1.5. Complainant asserts that on February 25, 2010, Respondent created a "rewards account" with Complainant's affiliate marketing program and under that program Respondent would be paid a commission for every customer who clicked through from one of Respondent's websites and then signed up as a DREAMHOST customer.
- 5.1.6. Complainant states that on June 29th, 2010, four months after establishing an affiliate marketing program with Complainant's DREAMHOST hosting service, Respondent registered the Domain Name. Complainant submits that at the time of registering the Domain Name Respondent had to be aware of Complainant's DREAMHOST website hosting service, and of Complainant's rights in the DREAMHOST name, as evidenced by his establishing an affiliate marketing account with Complainant's DREAMHOST website hosting service.
- 5.1.7. Complainant contends that a due diligence search at that time would have shown Respondent that Complainant had already established the DREAMHOST name as a widely recognized and well established web hosting service.

- 5.1.8. Complainant advises that in September 2011, it discovered that Respondent had registered the Domain Name, was automatically redirecting traffic from the Domain Name to Complainant's domain [www.dreamhost.com](http://www.dreamhost.com), and was obtaining money from Complainant for referrals that came from the Domain Name. Complainant explains that if a consumer was interested in Complainant's DREAMHOST service, but used .co.nz in the URL instead of .com, that that consumer would immediately be redirected to Complainant's domain, [dreamhost.com](http://dreamhost.com). If the consumer then signed up as a new customer, Respondent would receive a reward referral fee from Complainant.
- 5.1.9. Complainant submits that through this system, Respondent was able to receive direct monetary gain directly from Complainant as a result of consumer confusion between the Domain Name and Complainant's trademark, at the expense of Complainant.
- 5.1.10. Complainant states that after discovering what Respondent was doing in using a domain name that incorporated Respondent's trademark and using that domain to obtain money from Complainant's rewards program, Complainant cancelled Respondent's affiliate account.
- 5.1.11. Complainant contends that as far as it is aware, Respondent did not at the time of registration in 2010, nor has he since shown any evidence of an operating business, informational service, or any legitimate function associated with the Domain Name. Complainant suggests that Respondent's only activity in regard to the Domain Name to date has been his exploitation of the strong similarity between the Domain Name and Complainant's domain and his capitalization on the resulting consumer confusion.
- 5.1.12. Complainant notes that since it has canceled Respondent's affiliate marketing account, Respondent has placed the Domain Name for sale.
- 5.1.13. Complainant suggests that Respondent's failure to make use of the Domain Name in any way, except for the purposes of exploiting Complainant's trademark and brand recognition in the international market, constitutes unfair registration.

## **5.2. Respondent**

- 5.2.1. Respondent filed no response.
- 5.2.2. The registrant's name is the rather non-descript entity 'Bestonoffer'. The administrative and technical contact is Mr Aaron Johnson of Gosford, New South Wales. In the absence of any statement from Mr Johnson as to the purpose and legal nature of the registrant it seems that 'Bestonoffer' is a trading name representing some sort of unincorporated entity.
- 5.2.3. Prior to the Complaint being filed, Respondent, through Mr Johnson, in an email to Complainant dated December 6, 2011, advised that he no longer wanted the Domain Name. This suggests that Mr Johnson, having spoken for Respondent, has effective control of "Bestonoffer" and that he is, for all intents and

purposes, the alter ego of that entity. In the absence of anything more to go on the Expert will proceed on this basis.

**6. Discussion and findings**

- 6.1. Notwithstanding Respondent's statement that he no longer wants the Domain Name, the parties have taken no concrete steps to formalise the position. Accordingly, it is necessary to consider the Complaint on its merits.
- 6.2. Given that Respondent filed no response nor sought further time in which to do so, the Expert is only able to assess the information and submissions filed by Complainant. In the absence of any dispute as to the accuracy and correctness of that information, the Expert will decide this proceeding on the basis of Complainant's undisputed representations and draw such inferences it considers appropriate.
- 6.3. By way of preliminary comment, the Expert considers that there is nothing in Complainant's submissions or factual statements that are clearly contradictory.

**7. Decision**

- 7.1. The dispute is governed by the Policy issued by the office of the Domain Name Commissioner on behalf of DNC. The relevant portions of the Policy for present purposes are as follows:

**“3. Definitions ...**

**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.

**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

4.1.1 The Domain Name, in the hands of the Respondent, is an Unfair Registration.

**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;

5.1.3 The Complainant can demonstrate that the Respondent is engaged in a pattern of registrations where the Respondent is the registrant of domain names (under.nz or otherwise) 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;

5.1.4 The Complainant can demonstrate that the Respondent has knowingly given false contact details to a Registrar and/or to the DNC; or

5.1.5 The Domain Name was registered arising out of a relationship between the Complainant and the Respondent, and the circumstances indicate that it was intended by both the Complainant and the Respondent that the Complainant would be entered in the Register as the Registrant of the Domain Name;"

**7.2.** Complainant must satisfy three elements:

**7.2.1.** Rights in respect of a name or mark (para 4.1.1);

**7.2.2.** Identity or similarity between that name or mark and the Domain Name (para 4.1.1); and

**7.2.3.** Unfair registration in the hands of Respondent (para 4.1.2).

## **8. Procedural Issues**

**8.1.** As noted above in paragraph 5.2.1, Respondent has failed to file a response. Paragraph B15.1 of the Policy states that "The Expert will decide a Complaint on the basis of the Parties' submissions, the Policy and the Procedure". Paragraph B11.2 requires that "The Expert shall determine the admissibility, relevance, materiality and weight of the evidence." In the absence of any formal response from Respondent, other than an informal indication suggesting a lack of interest in the Domain Name, the Expert accepts, at face value, the assertions made by Complainant. Firstly because, on the basis of what is said, there is no reason to doubt them and secondly because they stand un-contradicted.

## **9. Rights in respect of a name or mark**

**9.1.** In terms of assessing whether Complainant has Rights in respect of a name or mark which is identical or similar to the Domain Name the Expert has to identify the name or mark and its meaning and then ascertain who is entitled to the rights, if any.

**9.2.** The expression "Rights" is referred to in the definition of "Unfair Registration" in paragraph 3 of the Policy. It is directed to a Domain Name which "took unfair advantage of or was unfairly detrimental to Complainant's Rights" in some way. The primary question is whether some disadvantage or detriment occurs vis-a-vis Complainant's Rights. Pursuant to paragraph 3

of the Policy Complainant must establish the requisite Rights in order to show that some form of disadvantage or detriment is likely to occur through the existence or use of the Domain Name by Respondent.

- 9.3. Complainant asserts that since in or about 1997 it has run a successful web hosting and domain name registration service under the name DREAMHOST. It also asserts that it has registered DREAMHOST as a trademark commencing with the United States of America in 2002 (hereinafter the "DREAMHOST Name and Mark") the aforesaid use and registration clearly predates the registration of the Domain Name.
  - 9.4. The Expert accepts that Complainant has established sufficient Rights, by virtue of its use and registration of the DREAMHOST Name and Mark. Complainant thus establishes that it has protectable Rights under the Policy
- 10. Identity or similarity**
- 10.1. The DREAMHOST Name and Mark Trade Mark is not directly descriptive, particularly for a web hosting and domain name registration service. The words "dream" and "host" have certain descriptive qualities but combined they create a word which might allude to positive hosting qualities, but nevertheless operates in a partly fanciful and potentially distinctive manner.
  - 10.2. The Domain Name contains the self-same word. This suggests that some form of association or connection exists between Complainant and Respondent.
  - 10.3. But for the generic "co.nz" the Domain Name is identical to the DREAMHOST Name and Mark. In the absence of any explanation or argument to the contrary the Expert concludes that the Domain Name is likely to create a significant likelihood of confusion or deception amongst a substantial number of members of the public.
  - 10.4. This ground is thus clearly established.
- 11. Unfair registration**
- 11.1. As noted in paragraph 7.1 above, a number of factors may be taken into account as evidence that the Domain Name is an Unfair Registration. This requires the Expert to be satisfied that Respondent has registered or used the Domain Name primarily for certain purposes.
  - 11.2. One such purpose is set out in paragraph 5.1.2 of the policy, as quoted in paragraph 7.1 above. That is, that the Domain Name is used in a way which is likely to confuse, mislead or deceive. That in turn requires the Expert to be satisfied that Respondent is using the Domain Name in a way which is likely to confuse, mislead or deceive people into believing that the Domain Name is registered to, operated or authorised by, or otherwise connected with Complainant.
  - 11.3. Complainant asserts that Respondent has used the Domain Name to automatically redirect traffic from the Domain Name to Complainant's domain name [www.dreamhost.com](http://www.dreamhost.com), in order to obtain money from Complainant for referrals that came from the Domain Name. That is, by virtue of a reward referral fee paid by Complainant for any such referrals. Complainant submits that through this device, Respondent was able to receive direct monetary gain from Complainant and that such gain relies on

consumer confusion between the Domain Name and the DREAMHOST Name and Mark.

- 11.4.** There is merit in this submission. Respondent has clearly held itself out as authorised by or associated in some way with Complainant, contrary to the fact. The Expert concludes that the Domain Name is an Unfair Registration in the hands of Respondent. Finally, Respondent has made no effort to explain its actions. Being aware of the Complaint but having failed to do so, the Expert infers that no reasonable explanation is available.
- 11.5.** Complainant has thus established each part of paragraph 4.1 of the Policy and is entitled to the relief sought. In the result, the Expert orders that the Domain Name be transferred from Respondent to Complainant.

**Place of decision** Auckland, New Zealand

**Date** January 27, 2012

**Expert Name** Clive Elliott

**Signature**