

.nz Dispute Resolution Service

DRS Reference: 778

Louis Vuitton Malletier S.A v Rock Bottom Distributors Ltd

Key words:

Domain name: louisvuitton.co.nz

Identical or similar trade mark or name: registered mark – unregistered mark – well-known mark – identical

Unfair registration: unfair use – offer to sell, rent or otherwise transfer – monetary demands – unfairly disrupting the business of the complainant – blocking registration – respondent having no connection with name or trade mark

1. Parties

Complainant:

Louis Vuitton Malletier S.A
2 Rue Du Pont-Neuf 75001 Paris
Paris
France
Represented by: Mr Mark Gavin

Respondent:

Rock Bottom Distributors Limited
P.O Box 112239
Penrose
Auckland
NZ (NEW ZEALAND)
Represented by: Mr Peter Neate

2. Domain Name/s

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

3. Procedural history

- 3.1 The Complaint was lodged on 12/04/2012 and Domain Name Commission (DNC), notified the Respondent of the validated Complaint on 17/04/2012. The domain was locked on 4/04/2012, preventing any changes to the record until the conclusion of these proceedings.
- 3.2 The Respondent filed a Response to the Complaint on 16/05/2012 and the DNC so informed the Complainant on 16/05/2012. The Complainant filed a Reply to the Response on 23/05/2012. The DNC informed the parties on 12/06/2012 that informal mediation had failed to achieve a resolution to the dispute.

- 3.3 The Complainant paid Domain Name Commission Limited the appropriate fee on 13/06/2012 for a decision of an Expert, pursuant to Paragraph 9 of the NZ Dispute Resolution Service Policy (“the Policy”).
- 3.4 Ms Sheana Wheeldon, the undersigned (“the Expert”) confirmed to the DNC on 19/06/2012 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 describes itself as a foreign business entity organised under the laws of the Republic of France. It asserts rights in the trade mark LOUIS VUITTON which it says has earned worldwide recognition and fame, with a history dating back to 1854.
- 4.2 The Complainant owns numerous registrations of the trade mark LOUIS VUITTON around the world, including in New Zealand. For well over 100 years the Complainant and its predecessors have used and obtained registrations of the trade mark LOUIS VUITTON for a variety of goods, specifically including luxury accessories. The Complainant commercialises a number of well-known luxury products such as suitcases, clothing and handbags under the LOUIS VUITTON mark.
- 4.3 The Complainant’s products are sold only in its own boutiques and in high quality retail stores. On the internet they are sold exclusively through its own website www.louisvuitton.com.
- 4.4 The Complainant owns a large number of New Zealand trade mark registrations. Many of these comprise or include the words ‘Louis Vuitton’. In particular it owns the following registrations of the word mark LOUIS VUITTON.

Registration Number	Class	Registration Date
194560	18	10 July 1989
279742	25	17 July 1997
309263	9	11 May 1999
309264	14	11 May 1999
309265	16	11 May 1999
309266	24	11 May 1999

- 4.5 These registrations cover a range of goods in the above classes including suitcases, bags, clothing, footwear, spectacles and sunglasses, jewellery, paper and cardboard goods, printed matter, pens, fabrics and linen.

- 4.6 The Complainant asserts common law rights in the name LOUIS VUITTON in New Zealand. It opened its first Louis Vuitton store in New Zealand in Auckland on 1 November 1991, and there are now four stores across New Zealand. The Complainant is the sole and exclusive distributor of its own merchandise in New Zealand. As evidence of its common law rights the Complainant refers to its sponsorship of the Louis Vuitton Cup in Auckland in 2000 and 2003, and the Louis Vuitton Trophy yachting competition in 2010. It has also provided:
- a An example of Google search results for 'Louis Vuitton' on New Zealand specific webpages, which exclusively refer to the Complainant.
 - b A summary of its advertising in New Zealand for the year 2011, which consists of 25 placements in seven well known and widely distributed magazines, at a total cost of approximately NZ\$128,299.00. The magazines concerned include Mindfood, Life and Leisure, Viva and the Air New Zealand magazine.

The Respondent's activities

- 4.7 The Respondent registered the Domain Name louisvuitton.co.nz on 16 January 2008.
- 4.8 According to the Response, the Respondent purchased the Domain Name to go with a Louis Vuitton bag which the Respondent's representative, Mr Neate, had purchased as a gift for his wife. The Respondent asserts that when browsing on the internet, Mr Neate noticed that 'the domain name, Louis Vuitton was available in New Zealand and I purchased it to go with the bag'. Mr Neate says that he determined to let the Domain Name 'gather dust until my time demands allowed me to determine how I should use my acquisition.' He asserts that he did not purchase the name for the purpose of using it against the interests of Louis Vuitton.
- 4.9 The Domain Name is registered with the website hosting provider 'Freeparking'. The Complainant has provided a printout from a webpage to which the Domain Name was linked. This states that the Domain Name is for sale and includes the notation 'All offers considered'. Mr Neate's telephone number is given. There is no date on this printout, however it seems likely to date from after the Complainant first became aware of the Respondent's registration of the Domain Name, and before it filed the Complaint.
- 4.10 In the same vein, the Complainant has provided a copy of a screen shot of the Domain Name dated 8 November 2011. This states:

DOMAIN NAME FOR SALE:
WWW.LOUISVUITTON.CO.NZ

ALL OFFERS CONSIDERED

ALSO AVAILABLE:
WWW.FERRARINZ.COM

PLEASE RING PETER NEATE: [PHONE NUMBER]

- 4.11 Hence, whatever the date of the printout mentioned earlier, it appears that the Respondent was actively attempting to sell the Domain Name on 8 November 2011.
- 4.12 The Complainant has also provided a screen shot of the website www.alibaba.com which lists the company profile of the Respondent. Under 'Product/Service (We Sell)' are listed 'Domain Names, Website Address.' Mr Neate's name is given as the contact person.

Communications between the parties

- 4.13 The Complainant's lawyers wrote to the Respondent on 11 March 2011 asserting the Complainant's rights in the Domain Name and asking it to transfer the Domain Name to the Complainant. In his response of 16 March 2011 Mr Neate of the Respondent, while advising 'I do not use this Domain in any way shape or form that contravenes the act [sic]' and that it 'was purchased for my own benefit', went on to state 'If your client wishes to purchase this item then please present me with an offer.'
- 4.14 On 6 April 2011 the Complainant's lawyers offered the Respondent \$180.00 in consideration for transfer of the Domain Name to the Complainant. That same day Mr Neate responded "We are interested in Selling but your offer is too Low.'
- 4.15 On 14 April 2001 the Complainant's lawyers sent a letter enquiring what price the Respondent would be willing to accept. In a response on 15 April 2011, Mr Neate on behalf of the Respondent stated 'We never intended to use this Domain or even sell it. If you had offered me a reasonable amount I probably would have sold this to you, but now you have made me investigate the matter, I have been informed of lots of information about pricing of Domains, which I have attached. So now I pass it back to you to make me a worthwhile offer that I cannot refuse'. The attached information comprises printouts from the websites www.bigticketdomains.com and www.ebay.com that list a variety of Domain names. Some of these appear to be for sale at prices ranging from a few thousand dollars to several million dollars. The Domain Name is not listed.

- 4.16 On 28 November 2011 the Complainant, through its Registrar, made an anonymous offer of US\$500 for the Domain Name. Mr Neate responded that same day stating 'We must at this time decline your clients [sic] offer. We have had several substantial offers from both Korea and Hong Kong and are at this time considering those.'
- 4.17 On 2 December 2011 the Complainant's Registrar asked Mr Neate for the price range of these offers. In his response of 3 December 2011 Mr Neate stated that the Respondent would be interested in transferring the Domain Name in consideration for a loan of US\$500,000 for two to three years at an annual interest rate of 3%.
- 4.18 The Registrar responded on 29 December 2011 with a counter offer of US\$2,000. On the same date Mr Neate repeated his request for a loan 'at which time we would transfer this name in full without payment.' That appears to be the end of the correspondence between the Complainant and the Respondent.

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 both registered trade mark rights and common law rights in the mark LOUIS VUITTON in New Zealand.
- 5.3 The Complainant submits that the domain name, in the hands of the Respondent, is an unfair registration, on the basis that:
- a The name 'Louis Vuitton' is not a generic term that one would normally register for the purpose of their business.
 - b Despite Mr Neate's comments regarding his original intentions 'never to use the domain or sell it', the logical conclusion to be drawn from the description of the Respondent's business on www.alibaba.com, its several requests for a 'reasonable offer' and refusal to accept the Complainant's offers to purchase, is that the domain name was not acquired for genuine use, but was acquired for one of the following purposes:
 - i To block registration by the Complainant (paragraph 5.1.1(b) of the Policy).
 - ii For the purpose of unfairly disrupting the business of the Complainant (paragraph 5.1.1(c) of the Policy).
 - iii For the purpose of sale at a profit (paragraph 5.1.1(a) of the Policy).

- 5.4 The Complainant refers to the Respondent's request for a loan at an interest rate of 3% and points out that the monetary amount the Respondent would be saving on such a loan would exceed its out-of-pocket costs of acquiring or using the Domain Name.
- 5.5 The Complainant has provided a copy of a letter from Westpac Bank dated 1 March 2012 which states that an indicative secured lending rate for an amount of US\$500,000 (NZ\$800,000) over two to three years would be 7.4% or higher. The Complainant calculates that if it were to make the requested loan, the Respondent would be paying approximately \$45,000 in interest over three years, compared with approximately \$111,000 if it were to seek this loan from a New Zealand bank. Hence, according to the Complainant, the Respondent would be saving \$66,000 and ultimately profiting from the arrangement.
- 5.6 The Complainant also suggests there is a high probability the Respondent would default on the loan, in which case the Respondent is effectively asking for consideration of US\$500,000 for transferring the Domain Name.
- 5.7 The Complainant submits that this clearly shows that the Domain Name is an unfair registration and that it is unfair for the Respondent to retain its registration of the Domain Name.

Respondent

- 5.8 The Respondent in its Response describes its position as follows:
- a 'It was never our intention to sell this domain, however because of the aggressive manner displayed by their solicitors, and their obvious attempts at entrapment (confirmed in their latest correspondence), we suggested tongue in cheek that Louis Vuitton provide us with a loan which would have been repaid in full and we would hand over the domain name free of charge. This attempt to deceive us, with an offer through a third party, upset us greatly. However, we reiterate it is not our intention to sell this domain name.'
 - b 'If this esteemed organisation had wanted the domain for its own use in New Zealand then they would have acquired this name years ago. There is no proprietary interest in the domain name 'Louis Vuitton' and I have never used the name against the interests of the French fashion house by the same name.'
 - c 'I am not passing off. I am not acting in breach of trade mark. My acquisition will not prevent the Louis Vuitton fashion house from its profitable trading.'

- d 'I have never approached Louis Vuitton. It was only when I became angry at the charade being perpetrated that I sent my suggestion for a loan. I have no intention of selling the domain. When I am ready I will use it, while being cognisant of the interests of the French fashion house.'
- e 'we did offer the domain name for sale via international advertising and whilst this did produce positive results from Korea and Hong Kong, these offers were declined. *This was done in an attempt to provide us with some form of indicator value in future discussions with Louis Vuitton's solicitors.*' (Emphasis added).
- f 'We have never made any attempt to sell or use this Domain Name until harassed by the solicitors for Louis Vuitton.'
- g 'We have stated all the way through these proceedings that the Domain Name was not for sale and in fact this is still the case.'

Complainant's Reply

5.6 In summary, the Complainant in its Reply contends that:

- a The Respondent's assertion that it 'purchased the name to go with the bag' is not logical, and it is difficult to see any benefit the Respondent would achieve by purchasing the domain name of a well-known brand, other than the possibility that the Complainant may wish to purchase it sometime down the line.
- b On the contrary, this suggests the Respondent was aware of the Complainant's goodwill and reputation in the words 'Louis Vuitton' and saw the opportunity to assert a claim to some of this goodwill with the purchase of the Domain Name.
- c The fact the Domain Name was being advertised as for sale on 8 November 2011 (as evidenced by the screen shot provided), and the information surrounding the pricing of domain names attached to the Respondent's letter of 15 April 2011, suggested to the Complainant that the Respondent had every intention to, and was serious about selling the Domain Name.
- d The fact the Complainant had not purchased the Domain Name at the time it was purchased by the Respondent does not mean that it would permit other traders to use the Domain Name.

6. Discussion and findings

Relevant Provisions of the Policy

6.1 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.
- 6.2 Paragraph 4.2 requires the Complainant to prove to the Expert that both elements are present on the balance of probabilities.
- 6.3 The Policy provides that “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.
- 6.4 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
- 6.5 Paragraph 6.1 of the Policy sets out a series of non-exhaustive factors which may be evidence that the Domain Name is *not* an Unfair Registration. They include 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; or
 - (b) been commonly known by the name or legitimately connected with a mark which is identical or similar to the Domain Name; or
 - (c) made legitimate non-commercial or fair use of the Domain Name; or
 - 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

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 clearly has rights in respect of the trade mark LOUIS VUITTON in New Zealand by virtue of its registered trade marks, the earliest of which dates from 1989.

6.8 The Expert also finds that the Complainant has common law rights in New Zealand in respect of the trade mark LOUIS VUITTON by virtue of its trading presence and promotional activity here dating from 1991 and continuing to the present day.

6.9 The Expert is satisfied that these trade mark rights were established and existed prior to registration of the Domain Name on 16 January 2008.

6.10 The Complainant's trade mark LOUIS VUITTON is identical to the Domain Name.

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

6.11 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.

6.12 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 12 April 2012, and hence the Expert cannot take into account acts or omissions amounting to unfair registration or use which occurred prior to 12 April 2009.

6.14 The Domain Name was registered on 16 January 2008. To the extent that the Complainant asserts that the Respondent's *acquisition* of the Domain Name amounts to unfair registration, the Complainant cannot succeed. Even if the Respondent had acquired the Domain Name for one of the purposes listed in paragraph 5.3 b above, the circumstances of its acquisition of the Domain Name could not be taken into account.

- 6.15 The definition of Unfair Registration includes a Domain Name which:
- ii) has been, or is likely to be, used in a manner, which took unfair advantage of or was unfairly detrimental to the Complainants Rights.
- 6.16 The Complainant has also asserted that the Respondent's *use* of the Domain Name is unfair. It points to the evidence of the Respondent's efforts to sell the Domain Name, including its invitations to the Complainant to make offers to purchase it, and its subsequent proposal of a low interest loan in consideration for transfer of the Domain Name. It is clear that these activities have taken place during the relevant three year period.
- 6.17 The question therefore is, has the Respondent since 12 April 2009, used the Domain Name in a manner which took unfair advantage of or was unfairly detrimental to the Complainants' Rights, or is it likely to do so?
- 6.18 The factors listed in paragraph 5.1 of the Policy as potential evidence of an Unfair Registration are not applicable to the present case. The factors in paragraph 5.1.1 do not apply because the circumstances around the Respondent's acquisition of the Domain Name cannot be taken into account. There is no evidence of the circumstances described in paragraph 5.1.2 of the Policy. The Respondent is not actively using the Domain Name at all, and its activities to date including offering to sell the Domain Name do not appear to be likely to confuse, mislead or deceive.
- 6.20 However, the factors listed in paragraph 5.1 of the Policy are not exhaustive. While the circumstances at the time the Respondent acquired the Domain Name cannot be taken into account, the Expert finds that the Respondent has used, and is likely to use, the Domain Name in a manner which took unfair advantage of or was unfairly detrimental to the Complainant's Rights. Specifically, and referring to elements from the non-exhaustive list of factors in paragraph 5.1:
- 6.20.1 The only activity of the Respondent in respect of the Domain Name appears to have been offering to sell it both to the world at large, and to the Complainant.
 - 6.20.2 While the Respondent has denied that it ever intended to sell the Domain Name, its actions (including, for example, the statement highlighted in paragraph 5.8 (e) above) point to the opposite conclusion. The Expert finds on the balance of probabilities that that is the Respondent's primary purpose in holding the Domain Name.

- 6.20.3 It is clear from the offer to transfer the Domain Name in consideration for a low interest loan of US\$500,000 that the Respondent is seeking valuable consideration in excess of its out-of-pocket costs directly associated with acquiring the Domain Name. The Expert finds on the balance of probabilities that that offer by the Respondent was genuine and not 'tongue in cheek'.
- 6.20.4 The Respondent has not suggested that it has any plans to make genuine use of the Domain Name itself.
- 6.20.5 While it has not been established that the Respondent is engaged in a pattern of registrations of Domain Names which correspond to well known names or trade marks in which the Respondent has no apparent rights, there are indications of such a pattern in:
- a The Respondent's describing itself on www.alibaba.com as selling Domain Names.
 - b The screen shot dated 8 November 2011 which indicates that www.ferrarinz.com is also available from the Respondent.
- 6.20.6 LOUIS VUITTON is a very well known trade mark. It is inconceivable that the Respondent registered it without knowing of the Complainant and its rights. The Expert considers that the Respondent's actions in retaining the Domain Name, despite the Complainant's request to transfer it and its offers to purchase it for up to US\$2000, have effectively blocked the Complainant from using its trade mark LOUIS VUITTON as part of a New Zealand Domain Name. Hence it was and is a blocking registration against a name or mark in which the Complainant has rights. This is evidence of an Unfair Registration in terms of paragraph 5.1(b) of the Policy.

6.21 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.

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

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

Place of decision

Auckland

Date 4 July 2012

Expert Name: Ms Sheana Wheeldon

Signature: _____