

## **.nz Dispute Resolution Service**

**DRS Reference: 780**

**Herbalife International of America, Inc. v jjhinghan**

Key words -

### **1. Parties**

Complainant:

Herbalife International of America, Inc.  
990 West 190th Street, Suite 650,  
CA 90502  
Torrance,  
United States of America  
Represented by: Mr Hector Cumming

Respondent:

jj hinghan  
Auckland  
Aotearoa  
Represented by: Andy Sood

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

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

### **3. Procedural history**

The Complaint was lodged on 4/05/2012 and Domain Name Commission (DNC), notified the Respondent of the validated Complaint on 9/05/2012. The domain/s were locked on 4/05/2012, preventing any changes to the record until the conclusion of these proceedings.

The Respondent filed a Response to the Complaint on 29/05/2012 and the DNC so informed the Complainant on 30/05/2012. The Complainant filed a Reply to the Response on 11/06/2012. The DNC informed the parties on 26/06/2012 that informal mediation had failed to achieve a resolution to the dispute.

The Complainant paid Domain Name Commission Limited the appropriate fee on 2/07/2012 for a decision of an Expert, pursuant to Paragraph 9 of the .nz Dispute Resolution Service Policy ("the Policy").

### **4. Factual background**

- 4.1 The Complainant has failed to provide many of the details required by Paragraph B2.3.5 of the Policy.

4.2 The Rights alleged are trademarks held by Herbalife International Incorporated, the parent company of the Complainant. The trademarks are long standing and are the New Zealand registered trademarks:

145490	HERBALIFE Class 3 registered effective 7 January 1983
145491	HERBALIFE Class 5 registered effective 7 January 1983
147805	HERBALIFE Class 29 registered effective 30 June 1983
213562	HERBALIFE Class 5 registered effective 10 October 1991
675201	HERBALIFE CHITOSAN FIBRE Class 5 registered effective 12 May 2003

4.3 The Complainant states that it has the registered domain name herbalife.com.

4.4 The only use of the trademark in New Zealand given by the Complainant in the Complaint is in the following terms:

The trademarks marks have been used extensively in New Zealand for many years since they were registered and evidence of such use can be provided if required.

It is not the role of the Expert to request evidence and the obligation to provide the necessary evidence to determine this matter rests with the Complainant.

4.5 “jjhingan”, the owner of the Domain Name, is not a present or past distributor of Herbalife products in New Zealand.

4.6 The Complainant invited the Expert to view the home page of the web site of the Domain Name and the archive pages. 11 archive pages were referred to and it is noted that 8 of those pages were beyond the 3 year period referred to in Paragraph A5.4. of the Policy.

4.7 The home page is headed “Herbalife NZ Product Experiences” and there are four paragraphs on that page entitled

Herbalife's Inspiring products  
Herbalife update  
Stopped on Herbalife  
100 Weight Loss Tips

4.8 The contents of the first paragraph read:

Herbalife's products have always been very inspiring and always had good results. I have heard that some of their best range comes in in Healthy aging. From their joint support advanced with glucosamine to Ultimate prostate formula. Apart from their Weight loss program which include protein shakes and multivitamins these other range of products seem to have great benefit to human beings. To get the best result I have always found to combine Herbalife's great product line with healthy eating

and healthy living like exercising. Once you combine the power of Herbalife products with good food and exercise, good results are shown quicker.

- 4.9 The paragraph headed “Herbalife update” advises that JJ Hinghan has not been able to update the website but notes that she is aware that Herbalife products have more benefits than just weight loss and that she has full confidence in Herbalife.
- 4.10 The paragraph headed “Stopped on Herbalife” advises that she has stopped Herbalife temporarily and has observed slight weight gain, notes that Herbalife is expensive and she has decided to give it a rest but says “I trust herbalife very much, but it hurts when it stops showing the results.”
- 4.11 The last paragraph headed “100 Weight Loss Tips” refers the reader to another website which gives 100 weight loss tips and is advice to those who are trying their best but Herbalife products are still not working for that person.
- 4.12 There is a disclaimer on the home page and on subsequent pages entitled “About”, “Contact Us” and “Starting Herbalife”. The disclaimer is in the following terms

“Product names, logos, brands, and other trademarks featured or referred to within the herbalife.co.nz website are the property of their respective trademark holders. These trademark holders are not affiliated with our website. They do not sponsor or endorse herbalife.co.nz or any of our online content. Herbalife.co.nz is not affiliated with Herbalife International, Inc and is not authorised or endorsed by them in any shape or form. This website is solely created to inform other users of the benefits of Herbalife products and is not owned and maintained by Herbalife Distributor or Herbalife.”

- 4.13 The three archive pages within the 3 year period do not really take the matter any further. They give advice on Herbalife products and are generally complimentary of the products. Those archive pages which are outside the 3 years are no different.
- 4.14 The four pages referred to in paragraph 4.12 all invite comment. A reader wishing to comment is invited to give the reader’s email address.

## **5. Parties’ contentions**

### **a. Complainant**

- 5.1 The Complainant’s claim to Rights is set out in paragraph 4.4 above.
- 5.2 The Complainant’s description of the alleged Unfair Registration is in the following terms:

The registrant jjhinghan is not a present or past distributor of Herbalife products in New Zealand and is not known to us. He is advertising products on his website that are not authorised by us. This causes the public to think that he is an authorised distributor of our products.

- 5.3 Because of the Response from the Respondent, the Complainant was able to take the matter further in its Reply. Included in that Reply were the following:

The Respondent admits to unauthorised resale of Herbalife products from a domain that objectively looks like a corporate domain name.

The Respondent admits to knowing that “independent Herbalife distributors are forbidden to own anything to say Herbalife in their website, email addresses, domains, etc. and they enforce rules to not be able to use Herbalife name to all distributors.”

The Respondent uses the trademarks mark Herbalife to draw traffic to her domain name and even if there is a disclaimer on pages of the website such disclaimer is of no effect.”

**b. Respondent**

- 5.4 The Respondent has several grounds for alleging that the Domain Name is not an Unfair Registration. The ones that are particularly relevant are:

- (a) the website which has operated since 2008 is operated under Paragraph 6.2 of the Policy. It is a tribute to all Herbalife products, its experiences, its advantages and benefits.
- (b) The website was created so that people who research online for Herbalife products can find out more about their products and how they work.
- (c) The website has never deceived in making it believe that the website is owned by Herbalife International of America Inc.
- (d) There is a disclaimer on every page stating the fact that it is not endorsed by Herbalife International Inc.
- (e) The “About” page on the website clearly defines what the website’s reasons for existence is.

- 5.5 The responses referred to in paragraph 5.3 above are taken from the Respondent’s Response. The Respondent did add, however, “I think you don’t need to be a distributor as you are able to buy Herbalife products without being a Herbalife Independent Distributor and have sources where I can get Herbalife products with 25% discount and can later sell them through herbalife.co.nz.

## **6. Discussion and findings**

- 6.1 It is necessary for the Complainant to establish, in accordance with the provisions of Paragraph A4.1 of the Policy that:
- (a) it has Rights in respect of a name or mark which is identical or similar to the Domain Name; and
  - (b) the Domain Name is in the hands of the Respondent, is an Unfair Registration.
- 6.2 The Complainant is not the registered holder of the trademarks which it says are the basis of its Rights. Its parent company, Herbalife International Inc., is the owner. The Complainant does not state what rights the Complainant has to the trademarks marks. It is not the registered owner of them.
- 6.3 Presumably, the Expert is expected to draw the inference that the Complainant has a licence to use the trademarks marks. The trademarks marks relate to products of a kind referred to on the Respondent's web site.
- 6.4 Assuming that the Complainant has a legal right to use the trademarks marks the next issue is whether the trademarks marks are identical or the same as the Domain Name. Four of them are "HERBALIFE". This is identical or similar to the Domain Name.
- 6.5 It is necessary to establish an Unfair Registration. There is nothing in the Complaint itself which is evidence of an Unfair Registration. There is an allegation that the Respondent is advertising products on the website which are not authorised by the Complainant and this is causing the public to think that she is an authorised distributor of the Complainant's products.
- 6.6 The Expert has viewed the website. There is no advertisement offering the Complainant's products for sale. There is nothing, in the Expert's opinion, which would cause the public to think the Respondent is an authorised distributor of the Complainant's products. Indeed, the reverse is true. The disclaimer specifically states that the Respondent is not such a distributor.
- 6.7 If this matter were to be determined solely on the Complaint and the allegations made in it, it could not succeed. There is no evidence provided with the Complaint supporting the allegation that the Complainant's products are being advertised. On the face of the website, no products are being advertised.
- 6.8 The Respondent relies upon Paragraph A6.2 of the Policy. A viewing of the website supports this submission. The website is complimentary of the Herbalife products and the first sentence on the home page (quoted in

paragraph 4.8 above) clearly extols the virtues of the Herbalife products. There are other similar comments on the website. On the face of the website, it is being operated in tribute to Herbalife products. It is supportive of them.

- 6.9 The only evidence of possible selling of product is the evidence given by the Respondent in her Response. It is her statement:

I think you don't need to be a distributor as you are able to buy Herbalife products without being Herbalife Independent Distributor and have sources where I can get Herbalife products with 25% discount and can later sell them through herbalife.co.nz.

- 6.10 To satisfy the requirements of Paragraph A6.2 of the Policy, the website must operate "solely in tribute" of a person or business. If the website also has a commercial purpose, it is not operating "solely in tribute".

- 6.11 The definition of Unfair Registration in Paragraph A3 of the Policy includes that the Domain Name "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". Thus, if there is evidence that the website will be used in a manner which takes unfair advantage or will be unfairly detrimental to the Complainant's rights there may be an Unfair Registration.

- 6.12 Under Paragraph A5.1.2, it is necessary for the Complainant to show 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, or operated or authorised by, or otherwise connected with the Complainant". In the Expert's view, the Complainant has not produced any evidence that this is the case. The only possible evidence is that already referred to, namely the comment referred to in paragraph 6.9 above.

- 6.13 While it is possible to interpret the Respondent's comments as a statement that she is selling the Complainant's products through her website, another interpretation is that she is able to do so if she wishes to. In the absence of any evidence from the Complainant, the Expert is not satisfied that the general and ambiguous statement of the Respondent establishes an Unfair Registration on the balance of probabilities.

- 6.14 The Expert has noted that there are several opportunities on the Respondent's website where a person may make a comment or leave a message on the website. That person is required to give his or her email address. This would enable the Respondent to contact that person and offer to sell Herbalife products to that person. However, in the absence of other evidence, the Expert is not prepared to draw this inference.

- 6.15 There is the disclaimer which makes it clear that the Domain Name is not affiliated with the Complainant and is not authorised or endorsed by it in any shape or form. Often a disclaimer is taken as an acknowledgment

that the respondent knows of the complainant's rights and in this case that may be correct. However, in view of the facts that there is no overt selling on the website, that it is supportive of Herbalife products and that the disclaimer denies the Respondent is authorised by Herbalife in any form, it is difficult to draw the inference that there is a commercial element in this website.

- 6.16 The Expert is not satisfied in the circumstances that the statement by the Respondent in its Response is sufficient to establish the Complainant's case. It is capable of more than one interpretation. There is no evidence produced that the Respondent is selling. The Complainant has not discharged the onus on it. The Expert would have been prepared to infer the Complainant has Rights but can not infer on the evidence that there has been an Unfair Registration.

## **7. Decision**

The Expert determines that the Complainant has not satisfied him that this is an Unfair Registration and the Complaint is therefore denied.

**Place of decision** Auckland

**Date** 16<sup>th</sup> July 2012

**Expert Name** Barry Paterson QC

**Signature**