

## **.nz Dispute Resolution Service**

**DRS Reference: 826**

### **Nike International Limited (Nike Inc.) v Ai Leen**

Key words -

#### **1. Parties**

Complainant:

Nike International Limited (Nike Inc.)

C/O 28 Victoria Cres

Abbotsford

VIC

Melbourne

Australia

Represented by: Mr David Annals

Respondent:

Ai Leen

23 Lee Rd

Sydney

Australia

Represented by: Ai Leen

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

nikeshoes.net.nz ("the Domain Name")

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

3.1 The Complaint was lodged on 31/10/2012 and Domain Name Commission (DNC), notified the Respondent of the validated Complaint on 5/11/2012. The domain/s were locked on 8/10/2012, preventing any changes to the record until the conclusion of these proceedings.

3.2 There was no response filed by the Respondent.

3.3 The Complainant paid Domain Name Commission Limited the appropriate fee on 6/12/2012 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 is Nike International Limited. The Respondent, Ai Leen, is the registered owner of the domain name and resides in Sydney. The Domain Name was registered on 19 April 2012.

## 5. Parties' contentions

### a. Complainant

- 5.1 The Complainant asserts rights in the word NIKE and states that this "is a well-known and recognised New Zealand registered trade mark". In particular, the Complainant relies on the following registered trade mark in New Zealand which is registered in its name as owner.

Mark	No.	Application Date	Applicant	Class	Specification
NIKE	286891	5/1/98	Nike International Limited	25	All goods in class

- 5.2 The Complainant contends that the Respondent unfairly registered the Domain Name. It states that it began an investigation into the Domain Name in response to complaints received from customers after they purchased what they believed to be genuine NIKE shoes from the website operated at the Domain Name. The Complainant says that it obtained shoes directly from the site. The shoes were examined by NIKE Brand Protection Experts and deemed to be counterfeit. This was based on a number of indicators including the poor quality of the shoes and the missing or incorrect specific product details that should be present on genuine NIKE items.
- 5.3 The Complainant asserts that the Domain Name was registered unfairly and that the goods being offered for sale and sold from the website are not genuine. The Domain Name in the Complainant's view is designed to mislead, confuse or deceive consumers looking to purchase from Nike New Zealand. Further, consumers are likely to be believe that the site is in some way associated, affiliated with or endorsed by Nike New Zealand or Nike Inc when in fact it is not.
- 5.4 The Complainant believes that, based on the Domain Name and representations made, consumers would expect to receive genuine NIKE items when purchasing from this site. Subsequently, as has been found, the goods received are not genuine. The Complainant says that the website is likely to have a negative impact on the reputation of Nike in New Zealand and NIKE products generally. The Complainant invited the Expert to view the Domain Name.

### b. Respondent

- 5.5 No Response was received from the Respondent.

## 6. Discussion and findings

- 6.1 The Complainant is required to satisfy the Expert on the balance of probabilities that it has met the requirements of 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.”

## **Rights**

6.2 The Complainant has clearly demonstrated that it has a registered trade mark in New Zealand for NIKE in respect of all goods in class 25 which include shoes. Under s10(1) of the Trade Marks Act 2002 the Complainant has the exclusive right in New Zealand to:

(a) Use that registered trade mark; and

(b) Authorise other persons to use that registered trade marks.

6.3 The Complainant accordingly has rights enforceable under New Zealand law in the word mark NIKE. These rights existed with effect from 5 January 1998 some 14 years before registration of the Domain Name.

6.4 The Expert finds that the Domain Name is similar to the NIKE registered trade mark in which the Complainant has rights. The registered trade mark NIKE is contained in the Domain Name. The addition of the word “shoes” is generic and merely reinforces the similarity.

## **Unfair Registration**

6.5 Unfair Registration is defined in paragraph 3 of the Policy as follows:

“**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.”

6.6 A non-exhaustive list of factors which may be evidence that the Domain Name is an Unfair Registration is set out in paras 5.1.1 – 5.1.5 of the Policy. One of those factors in para 5.1.2 states:

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;

- 6.7 The Expert considers this is a very clear case of Unfair Registration.
- 6.8 The trade mark NIKE is one of the most well-known global brands in relation to (inter alia) sports shoes and sportswear. It is abundantly clear that the Respondent specifically targeted the Complainant's well-known brand and registered trade mark in class 25 because the Domain Name comprises both "NIKE" and "shoes".
- 6.9 The Domain Name resolves to a website which states as its positioning statement "Official Nike shoes online store, cheap air max sneakers, best price in New Zealand and Australia". The website itself displays Featured Products with coloured photographs of sports shoes each described with the trade mark NIKE e.g. "Nike LunarGlide + 5 Womens Shoes Grey Blue White Red save US \$69.90". It is clear from the Complaint that those are all counterfeit products. The homepage contains a copy of the distinctive NIKE swirl logo and the slogan "Just do it". The website also includes a copyright claim i.e.:

"Copyright © 2012 Nikestore New Zealand"

together with various official logo signs relating to paying online. All of these indicia show use of the Domain Name in a way designed to persuade the visitor that this is a genuine NIKE website (when it is not.)

- 6.10 The site provides a shopping cart for purchasing online. All of the brands displayed on the website are ostensibly NIKE brands such as Nike Air Max, Nike LunarGlide, Nike LunarEclipse.
- 6.11 The Expert considers that the Domain Name
- (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; and
  - (b) Has been, and (if not transferred) is likely to continue to be, used in a manner which takes unfair advantage of or is unfairly detrimental to the Complainant's Rights.
- 6.12 The Respondent's use of NIKE as part of the domain name amounts to trade mark infringement under s89(1)(a) of the Trade Marks Act 2002. The identical mark NIKE is being used on goods falling squarely within the specification of goods for which the mark is registered and which are counterfeit with no connection with the Complainant. The same actions would also constitute passing off and a breach of the Fair Trading Act 1986.

- 6.13 It is also abundantly clear that the Domain Name was both registered and is being used in a manner which takes unfair advantage of or is unfairly detrimental to the Complainant's rights – particularly given the Complainant's undisputed contentions that the shoes being sold on the website are all counterfeit and of poor quality. Visitors to the site are being and will be lured in by the use of the trade mark NIKE and the by-line on the site "Official Nike shoes online store". The Complainant has provided one email exchange with a disgruntled member of the public who purchased a pair of shoes from the site and was misled into believing that the Domain Name was operated, authorised by or otherwise connected with the Complainant and that the good sold from it were genuine NIKE shoes. The Respondent's actions fall squarely within paragraph 5.1.2 of the Policy. Unless the Domain Name is transferred, the continuing misleading and deception of members of the public will continue.
- 6.14 For all the foregoing reasons, the Expert is satisfied that the Complainant has met the requirements of both limbs of the definition of Unfair Registration.

## **7. Decision**

- 7.1 For all the foregoing reasons, the Expert orders that the Domain Name *www.nikeshoes.net.nz* be transferred to the Complainant.

<b>Place of decision</b>	Auckland
<b>Date</b>	14 December 2012
<b>Expert Name</b>	Andrew Brown QC
<b>Signature</b>	