

## **.nz Dispute Resolution Service**

**DRS Reference: 911**

### **Nike International Limited v Leo Auley**

Key words -

#### **1. Parties**

Complainant:

Nike International Limited

28 Victoria Cres

Abbotsford

Melbourne

Australia

Represented by: Mr David Annals

Respondent:

Mr Leo Auley

6 Penrhyn Rd

Epsom

Auckland

New Zealand

Represented by: Mr Leo Auley

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

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

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

3.1 The Complaint was lodged on 14 October 2013 and Domain Name Commission (DNC), notified the Respondent of the validated Complaint on 17 October 2013. The domain/s were locked on 14 October 2013, 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 22 November 2013 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, Leo Auley, is the registered owner of the Domain Name and resides in Auckland. The Domain Name was registered on 11 September 2013.

**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.

<b>Mark</b>	<b>No.</b>	<b>Application Date</b>	<b>Applicant</b>	<b>Class</b>	<b>Specification</b>
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 New Zealand consumers who were confused into believing that the site was the New Zealand Nike online store. The Complainant states that those customers noted that the header of the website hosted at the Domain Name states: "Official Nike shoes online store New Zealand".

5.3 The Complainant says that it obtained shoes directly from the site. The shoes were examined by NIKE Brand Protection Experts and found 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. The Complainant has provided evidence of this purchase.

5.4 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 Complainant further states that the Domain Name is designed to mislead, confuse or deceive consumers looking to purchase from the genuine NIKE, namely Nike New Zealand. Further, consumers are likely to 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.

5.5 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**

5.6 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 provided evidence 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 mark.

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 15 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 “stores.co.nz” 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 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 clear that the Respondent has specifically targeted the Complainant’s well-known brand and registered trade mark because the Domain Name contains “NIKE” and is being used to sell counterfeit copies of NIKE shoes.
- 6.9 The Domain Name resolves to a website which contains the title tag “Official Nike shoes online store New Zealand, cheap NIKE sport shoes, Free Run shoes wholesale”. The website itself displays Featured Products with coloured photographs of sports shoes each described with the trade mark NIKE e.g. “2010 Nike Air Max 1 Mens shoes Dark Grey Blue Black”. The homepage contains a copy of the distinctive NIKE swirl logo and other promotional material showing the NIKE trade mark. The website also includes a copyright claim i.e.:

“Copyright © 2013 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 and Nike Free Run.
- 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 both passing off and a breach of s9 of the Fair Trading Act. It also constitutes infringement of the Complainant’s registered trade mark NIKE in New Zealand under s89(1)(c). The sign NIKE STORES is being used for an online store selling shoes and use of that sign is likely to confuse or deceive consumers into believing that this is the

Complainant's store or that it is associated with the Complainant (when it is not).

- 6.13 It is also 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 counterfeit and of poor quality. Visitors to the site are being and will be attracted to it by the use of the trade mark NIKE and the by-line on the site "Official Nike shoes online store".
- 6.14 The Respondent's actions fall squarely within paragraph 5.1.2 of the Policy. Unless the Domain Name is transferred, members of the public will continue to be misled and deceived.
- 6.15 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.nikestores.co.nz*" be transferred to the Complainant.

<b>Place of decision</b>	Auckland
<b>Date</b>	2 December 2013
<b>Expert Name</b>	Andrew Brown QC
<b>Signature</b>	