

## **.nz Dispute Resolution Service**

**DRS Reference: 1186**

**NIKE, Inc. and Nike v Antony J  
Innovate C.V.**

### **Key words -**

*Domain name*  
nike.nz

*Identical or similar trade mark or name*  
Registered mark - well-known mark - identical

*Rights*

*Unfair registration*  
Unfair registration - offer to sell, rent or otherwise transfer - pattern of registration -  
blocking registration - respondent having no connection with name or trade mark

*Procedure*  
Transfer

## **1. Parties**

### **Complainant:**

NIKE, Inc. and Nike Innovate C.V.  
One Bowerman Drive  
Beaverton,  
OR 97005  
United States of America

**Represented by:** Mr David Steele, Tucker Ellis LLP

### **Respondent:**

Antony J  
25 Preston Ave  
Henderson 0610  
Auckland  
NZ (NEW ZEALAND)

## **2. Domain Name**

nike.nz

### **3. Procedural history**

- 3.1. The complaint was lodged on 19 August 2016 and the Domain Name Commission (DNC), notified the respondent of the validated complaint on 23 August 2016. The domain was locked on 23 August 2016, preventing any changes to the record until the conclusion of this proceeding.
- 3.2. The respondent did not provide any response to the complaint.
- 3.3. On 20 September 2016, the complainant paid the Domain Name Commission Limited the appropriate fee for a decision of an Expert, pursuant to paragraph 9 of the .nz Dispute Resolution Service Policy ("the DRS Policy").
- 3.4. On 27 September 2016, Maria Dew, Barrister, the undersigned, ("the Expert") confirmed to the DNC 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*

- 4.1. There are two entities named as the complainant in this proceeding. NIKE, Inc is a global supplier of athletic footwear and clothing, and related products. It is headquartered in Oregon, United States of America. The NIKE business and brand was established in 1971 and operates throughout the world. It has been a global brand for more than three decades. Nike Innovate CV is a Dutch limited partnership and holds intellectual property for NIKE, Inc. Its listed address in its filings with the New Zealand Intellectual Property Office is the NIKE Inc headquarters in Oregon. For ease of reference, I will refer to the two complainants together as the complainant.
- 4.2. The complainant alleges that the domain name <nike.nz> held by the respondent is an Unfair Registration. Under the Policy, the DNC has the power to transfer, suspend or cancel or otherwise amend a domain name registration which is found by an independent Expert to be an Unfair Registration.
- 4.3. The complainant owns a number of trade marks in various classes in New Zealand registered between August 1977 and January 2016, including for:
  - The word "NIKE"; and
  - The combined image of a tick and the name "NIKE".
- 4.4. The complainant trades in New Zealand and elsewhere from the domain name <nike.com>. The domain <nike.co.nz> redirects to <nike.com>. WHOIS records show that these domain names were registered by the complainant in 1995 and 1996. The complainant has provided evidence of the worldwide sales and marketing related to the NIKE brand and business. The advertising expenditures in connection with the NIKE mark exceed \$2.5 billion USD per year for 2012, 2013 and 2014. The complainant's domain name <nike.com> currently attracts two to three million unique visitors per month.

### *The respondent*

- 4.5. The domain name in question, <nike.nz>, was registered on 29 June 2016. The registrant is the named respondent, “Antony J” of Henderson, Auckland. The website at <nike.nz> contains an offer to sell the domain name for £1,599. It states:

*“nike.nz is a strong memorable brandable name. This domain could be yours ! Be quick and secure this domain name. Domain name will be transferred within 24 hours after payment.”*

- 4.6. The complainant says this website was installed immediately after the domain name was registered. The complainant has also identified a number of other domain names registered in the name of “Antony J” or “Antony Jelichich”, each given the same phone number and email contact as the respondent. To the extent that a physical address has been identified the same address has also been used. I accept that the respondent is, on the balance of probabilities, also the registrant of the following domain names:

- <beats.co.nz> (registered in November 2013);
- <cnet.co.nz> (registered in November 2014);
- <autotrader.nz> (registered in March 2015);
- <kickstarter.co.nz> (registered in August 2015);
- <zumba.co.nz> (registered October 2015);
- <norton.co.nz> (registered in November 2015);
- <hallmark.co.nz> (registered in December 2015);
- <zigzag.co.nz> (registered December 2015);
- <myspace.co.nz> (registered in January 2016);
- <snapchat.co.nz> (registered February 2016);

- 4.7. These are all well-known brand names established in the New Zealand marketplace. There is no evidence that the respondent has any rights in these brand names. The domain name <snapchat.co.nz> has an asking price of USD\$4,999. It is noted that not all of the domain names are being offered for sale. By way of example <zigzag.co.nz> is not offered for sale and the webpage states: *“You have reached the future website of zigzag.co.nz. This domain is currently parked with 1<sup>st</sup> Domains and does not yet have a website”*

## **5. Parties’ contentions**

### *Complainant*

- 5.1. The complainant submits that the respondent has registered <nike.nz> primarily for the purposes of selling the domain name to the complainant or to a competitor of the complainant for a price exceeding out of pocket costs

directly associated with acquiring or using the domain name (refer to para 5.1.1(a) of the DRS Policy).

- 5.2. It also contends that the respondent's registration of <nike.nz> is part of a pattern of the respondent registering domain names corresponding to well-known trade marks in which the respondent has no apparent rights (para 5.1.3).
- 5.3. Finally, the complainant submits that the respondent's registration is a blocking registration against names and marks in which the complainant has rights (para 5.1.1(b)).

*Respondent*

- 5.4. The respondent has not provided a response to the complaint. Nevertheless, the Expert has attempted to evaluate whether there is any evidence contrary to the complainant's position.

**6. Discussion and findings**

- 6.1. The DRS Policy issued by the DNC governs the present complaint. The complainant is required to prove to the Expert on the balance of probabilities that the following two elements are present (para 4.1):

*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. An Unfair Registration is defined in the policy (para 3):

***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.*

- 6.3. The DRS Policy sets out a non-exhaustive list of factors which may evidence that the Domain Name is an Unfair Registration including, as relevant to this present case (para 5.1):

*"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;*

*(b) as a blocking registration against a name or mark in which the Complainant has Rights; or.. “*

*“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 trademarks in which the Respondent has no apparent rights, and the Domain Name is part of that pattern.”*

6.4. A lack of use of a domain is not in itself evidence of an unfair registration:

*“5.2 Failure on the Respondent's part to use the Domain Name for the purposes of e- mail or a web-site is not in itself evidence that the Domain Name is an Unfair Registration.”*

6.5. The DRS Policy at para 5.4 also provides that the Expert shall not take into account any evidence of acts or omissions amounting to unfair registration or use which occurred more than three years before the date of the complaint. The complaint was lodged 19 August 2016. Therefore, the Expert may only take into account of any acts or omissions which amount to unfair registration dating back to 19 August 2013.

6.6. The DRS Policy also sets out a non-exhaustive list of factors which may evidence that the Domain Name is not an Unfair Registration, including relevantly (para 6):

*“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;*
- (b) been commonly known by the name or legitimately connected with a mark which is identical or similar to the Domain Name;*
- (c) made legitimate non-commercial or fair use of the Domain Name;....”*

*“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;”*

*“6.1.4 In relation to paragraphs 5.1.3 and/or 5.3; that the Domain Name is not part of a wider pattern or series of registrations because the Domain Name is of a significantly different type or character to the other domain names registered by the Respondent.”*

6.7. The DRS Policy notes that by themselves trading and holding Domain Names are lawful activities (refer para 6.4).

***Does the Complainant have rights in respect of a name or mark?***

- 6.8. The Complainant has multiple New Zealand registered trademarks for the word “NIKE”. I accept that the complainant sells products in New Zealand under that name through its website and physical shops, and therefore uses that name in its business activities in New Zealand and has done so for many years prior to 2016. I therefore accept that the complainant has rights in respect of the name “NIKE”.

***Is the name or mark in which the complainant has rights identical or similar to the domain name – nike.nz?***

- 6.9. I accept that the domain name and the name NIKE over which the complainant has rights are identical.

***Is the domain name in the hands of the respondent an Unfair Registration?***

- 6.10. I accept that the domain name has been registered by the respondent in a manner which, at the time when the registration took place, took unfair advantage of or was unfairly detrimental to the complainant's rights. In particular, I note:
- (a) The blocking effect of the registration is pronounced for the complainant, which owns trade marks for the identical name and famously trades under that name. It would be reasonable to expect that the complainant would at some point want the Domain Name, either to redirect potential customers to <nike.com> as it does with <nike.co.nz> already, or simple to hold and prevent unaffiliated persons from taking advantage of its trade marks.
  - (b) I accept that the complainant does not want the Domain Name sold to any other person given its rights in the NIKE word and that it would be unfairly detrimental to the complainant's rights if it was sold to a third party.
  - (c) The Domain Name had been registered for less than two months when the complaint was lodged. At the time of the complaint, the Domain Name was being offered for sale with an asking price was £1,599. No out of pocket costs have been documented as no response has been filed. I accept that on the balance of probabilities that the price demanded is greater than what would be necessary to reimburse the respondent for out of pocket expenses.
  - (d) The evidence shows that domain names generally can be acquired for as little as NZD21.50 per annum. The respondent's pricing suggests that he was targeting those who would attach a special value to the name “NIKE”. On the evidence that could only realistically be the complainant or its competitors.
  - (e) I also accept that the Domain Name is part of a pattern of registrations by the respondent of registering well-known names and trademarks in which the Respondent has no apparent rights (para 5.1.3). The pattern of registration is obvious. Many are very well known names in New Zealand, for example: “Snapchat” (smartphone application), “Hallmark” (greeting cards), “Zumba” (exercise regime), and “Kickstarter” (crowd-funding

platform). There is nothing to suggest that the Respondent has any rights in the names used.

- 6.11. The DRS Policy provides that trading in domain names for profit is by itself a lawful activity and each case should be reviewed on its merits (para 6.4). However I accept that the Respondent's registration for the reasons expressed above took unfair advantage of and is unfairly detrimental to the complainant's rights in the name "NIKE". The Respondent could only ask for the sale price because of the complainant's reputation attaching to the word "NIKE". The respondent has no rights to that reputation.
- 6.12. None of the considerations under para 6.1 applies on the evidence available. There is no evidence that the respondent has any previous or fair use interest in the Domain Name. I accept that the Domain Name is an Unfair Registration in the hands of the Respondent.

## **7. Decision**

- 7.1. The respondent's registration of the domain name <nike.nz>, is an Unfair Registration in breach of the DRS Policy. I determine that the disputed domain name should be transferred to the complainant.

**Place of decision**      Auckland

**Date**                      5 October 2016

**Expert Name**          Maria Dew, Barrister

**Signature**

