

.nz Dispute Resolution Service

DRS Reference: 1193

**Blastmaster Management Pty
Limited**

v

Blastone NZ Ltd

Key words -

Domain name
blastone.co.nz

Identical or similar trade mark or name
Registered mark - identical

Rights
Demonstrable preparations to use

Unfair registration
Unfair registration – unfair use – likely to confuse, mislead or deceive – pattern of registration – false contact details – unfairly disrupting the business of the complainant – blocking registration – presumption of unfair registration – respondent having no connection with name or trade mark

Procedure
Evidence – admissibility – relevance – natural justice – remedies – transfer

1. Parties

Complainant:

Blastmaster Management Pty Limited
Rick Gooden
3 Bruce Avenue
Marleston,
South Australia 5033
Australia

Represented by: Ms Amber Davis, Simpson Western

Respondent:

Blastone NZ Ltd
Kay Thornton
2 Tarndal Grove
Albany
Auckland
NZ

2. Domain Name/s

blastone.co.nz

3. Procedural history

- 3.1. The Complaint was lodged on 25 October 2016 and the Domain Name Commission (DNC) notified the Respondent of the validated Complaint on 28 October 2016. The domain was locked on 27 October 2016, preventing any changes to the record until the conclusion of this proceeding.
- 3.2. On 9 November 2016, the Respondent informed the DNC that it had not received the hard copy annexures to the Complaint and asked that time for its response not run until it had received the annexures. The Respondent's request for an extension was unopposed and the DNC agreed to extend the time for a response by three days, to 25 November 2016.
- 3.3. On 9 November 2016, the DNC emailed the annexures to the Respondent. It appears that a hard copy of the Complaint was never received by the Respondent. On 16 November 2016, the DNC received, by return, the hard copy annexures that had been sent to the Respondent. They had been returned as the contact address for the Respondent as registrant was incorrect on the register. In the circumstances, the DNC considered it appropriate to grant a further three- day extension to 30 November 2016.
- 3.4. The Respondent filed a Response to the Complaint on 24 November 2016.
- 3.5. The Complainant filed a Reply to the Response on 12 December 2016. The parties attempted mediation but were not able to resolve the matter as at 31 January 2017.
- 3.6. On 9 February 2017, the Complainant paid Domain Name Commission Limited the appropriate fee, seeking a decision of an Expert, pursuant to Paragraph 9 of the .nz Dispute Resolution Service Policy ("the Policy").
- 3.7. Maria Dew, the undersigned, ("the Expert") confirmed to the DNC on 22 February 2017 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.

Discussion regarding procedure

- 3.8. The Respondent has raised an issue that it had not received a hard copy of the Complaint and annexures in a timely manner from the DNC and therefore was only able to respond in a limited way.
- 3.9. The DNC is responsible for the service of documents filed by parties to a complaint. The Policy requires parties when filing their Complaint, Response or Reply to include:
 - (a) a hard copy of the Complaint, Response or Reply;

- (b) four hard copies of attachments; and
- (c) electronic copies of all filed documents to the extent possible

(paras B2.3, B2.3.10, B4.2, B4.2.6 and B5.2).

- 3.10. Four hard copies are required because the general practice of the DNC is to send hard copies to the parties and any mediator and Expert. However, the Policy does not explicitly require the DNC to serve hard copies of the Complaint, Response or Reply to an opposing party (see paras B1.1, B3.1 and B4.3), except where an attachment cannot be delivered in electronic form.
- 3.11. The Policy also provides for the sending of the Complaint “by post, fax or e-mail to the Respondent at the contact details shown as the Registrant or other contacts in the Register for the Domain Name in dispute” (para B1.1.1). It is therefore important that registrants provide correct and up to date contact details to their registrars.
- 3.12. In this case, the usual service of hard copies did not occur because the contact details of the Respondent were incorrect on the register. However, the Respondent was sent a copy of the complaint and annexures by email by 9 November 2016. I am also satisfied that adequate time was given to the Respondent to reply given the extensions provided. The Respondent acknowledged that it had received a complete set of documents by 9 November 2016 and it filed a response on 24 November 2016.

4. Factual background

The Complainant

- 4.1. The Complainant’s Blast-One business has been a global supplier of providing products to the corrosion control and protective coatings industry for over 35 years. It supplies blasting, cleaning, coating inspection, abrasive products and safety equipment to the industry.
- 4.2. The Complainant operates in the United States of America, Australia, the United Kingdom and New Zealand. On its international website, blast-one.com, its Australian headquarters is listed at 1-12 Bruce Avenue, Marleston 5033, South Australia. The product lines include “Abrasive Blast Equipment” and “Abrasives”.
- 4.3. The Complaint annexed a company extract from the Australian Securities and Investments Commission for a company named Blastone NZ Pty Ltd. The registered office of Blastone NZ Pty Ltd is also at 3 Bruce Avenue, Marleston 5033, South Australia. It was registered on 30 July 2014. Andrew Richard Gooden is a director and a shareholder. It is not the complainant’s company extract and so appears to have been annexed in error.
- 4.4. The Complainant’s contact person is similarly listed as Rick Gooden and its address is also at 3 Bruce Avenue, Marleston 5033, South Australia.
- 4.5. The Complainant filed a trade mark application in New Zealand for the word “BlastOne” on 30 July 2012. The mark was registered on 31 January 2013. The trademark application for BlastOne has also been filed for the Complainant using the address at 3 Bruce Ave, Marleston, South Australia.

- 4.6. The mark is registered in class 7, described as *“Shot and sand blasting equipment; high pressure water cleaning equipment; steam cleaners; parts and accessories in this class for the foregoing”*.
- 4.7. There is no dispute between the parties that the Complainant is a registered company entity in Australia. It is one of at least two corporate vehicles involved in operating the Blast-One business.
- 4.8. The Complainant asserts that the Blast-One business has traded as “Blast One” since it entered New Zealand in 2010. The Complainant registered the domain name blast-one.co.nz on 14 December 2010. That domain name redirects to the website blast-one.com.au.
- 4.9. The Blast-One international website shows the New Zealand business operating under the name “Blastquip” in various centres across New Zealand. There is also a Blastquip.com website and this shows reference to the business trading in New Zealand as both BlastOne and BlastQuip. The website currently states *“BlastOne is coming – we will be launching our new website soon”*. The BlastQuip website notes that the business similarly trades in various locations across New Zealand. It appears that the business has a history of trading in New Zealand as both BlastQuip and BlastOne, given the accessibility of both websites in New Zealand.

The Respondent

- 4.10. On 9 December 2014, the Domain Name was registered. The original registrant was “Industrial Minerals”. Its contact address was 148 Bush Road, email “evan@industrial-minerals.co.nz” and phone number +64 9 444 3322.
- 4.11. The named registrant at that time was not a legal person. Previous Expert Determinations have already lamented the unsatisfactory practice of some registrars allowing domain names to be registered without requiring a legal name (See *Wicked Campers v Escape Rentals* decision, DRS353).
- 4.12. In this case, the registrant appears to have been Industrial Minerals (NZ) Ltd, a New Zealand company incorporated in December 1993. Its sole director is an Evan Thornton, who also has a 99 per cent shareholding in that company. The remaining 1 per cent shareholding is held by Kay Thornton, who is also the representative of the Respondent in this complaint.
- 4.13. The website of Industrial Minerals (NZ) Ltd is at mineralscorp.com. The domain industrial-minerals.co.nz redirects to this website. One of the phone numbers listed on the website is +64 9 444 3322 and the company’s premises at 148 Bush Road is also prominently displayed. These are also the contact details identified in a WHOIS search of the Domain Name.
- 4.14. The core product ranges of Industrial Minerals (NZ) Ltd, listed on the website, include amongst other products abrasive blasting, cleaning and safety products and equipment supplied across New Zealand similar to those supplied by the Complainant.
- 4.15. On 16 February 2015, Industrial Minerals (NZ) Ltd acquired the domain name syntech.co.nz. Syntech Distributors Ltd is a business owned by an unrelated party to those in this complainant. It is a direct competitor of both Industrial Minerals (NZ) Ltd and the Complainant in New Zealand and Australia.

- 4.16. On 19 February 2015, Blastquip's Operations Manager, Ms Ivory, emailed a number of people including Rick Gooden of the Complainant with the subject "Blastone domain NZ". Ms Ivory stated in her email:

"Good Afternoon,

Have you ever tried www.blastone.co.nz

It goes to Industrial Minerals website!

William from Syntech rung and told me."

Kind Regards,

- 4.17. The Respondent was incorporated on 4 March 2015. Evan Thornton was its sole director and shareholder. Its registered office was at the time 148 Bush Road, the same as Industrial Minerals (NZ) Ltd.
- 4.18. Syntech Ltd was also incorporated on 4 March 2015. Its sole director and shareholder is Kay Thornton. The registered office and address of the director are the same as that for Evan Thornton director of Industrial Minerals Ltd.
- 4.19. On 31 May 2015, Kay Thornton replaced Evan Thornton as sole director of the Respondent. However, the directors consent form was not filed with the Companies Office until 5 June 2015.
- 4.20. On 3 June 2015, the Complainant's lawyers sent a letter to Evan Thornton on behalf of Industrial Minerals (NZ) Ltd and the Respondent. The letter described the Complainant's intellectual property rights including its trade mark and explained its concerns about Industrial Minerals (NZ) Ltd's registration of the Domain Name together with it having registered the company name "Blastone NZ Ltd" in March 2015 and having reserved the company name "Blast One Limited".
- 4.21. The Complainant sought undertakings from Evan Thornton as the representative of both the Respondent and Industrial Minerals (NZ) Ltd relating to its trade mark. The Complainant also sought an undertaking that both companies cease to use and assign the domain name blastone.co.nz to the Complainant.
- 4.22. On 5 June 2015, various documents were filed with the Companies Office relating to the Respondent:
- (a) Evan Thornton was replaced as director by Kay Thornton with an effective date of 31 May 2015;
 - (b) Evan Thornton was replaced as the sole shareholder by Kay Thornton.
 - (c) The registered office address was changed from 148 Bush Road to 82 Mahoenui Valley Road, which is also the residential address of both Evan and Kay Thornton.
- 4.23. By 17 June 2015, details of the registrant and administrator of the Domain Name were changed. The registrant and administrator became the Respondent, with a contact address of "2 Tarndale Crs, Albany, Auckland".

The contact phone number remained the same as Industrial Materials (NZ) Ltd. The contact email changed to kay.thornton@xtra.co.nz. The address 2 Tarndale Grove appears to be an alternative address for Industrial Minerals (NZ) Ltd. It is also the address provided by Kay Thornton to the DNC, when the hard copy of the Complaint and annexures could not be delivered to “2 Tarndale Crs”.

- 4.24. On 19 June 2015, lawyers for Industrial Minerals (NZ) Ltd and Evan Thornton responded to the Complainant’s lawyers’ letter. The Respondent denied knowledge of the Complainant trading as BlastOne in New Zealand. The letter also stated that the Respondent was incorporated, and its domain name registered, for the purpose of establishing an explosives business. The Respondent maintains that this could not lead to any confusion as the business would be quite distinct from the Complainant’s.
- 4.25. On 6 August 2015, a Domain Name Commission Expert determination was issued in Syntech Distributors Ltd v Industrial Minerals (NZ) Ltd, DRS Ref 1095. The Expert ordered the disputed domain name syntech.co.nz to be transferred to Syntech Distributors Ltd on the grounds that the Complainant held a trademark in “syntech” which was identical to the disputed domain name and that the registration was an unfair blocking under paragraph 5.1.1(b) of the Policy.
- 4.26. The Complaint, in the present case, was lodged on 25 October 2016. The domain was locked on 27 October 2016. The Respondent’s website at the Domain Name does not have any substantive content. It is on a Freeparking Ltd webpage noted as: “This is the future site of blastone.co.nz”.

5. Parties’ contentions

Complainant

- 5.1. The Complainant argues that it has rights in the name “Blastone” by virtue of its registered trade mark, which is identical to the Domain Name. It argues that the registration is unfair in three ways:
 - (a) as a blocking registration;
 - (b) for unfairly disrupting the Complainant’s business; and
 - (c) misleading or deceiving potential visitors; and for displaying a pattern of registration whereby persons associated with the Respondent register Domain Names corresponding to names of competitors.

Respondent

- 5.2. The Respondent, through its director Kay Thornton, maintains its separate legal personality to Evan Thornton and Industrial Minerals (NZ) Ltd. It questions the relevance of the parts of the Complaint referring to the actions of Evan Thornton and Industrial Minerals (NZ) Ltd. It asks that the Respondent’s actions be judged alone.
- 5.3. The Respondent argues that the Complainant’s trade mark is for a limited class and that the Respondent intends and always intended to run an explosives business, which would not be in competition with the Complainant.

It describes Evan Thornton as a qualified geologist and his many years' experience in mineral exploration and extraction, implying that he would be the one to run the business.

- 5.4. The Respondent also argues that the registered trade mark "BlastOne" is not being used in New Zealand by the Complainant. It says there could be no blocking registration because the Complainant should have registered the Domain Name when it registered blast-one.co.nz, that blast-one.co.nz has only recently begun being used, and that therefore the Domain Name was not required or of significant value to the Complainant.
- 5.5. Finally, the Respondent says that contrary to the email of 19 February 2015, from Blastquip Operations Manager, there was no website at the Domain Name. It says that the Complainant would have referred to the discovery of a competitor's website on the Domain Name in its lawyers' letter to Industrial Minerals (NZ) Ltd, if that in fact happened. The Respondent also states that the Domain Name was not in its hands at the time of this email and so it cannot be held responsible.
- 5.6. Generally, the Response sought to put the Complainant to the proof.

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 also 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

(c) for the purpose of unfairly disrupting the business of the Complainant; or

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;

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 trade-marks in which the Respondent has no apparent rights, and the Domain Name is part of that pattern;

6.4. By itself a failure on the Respondent's part to use the Domain Name for the purposes of email or a website is not evidence that the Domain Name is an Unfair Registration (para 5.2).

6.5. 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 (para 6.1):

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;

...

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.

6.6. 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 25 October 2016. Therefore, the Expert may take

account of any acts or omissions back to 25 October 2013. In this case, all relevant acts and omissions occurred on or after 9 December 2014, when the Domain Name was registered. I also take into account that the Respondent was only incorporated on 4 March 2015.

6.7. The Complainant may only succeed if it is able to satisfy three requirements:

- (a) Rights in respect of a name or mark (para 4.1.1);
- (b) Identity or similarity between that name or mark and the Domain Name (para 4.1.1); and
- (c) Unfair registration in the hands of the Respondent (para 4.1.2).

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

6.8. It is clear that the Complainant has rights in respect of the trademark “BlastOne” by virtue of its registered trade mark. The first requirement is therefore satisfied.

Is the name or mark in which the Complainant has rights, identical or similar to the Domain Name?

6.9. The term “BlastOne” is identical to the substantive part of the Domain Name, “blastone”. The second requirement is satisfied.

Is it an Unfair Registration?

6.10. The third element requires the Domain Name to be an unfair registration in the hands of the Respondent. In the Expert’s view, the Complainant has made out a case of blocking registration contrary to the Policy under Paragraph 5.1.1(b).

6.11. The Complainant is in a favourable position because it has a registered trademark for BlastOne. The previous registrant of the Domain Name was Industrial Minerals (NZ) Ltd, a direct competitor of the Complainant. There is little doubt that the directors and shareholders of Industrial Minerals (NZ) Ltd are closely related to the Respondent’s. They share the same physical address and phone number. They previously shared the same director and shareholder, Evan Thornton. They still have a common shareholder, Kay Thornton, who has the same residential address as Evan Thornton.

6.12. The Respondent says that the Domain Name was registered by Industrial Minerals (NZ) Ltd with the intention that it belong to the Respondent. It also says that the Respondent’s business was always intended to be in explosives, and that was the reason for its name “Blastone”. Essentially, the argument is one relying on para 6.1.1(a) that it intends to make a genuine offering of different good or services.

6.13. The Expert does not accept that submission. There is no evidence that the Respondent has made any demonstrable preparations to trade in explosives or anything else since its incorporation in March 2015. No website about an explosives business has been created at the Domain Name. There has been sufficient opportunity to do so since March 2015.

- 6.14. The actions of the Respondent in forming the company with the name Blastone NZ Ltd, having a similar name to the Complainant's trademark and acquiring the domain also similar to the trademark, all point to the desire of the Respondent to block the acquisition by the Complainant of the disputed domain name.
- 6.15. It is also a reasonable inference given the close relationship between the Respondent and Industrial Minerals (NZ) Ltd, a direct competitor of the Complainant, that the primary purpose of the Respondent's acquisition of the Domain Name is to continue blocking the Complainant from registering a domain name reflecting its trade mark.
- 6.16. Accordingly, the Domain Name was acquired by the Respondent in a manner, which at the time, was unfairly detrimental to the Complainant's rights in the trademark "BlastOne". I therefore find that the Domain Name in the hands of the Respondent is an Unfair Registration as it was acquired primarily as a blocking registration. This alone is sufficient to satisfy the third requirement.
- 6.17. I note that the Complainant also relies on paras 5.1.1(c), 5.1.2 and 5.1.3 of the Policy. The Expert is not required to deal with arguments on those matters given the finding above. I do note that the evidence in regard to these grounds was less persuasive. There was little evidence that the Respondent, who only acquired the domain name in June 2015, had taken any steps to use the domain name. A similar problem arises with a strict application of para 5.1.3. The pattern of unfair registrations to which the Complainant has referred are registrations by other parties, not the Respondent itself.

7. Decision

- 7.1. The complaint is upheld. The Expert directs that the disputed Domain Name should be transferred to the Complainant or its nominee.

Place of decision Auckland

Date 8 March 2017

Expert Name Maria Dew, Barrister

Signature

