

.nz Dispute Resolution Service

DRS Reference: 1197

**SZ DJI TECHNOLOGY Co.,
Ltd.**

v

James Jin

Key words -

1. Parties

Complainant:

SZ DJI TECHNOLOGY Co., Ltd.
Alice Wang
14th Floor, West Wing, Skyworth
Semiconductor Building, No. 18
Gaoxin South 4th Ave,
Nanshan Dist.
518057 Shenzhen
China

Represented by: Dr Sebastian Engels, BOEHMERT & BOEHMERT Law Firm

Respondent:

James Jin
2411 Rosedale Rd Albany 0632
Auckland NZ (NEW ZEALAND)

2. Domain Name/s

dji.co.nz

3. Procedural history

- 3.1 The Complaint was lodged on 1 November 2016 and the Domain Name Commission (DNC) notified the Respondent of the validated Complaint on 3 November 2016. The domain was locked on 2 November 2016, preventing any changes to the record until the conclusion of these proceedings.
- 3.2 No Response was filed.
- 3.3 The Complainant paid Domain Name Commission Limited the appropriate fee on 20 December 2016 for a decision of an Expert, pursuant to Paragraph 9 of the .nz Dispute Resolution Service Policy (the Policy).
- 3.4 Andrew Brown QC, the undersigned (the Expert), confirmed to the DNC on 17 January 2017 that he knew of no reason why he could not properly accept the invitation to act as Expert in this case and that he knew of no matters which

ought to be drawn to the attention of the parties, which might appear to call into question his independence and/or impartiality.

4. Factual background

- 4.1 The Complainant is SZ DJI Technology Co., Ltd (the Complainant). The Complainant is a Chinese technology company in the business of manufacturing and selling unmanned aerial vehicles (known as UAVs or drones) for the purposes of aerial photography and video, as well as flying platforms, flight controllers, helicopter accessories, aerial and handheld gimbals and ground stations.
- 4.2 The Complainant is the owner of international registration 1181634/NZ1012767 for the word mark "dji" in classes 7, 9 and 28. This registration was accepted in New Zealand on 12 February 2015 and has a deemed date of registration from 20 October 2014. The International Registration Date is 16 April 2013. The goods in class 9 include "*remote control operation*" and in class 9 cover inter alia "*... scale model kits ... intellectual toys; model plane materials...*".
- 4.3 The Complainant also owns a registration for dji logo in class 12 International Registration 1251932/NZ registration 1021786 covering inter alia *vehicles for locomotion by ... air; remote control vehicles other than toys; ... aeronautical apparatus, machines and appliances...*. This has a deemed date of registration in New Zealand of 10 October 2014 and the International Registration has the same date.
- 4.4 The Complainant also owns a range of other registrations for both the word mark "DJI" and a logo form of dji. These include"
- (a) International registrations 1283607, 1300121, 1297719, 1094467, 1251932, and 1282057. These registrations span classes 7, 9, 11, 12, 14, 16, 18, 20, 21, 25, 28, 35, 37, 39, 41 and 42
 - (b) EU trade marks dating from 8 September 2015 and 17 February 2016;
 - (c) US trade marks in classes 9, 12 and 41 dating from 29 May 2015.
- 4.5 In 2015, the Complainant generated revenue of US\$1,000,000,000 and employed 4,500 employees in China, the USA, Germany and the Netherlands. The Complainant sells its products in more than 100 countries, including New Zealand. It sells its products both through local stores and via its website (discussed below).
- 4.6 The Complainant has provided a list of domain names that it operates, including dji.com, dji.com.pl, dji.com.ru, dji.es, dji.asia, dji.us, dji.my, dji.ph, dji.club, dji.solutions, dji.world, dji.direct, dji.directory, dji.media, dji.photography, dji.flights, dji.store. Accessing any of these domain names redirects the user to the dji.com website. The dji.com website permits customers to purchase its products directly from the Complainant, including customers located in New Zealand.
- 4.7 The Respondent is James Jin (the Respondent). He is the registrant of the domain name dji.co.nz (the Disputed Domain Name). That domain was

registered on **24 February 2014** (the Relevant Date) with Crazy Domains. The Respondent listed an Auckland address for the registration.

- 4.8 The Complainant has provided evidence that the Disputed Domain Name was re-directing to a different website as at 8 December 2015. That website was www.hobbyrc.co.nz (the HobbyRC New Zealand website). The HobbyRC NZ website described itself as “sell[ing] radio control cars and parts for Nitro (petrol) and Electric (brushless and brushed) models”. The products available from the site included RC Cars, RC Plane (sic), RC Helicopters, RC Boats, RC Batteries & Chargers, Tyres & Wheels, RC Parts and RC Accessories. It offered a range of brands of those products, including Black Bull, Boscam, CRRC, DYNAM, FMS, Flysky, HSP, HobbyRC, Park fun and RC4WD. From the evidence provided by the Complainant, the HobbyRC New Zealand website did not sell the Complainant’s products. Nor did the website sell any UAV or drone products, such as those sold by the Complainant.
- 4.9 The Complainant wrote to the Respondent on 11 December 2015. The letter complained about the Respondent’s use of the Disputed Domain Name for the purposes described above, and drew the Respondent’s attention to the Complainant’s international and New Zealand trade marks for the mark “dji”. The Complainant described the products being sold on the HobbyRC NZ website as those of its competitors, and suggested that “the registration and use of the domain name dji.co.nz blatantly infringe[s] our client’s intellectual property rights”. The Complainant proposed to settle the matter on the basis that the Respondent would immediately delete the direction of www.dji.co.nz to www.hobbyrc.co.nz, and abandon or transfer the www.dji.co.nz website to the Complainant. The Complainant required a response by 18 December 2015.
- 4.10 No response was forthcoming from the Respondent. In its submissions, the Complainant says that subsequent to the letter of demand, the HobbyRC NZ website was taken offline. However, “just recently”, the Complainant became aware that the Respondent had resumed his infringing use of the Disputed Domain Name. The Complainant has provided evidence in the form of a screenshot dated 14 October 2016 that the Disputed Domain Name now redirects to www.hobbyrc.com.au (the HobbyRC Australia website). The HobbyRC Australia website carries the same products as the HobbyRC New Zealand website and uses the same design and content, with slight cosmetic alterations.

5. Parties’ contentions

a. Complainant

- 5.1 The Complainant submits that the Respondent registered and uses the Disputed Domain Name in a way that takes unfair advantage of the Complainant’s intellectual property rights, namely its registered trade mark and company name. The Complainant submits that the Disputed Domain Name name, apart from the country code top level domain “.co.nz”, is identical to its registered mark in classes 7, 9 and 28.
- 5.2 The Complainant cites the definition of “unfair registration” as defined in the Dispute Resolution Service Policy (the Policy), and submits that the Respondent’s repeated use of the Disputed Domain Name for competing products in the field of remote controlled toys and vehicles shows that the

Respondent has registered and is using the Disputed Domain Name in an unfair way.

- 5.3 The Complainant says this arises due to the fact that the Respondent's current use of the Disputed Domain Name "blatantly infring[es] the Complainant's trade mark". The Complainant submits that the Respondent is directing users that enter "dji.co.nz" to an online shop that offers goods "identical" to the goods the Complainant's trade mark is registered for, in competition with the Complainant's well-known UAV products.
- 5.4 The Complainant submits that the Respondent's conduct falls within paragraph 5.1.2 of the Policy, namely circumstances showing the Respondent is using the Disputed Domain Name in a way that is likely to confuse, mislead or deceive people or businesses into believing that the Disputed Domain Name is registered to, operated by or authorised by, or otherwise connected with the Complainant.
- 5.5 The Complainant submits that due to its reputation and wide domain portfolio, the Disputed Domain Name indicates a relationship between the website accessible from that name and the Complainant. It submits that users looking for the Complainant's official website in New Zealand are likely to use the Complainant's mark in conjunction with ".co.nz". The Complainant submits that the fact the Respondent is using the Disputed Domain Name for an online shop offering goods that directly compete with the Complainant's products shows that the Respondent is intentionally trying to direct users looking for the Complainant's website to the Respondent's own online shop. The Complainant also submits that the Respondent is attempting to mislead users by suggesting potential authorisation by the Complainant of the HobbyRC New Zealand and/or Australia websites, or some kind of business relationship between the two, thereby benefiting from the Complainant's well-known DJI brand. This is submitted to amount to taking unfair advantage of the Complainant's well-known DJI brand.
- 5.6 The Complainant further submits that the suggested relationship between the Complainant's products and those available on the Respondent's website are likely to be detrimental to the Complainant and the reputation of its trade mark. This is submitted to be because the products offered by the Respondent do not meet the Complainant's high standards in design and technology.
- 5.7 The Complainant submits that the Respondent's conduct constitutes unfair use of the Disputed Domain Name in the meaning of paragraph 4.1.2 of the Policy, as a misleading and/or potentially damaging impression with regards to the Complainant's trade mark is likely to arise due to the false impression suggested by the use of the Disputed Domain Name for the two HobbyRC online stores. The Complainant cites two previous Dispute Resolution Service decisions, namely *Vanguard Trade Mark Holdings USA, LLC v Li Yu* (DRS Reference: 1121) and *Toshiba (Australia) Pty Ltd v Leigh Brotherston* (DRS Reference: 426) in support of this proposition.
- 5.8 Finally, the Complainant submits that as the Respondent has demonstrated he is intending to use the Disputed Domain Name in an unfair manner, thereby intentionally infringing the Complainant's trade marks, the Complainant needs to permanently prevent the Respondent from so acting. It

accordingly seeks a transfer of the Disputed Domain Name to the Complainant.

b. Respondent

5.9 No response was received.

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."

a. Rights

6.2 The term "Rights" is defined in paragraph 3 of the Policy as follows:

"Rights includes, but is not limited to, rights enforceable under New Zealand law. However a Complainant will be unable to rely on rights in a name or term which is wholly descriptive of the Complainant's business."

6.3 The Policy does not specifically require that the complainant prove that it owned Rights at the Relevant Date – only that these Rights exist as at the date of the complaint. In many cases, however, a critical issue for the Expert, when looking at Unfair Registration, is the date on which those Rights accrued – in order to determine whether the registration or the subsequent use complained of is "unfair".

6.4 In the present case in terms of the jurisdictional requirement, the Expert is satisfied that the complainant has Rights enforceable under New Zealand law namely two trade mark registrations for "dji" in classes 7, 9, 12 and 28 (trade mark registrations 1012767 and 1012768 described earlier in paragraphs 4.2 and 4.3). These are identical (in the case of the word mark representation) and similar (in the case of the logo registration) to the Disputed Domain Name. Accordingly the Expert finds that paragraph 4.1.1 of the Policy is satisfied in favour of the Complainant.

b. 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 Paragraph 5.1 of the Policy provides a non-exhaustive list of factors which may be evidence that the Domain Name is an Unfair Registration. Relevantly,

paragraphs 5.1.1 and 5.1.2 provide as circumstances indicating Unfair Registration as follows:

"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 ..."

- 6.7 Although the complaint does make the claim that the respondent "clearly *registered* and uses" the disputed Domain Name in a way that takes unfair advantage of the complainant's Rights, the Complainant has in fact chosen to advance its complaint on the basis of unfair advantage and/or unfair detriment at the time of use in New Zealand.
- 6.8 This means that it is unnecessary to consider what Rights the Complainant had as at the Relevant Date of registration ie 24 February 2014.
- 6.9 The use that is argued by the Complainant to have taken unfair advantage of or been unfairly detrimental to the Complainant's rights is the redirection of visitors from the Disputed Domain Name to the HobbyRC New Zealand and Australia websites. The Complainant has not provided evidence as to when the redirection to the HobbyRC New Zealand website started or stopped, nor when the redirection to the HobbyRC Australia website started.
- 6.10 However, the Complainant has provided a screenshot dated 8 December 2015 that shows the redirection to the HobbyRC New Zealand website in action. The Complainant has also provided a screenshot dated 14 October 2016 again showing the redirection to the HobbyRC Australia website.
- 6.11 Given the available evidence, the earliest date at which it can be said that any use occurred that could amount to Unfair Registration by taking unfair advantage of or being unfairly detrimental to the Complainant's rights is 8 December 2015, being the date of the Complainant's screenshot showing the redirection to the HobbyRC New Zealand site. That use stopped at an unknown date after the Complainant's letter of 11 December 2015. It then resumed at an unknown date between that date and 14 October 2016, being the date of the Complainant's screenshot showing the new re-direction to the HobbyRC Australia website. This redirection of visitors to the Disputed Domain Name to the HobbyRC Australia website has continued up to the date of this decision.

- 6.12 The Expert is satisfied that as at 8 December 2015 and subsequently (including 14 October 2016 up to the present date) the Complainant had Rights enforceable in New Zealand in respect of the mark "dji" through its New Zealand trade mark registrations in classes 7, 9, 28 and 12. Further the Expert is satisfied that there are circumstances that the disputed domain name has (in the words of paragraph (ii) of the definition of Unfair Registration) been used (and is continuing to be used) in a manner which took unfair advantage of or was unfairly detrimental to the Complainant's Rights.
- 6.13 The detailed reasons for this conclusion are:
- (a) As at the dates of the conduct complained of the Complainant owned trade mark registration 1012767 for 'dji' in New Zealand covering classes 7, 9 and 28 was registered with effect from 20 October 2014. Further its registration 1012768 for dji logo in class 12 was registered in New Zealand with effect from 15 October 2014;
 - (b) The evidence produced by the Complainant demonstrates that the Respondent has been and is using the Disputed Domain Name in a way which is likely to confuse, mislead or deceive people or businesses into believing that the Disputed Domain Name is registered to, operated or authorised by, or otherwise connected with the Complainant, as provided by paragraph 5.1.2 of the Policy. As noted above, paragraph 5.1.2 is one of the list of factors which may be evidence that the Disputed Domain Name is an Unfair registration (see paragraph 5.1 of the Policy).
- 6.14 Those circumstances of use are as follows. The evidence demonstrates that the Complainant is well-known internationally and in New Zealand as a manufacturer and seller of UAVs and associated products. The Complainant's products are sold under its registered trade mark DJI. The evidence also establishes that the two HobbyRC websites (to which the Disputed Domain Name is redirected) offered products such as remote controlled planes, helicopters and cars. As noted above, the HobbyRC websites do not offer the Complainant's products, nor do they offer any UAVs or drones. However the Hobby RC New Zealand and website offered and the Hobby RC Australia website offered and continues to advertise and offer for sale products and parts covered by the specification of goods in respect of which the Complainant's New Zealand trade marks are registered.
- 6.15 The Expert is satisfied that the redirecting of the disputed domain name to the RC Hobby New Zealand and Australian websites would have led and (in the case of the RC Hobby Australia website) would continue to lead a substantial number of consumers, looking for DJI branded products, into believing that these websites were operated by, authorised by, or connected with the Complainant (within the wording of clause 5.1.2 of the Policy). It is not necessary for the Complainant to show that all visitors to the Disputed Domain Name are likely to be confused, misled or deceived. It is enough if a 'substantial number' are so affected. Caselaw in New Zealand establishes that a substantial number can be as low as 7%. The Expert therefore agrees with the Complainant that the use complained of constitutes taking unfair advantage of the Complainant's Rights.
- 6.16 This conclusion is reinforced by the evidence of the Respondent's actions after receiving the Complainant's letter of demand dated 11 December 2015.

It can be inferred that the Respondent's decision to remove the redirection to the HobbyRC New Zealand website was in response to the Complainant's letter. It is unclear why the Respondent subsequently decided to create a new direction to the HobbyRC Australia website. What is clear is that the Respondent can be taken to have been acting in full knowledge of the Complainant's position and its rights in the name and trade mark DJI when doing so in October 2016 and since. This evidence of use resumed redirection of the Disputed Domain Name further supports a finding of Unfair Registration through taking unfair advantage, as it demonstrates the continuing willingness of the Respondent to use the Complainant's mark to direct consumers looking for DJI to a website selling products which fall squarely within the specifications of goods listed in the two New Zealand registered trade marks.

- 6.17 Accordingly, the Expert finds that paragraph 4.1.2 is satisfied in favour of the Complainant on the ground of taking *unfair advantage*.
- 6.18 Although not strictly necessary given this finding, the Expert notes the Complainant's further submission that the Disputed Domain Name has been used in a manner that is *unfairly detrimental* to the Complainant's Rights, as envisioned by subparagraph (ii) of the definition of Unfair Registration under paragraph 3 of the Policy. This, the Complainant submits, is due to the products being offered by the Respondent at the redirected websites not meeting the Complainant's high standards in design and technology.
- 6.19 The Complainant has not provided any evidence as to the quality of the products being sold on the HobbyRC New Zealand or HobbyRC Australia websites although (as invited by the Complainant in the Complaint) the Expert has been able to view the RCHobby websites and the products advertised there. In the absence of evidence, the Expert is not prepared to find any unfair detriment to the Complainant's rights based on the quality of the products.
- 6.20 Overall, however, for the reasons given in paragraphs 6.2 – 6.17, the Expert finds that paragraph 4.1.2 is satisfied in favour of the Complainant.

7. Decision

- 7.1 For the foregoing reasons as to taking unfair advantage, the Expert orders the transfer of the domain name dji.co.nz to the Complainant.

Place of decision Auckland

Date 24 January 2017

Expert Name Andrew Brown QC

Signature

