

nz Dispute Resolution Service

DRS Reference: 1237

Oculus VR, LLC

v

Jesse Saltoun

Key words -

Identical or similar trade mark or name

Registered mark - unregistered mark - well-known mark – identical

Unfair registration

Offer to sell, rent or otherwise transfer, non-monetary demands – likely to confuse, mislead or deceive - pattern of registration – blocking registration – respondent having no connection with name or trade mark

1. Parties

Complainant:

Oculus VR, LLC
1601 Willow Road
Menlo Park,
California 94025
United States of America

Represented by: David Taylor, Hogan Lovells (Paris) LLP

Respondent:

Jesse Saltoun
5/78 Alfred Street
New South Wales
2217
Australia

2. Domain Name/s

oculusvr.co.nz;
culusrift.co.nz (the “Domain Names”)

3. Procedural history

- 3.1 The Complaint was lodged on 05 July 2017. Domain Name Commission (DNC) notified Respondent of the validated Complaint on 07 July 2017. The Domain Names were locked on 07 July 2017, preventing any changes to the record until the conclusion of these proceedings.
- 3.2 No response was received.
- 3.3 Complainant paid Domain Name Commission Limited the appropriate fee on 17 August 2017 for a decision of an Expert, pursuant to Paragraph 9 of the .nz Dispute Resolution Service Policy (“the Policy”).
- 3.4 Clive Elliott QC, the undersigned, (“the Expert”) confirmed to the DNC on 22 August 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 Complainant is a virtual reality (VR) technology company founded in 2012. It developed 'Oculus Rift', a virtual reality head mounted display. Complainant was acquired by Facebook in 2014.
- 4.2 Complainant is the owner of numerous trade mark registrations for OCULUS VR, OCULUS RIFT and OCULUS (“Complainant’s Marks”) in a number of jurisdictions. Such trade mark registrations include the following:
 - 4.2.1 International Trade Mark Registration No. 1185439, OCULUS VR, registered on 26 June 2013 (designating Australia);
 - 4.2.2 International Trade Mark Registration No. 1186832, OCULUS RIFT, registered on 26 June 2013 (designating Australia);
 - 4.2.3 International Trade Mark Registration No. 1210634, OCULUS, registered on 12 June 2014 (designating New Zealand);
 - 4.2.4 International Trade Mark Registration No. 1219324, OCULUS, registered on 12 June 2014, (designating New Zealand); and
 - 4.2.5 New Zealand Trade Mark Registration No. 999494, OCULUS, registered on 16 December 2014.

4.3 Complainant is also the owner of numerous domain names consisting of its trade marks under many country code extensions such as oculusvr.nz, oculusrift.nz, oculusrift.com.au and oculusvr.com.au.

4.4 The Domain Names were both registered on August 12, 2013.

5. Parties' contentions

5.1 Complainant

5.2 Complainant states that it has made substantial investments to develop a strong presence online by being active on different social media forums and has acquired considerable goodwill. Complainant asserts it is renowned worldwide in connection with its VR software and apparatus, including headsets and helmets.

5.3 Complainant contends that the word OCULUS VR and OCULUS RIFT are exclusively associated with it, and submits that this is evidenced by a search of the words OCULUS VR and OCULUS RIFT on Google's search engine where they all refer to Complainant.

5.4 Complainant states that on 15 September 2015 its lawyers sent a cease and desist letter to Respondent asserting its trade mark rights and asking Respondent to transfer the Domain Names to Complainant.

5.5 On 17 September 2015, Respondent acknowledged receipt of the letter by email noting that he would further consider it upon his return from travel. Complainant's lawyers sent several follow-up emails, Respondent eventually noted that he would seek legal advice.

5.6 On 26 June 2016, Respondent stated that he would agree to transfer the Domain Names and asked for four or more of Complainant's devices for educational purposes in connection with a plan to work with children. Respondent advised he had requested the authorisation codes Complainant's lawyers had requested but he has not sent them to Complainant.

5.7 Complainant asserts that it has common law or unregistered trade mark rights in the term OCULUS RIFT as a result of its extensive and continuous use of this term since at least April 2012.

5.8 Complainant further asserts that the Domain Names incorporate Complainant's Marks in their entirety and therefore are identical to names in which it has rights.

5.9 Complainant claims that the Domain Names were registered in a manner that took unfair advantage of, or were detrimental to, its rights.

5.10 Given Complainant's renown and goodwill worldwide, including in Australia and New Zealand, it would be inconceivable for Respondent

to argue that he had no knowledge of Complainant's Marks at the time of registration of the Domain Names, which was just over a month after Complainant's Marks were registered in Australia.

- 5.11 Complainant contends that Respondent's conduct provides an indication of Respondent's intention, to take advantage of Complainant's Marks by initially agreeing to transfer the Domain Names, but then delaying this and then asking for some of Complainant's devices in return.
- 5.12 Complainant also asserts that by registering the Domain Names, Respondent has engaged in a pattern of registrations and points to the fact that the Domain Names were registered on the same date within two minutes of each other.
- 5.13 Complainant further contends that the Domain Names have been, or are likely to be, used in a manner which took unfair advantage of or was unfairly detrimental to Complainant's rights.
- 5.14 Complainant underlines the fact that Respondent does not have any relevant trade marks or any company registrations incorporating the Domain Names.
- 5.15 The Domain Names currently resolve to a registrar holding page and, to the best of Complainant's knowledge, have never been used by Respondent. Complainant asserts that Respondent has held the Domain Names passively for over three years prior to the filing of the Complaint without having taken any apparent step to develop a website.
- 5.16 Complainant contends that Respondent cannot have any legitimate intention to use the Domain Names and has therefore no interest in maintaining the registration of them.
- 5.17 Complainant asserts that registration of the Domain Names has not been authorised by Complainant and given that the Domain Names consist of an exact match of Complainant's Marks, internet users would expect them to be pointing to a website that is affiliated to or sponsored by Complainant.
- 5.18 Finally, Complainant asserts that by registering the Domain Names, Respondent has engaged in a pattern of registrations within the meaning of paragraph 5.1.3 of the Policy. Complainant points out in this regard that the Domain Names were registered on the same date within two minutes of each other.

6. Respondent

- 6.1 No formal response was received from Respondent. However, on July 21 2017 Respondent forwarded an email to DNC advising "I wish to acknowledge the complaint of registration and hand over the two domain names without further investigation". The DNC replied to Respondent on

July 26, 2017 by email and advised that notwithstanding Respondent's request that Complainant "wished that the Dispute proceed at this point".

7. Discussion and finding

7.1 In terms of paragraph 4.1 of the Policy, where a Complainant asserts that:

The Complainant has Rights in respect of a name or mark which is identical or similar to the Domain Name; and

The Domain Name, in the hands of the Respondent, is an Unfair Registration

7.2 Pursuant to paragraph 4.2 of the Policy Complainant is required to prove to the Expert that, on the balance of probabilities, both elements are present.

7.3 Paragraph 3 of the Policy (Definitions) defines "Unfair Registration" as:

"... 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.

7.4 As noted above, Respondent filed no formal response. However, he accepted that the Domain Names should be handed over to Complainant, but without further investigation. Complainant in turn stated that it wished the Dispute to proceed. That means that even though Respondent has effectively conceded that he is not entitled to the Domain Names, Complainant seeks to have the Complaint determined on its merits.

7.5 The Expert is only able to assess the information and submissions filed by Complainant. In the absence of any dispute as to the accuracy and correctness of that information, the Expert will decide this proceeding on the basis of Complainant's undisputed representations and draw appropriate inferences from them.

8. Rights

8.1 Complainant asserts that it is a virtual reality (VR) technology company which has developed and sold 'Oculus Rift', a virtual reality head mounted display. Complainant is the owner of various trade mark registrations for

OCULUS VR, OCULUS RIFT and OCULUS (“Complainant’s Marks). Trade mark registrations, comprising or containing OCULUS, have been made in a number of countries, including New Zealand. Finally, Complainant contends that the word OCULUS VR and OCULUS RIFT are exclusively associated with it.

8.2 *No contest has been raised by Respondent as to these contentions. On this basis, it is found that:*

8.2.1 Complainant has rights in respect of Complainant’s Marks.

8.2.2 The Domain Names contain as a dominant element the word OCULUS and are confusingly similar to Complainant’s Marks.

8.3 Accordingly, the Expert is satisfied that the first element of the Policy has been met.

9. Unfair Registration

9.1 Paragraph 3 of the Policy requires Complainant to establish that at least one of the necessary requirements is established, namely that the domain names in issue were registered or otherwise acquired in a particular way or have been used in a manner which is unfair or unfairly detrimental to Complainant’s Rights. These requirements are stated in the alternative, meaning that in order to succeed a complainant need establish one or the other.

9.2 Paragraph 5.1 of the Policy sets out a non-exhaustive list of factors which may be regarded as evidence that the domain name is an Unfair Registration. This paragraph includes the following.

10. Evidence of Unfair Registration

10.1 Circumstances indicating the Respondent has registered or otherwise acquired the Domain Name primarily:

10.1.1 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;

10.1.2 as a blocking registration against a name or mark in which the Complainant has rights; or

10.2 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;

Selling, renting or otherwise transferring the Domain Name

10.3 Complainant asserts that Respondent stated that he would agree to transfer the Domain Names but in return for doing so asked for four or more of Complainant's devices. Those negotiations never advanced very far and it is not entirely clear that the value of such devices exceeded Respondent's documented out-of-pocket costs directly associated with acquiring or using the Domain Names. However, it appears from the record that these devices sell for approximately US\$599 each. They are therefore reasonably expensive and appear to exceed the cost of registering a domain name.

Blocking Registration

10.4 Whether or not Respondent was seeking consideration in excess of the registration costs of the Domain Names, Respondent has clearly used the Domain Names to attempt to negotiate a favourable commercial arrangement with Complainant. Even though he agreed to hand over the Domain Names to Complainant, unless and until that occurred, in his hands the Domain Names amounted to blocking registrations insofar as they prevented Complainant from registering and using the Domain Names.

10.5 Further, the Expert considers that had Respondent chosen to do so, the Domain Names could have been employed at any time as a means of diverting Internet customers, looking for Complainant's virtual reality products or services. Even though Respondent has not used the Domain Names in this way, should he have chosen to do so it would have been likely to result in consumers being misled or deceived.

10.6 Under the circumstances, the Domain Names amount to blocking registrations.

Pattern of Registrations

10.7 Finally, Complainant submits that the registration of the Domain Names points to a pattern of improper registrations. That is, on the basis that the Domain Names were registered on the same date within two minutes of each other.

10.8 The Expert is not satisfied that the registration of one domain name very shortly after another as part of the same exercise is sufficient evidence of an improper pattern of registrations.

10.9 However, it is not strictly necessary to decide this because on balance the Expert is satisfied that Respondent's conduct is unfair and detrimental to Complainant's Rights insofar as the Domain Names are blocking registrations. Further, it is reasonable to infer that the Domain Names

were used for the purpose of transferring the Domain Names for valuable consideration in excess of the out-of-pocket costs directly associated with acquiring the Domain Names.

10.10 On that basis, it is found that the second element of the Policy has been met.

11. Decision

11.1 Complainant has thus established both parts of paragraph 4.1 of the Policy and is entitled to the relief sought. In the result, the Expert orders that the Domain Names be transferred from Respondent to Complainant.

Place of decision Auckland, New Zealand

Date September 18, 2017

Expert Name Clive Elliott QC

Signature

A handwritten signature in blue ink, appearing to be 'Clive Elliott', written over a horizontal line.