

.nz Dispute Resolution Service

DRS Reference: 1252

Carnival PLC

v

Zhu Xumei

Key words

registered mark – well-known mark – identical domain name – unfair registration – offering to sell – monetary demands – unfairly disrupting Complainant's business

1. Parties

Complainant:

Carnival PLC (trading as Cunard)
100 Harbour Parade
SO15 1ST
Southampton
United Kingdom

Represented by: Daniel Greenberg, Lexsynergy Limited

Respondent:

Zhu Xumei
Zhu Xumei
Taoxi Jiayuan, 3-
502 Huzhou 313000
Zhejiang
China

2. Domain Name/s

Cunard.co.nz

3. Procedural history

The Complaint was lodged on 21 September 2017 and Domain Name Commission (DNC), notified the Respondent of the validated Complaint on 27 September 2017. The domain was locked on 26 September 2017, preventing any changes to the record until the conclusion of these proceedings.

No response was received.

The Complainant paid Domain Name Commission Limited the appropriate fee on 25 November 2017 for a decision of an Expert, pursuant to Paragraph 9 of the .nz Dispute Resolution Service Policy ("the Policy").

Sir Ian Barker QC, the undersigned, (“the Expert”) confirmed to the DNC on 06 November 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 part of Carnival Corporation and plc and is one of the world’s largest cruise-liner operators with a fleet of 102 ships. It operates under various cruise brands including the brand “Cunard” which is used worldwide.
- 4.2. The CUNARD mark was first used in 1839 and is still associated today with premium/luxury cruise ships. In particular, the well-known vessels “Queen Elizabeth”, “Queen Mary 2” and “Queen Victoria” offer cruises under the Cunard brand, particularly on scheduled passenger-services between Europe and North America. The ‘Queen Mary 2’ and the ‘Queen Elizabeth’ have visited New Zealand.
- 4.3. The Complainant has a network of 606 travel agents in New Zealand who market its ships in that country as well as having 8570 registered user accounts there. It promotes New Zealand cruises on its website and operates a direct online booking service.
- 4.4. The Complainant owns registered trademarks and asserts common law rights as follows:
 - (a) Australian Trademark Registration 814723 for CUNARD in classes 16 25, 39 42 registered on 23 November 1999, page 1;
 - (b) European Trademark Registration 000497750 for CUNARD in classes 14 16, 18, 28, 33, 39, 41 and 42 filed on 30 April 1997.
 - (c) US Trademark Registration 2979914 for CUNARD in class 25 filed on 11 March 2004. See Annexure 1, pages 4-5;
 - (d) The Complainant also holds registrations and applications for the CUNARD trademark in numerous countries, including but not limited to Singapore, Canada and United Arab Emirates, in either its name or the names of its sister companies/subsidiaries; and
 - (e) Common law rights. By virtue of its extensive trading and marketing activities in New Zealand and elsewhere, the Complainant has acquired a substantial reputation and goodwill in the mark CUNARD, such that it is recognised by the public as distinctive of the Complainant’s cruise line services. Media coverage – particularly of the ‘Queen’ vessels – has been extensive.
- 4.5. The Complainant has registered numerous domain names which incorporate its CUNARD trademark. Its first website was created in February 2000. Its rights to the CURNARD trademark have been confirmed in two decisions under the Uniform Disputes Resolution Policy by panellists of the National Arbitration Forum in the United States.

- 4.6. The disputed domain name was registered on 3 March 2017. It directs internet users to a website which features the CURNARD trademark and provides links to competitors of the Complainant. On 4 July 2017, the Complainant caused a “cease and desist” letter to be sent to the Respondent who replied on 5 July 2017 stating that the disputed domain name was for sale on a domain auction platform set at US\$1000. The Complainant refused the Respondent’s demands. The Respondent has registered some 159 domain names, many of which are identical or confusingly similar to well-known trademarks.

5. Parties’ contentions

(a) Complainant

- 5.1. The Complainant has trademark rights in the name CUNARD. The disputed domain name is identical to the Complainant’s trademark.
- 5.2. The registration of the disputed domain name is an unfair registration for the following reasons.
- 5.3. The Respondent must have been aware that the Complainant would use the name CURNARD to promote its business in New Zealand and worldwide.
- 5.4. The Respondent registered the disputed domain name for the purpose of unfairly disrupting the Complainant’s business by preventing the Complainant from registering and using the disputed domain name for its own legitimate business purposes.
- 5.5. The Respondent had the Complainant and its business in mind when registering and using the disputed domain name. The disputed domain name is noticeably connected with such a well-known cruise-line that the use by the Respondent, who has no connection with the Complainant, is evidence of unfair registration.
- 5.6. The trademark CUNARD is well-known internationally including in New Zealand. It is therefore inconceivable that the Respondent, independently, without knowledge of the Complainant, created the disputed domain name. It would be difficult to imagine that the Respondent would not have been aware of the trademarks of the Complainant.
- 5.7. The Respondent is a serial cybersquatter and must be aware that a trademark owner would have to spend in the region of \$3000 to recover the disputed domain name via formal ADR proceedings.
- 5.8. The Complainant’s registered trademark rights and common law rights predate the registration of the disputed domain name by at least 20 years. CUNARD is a distinctive mark worldwide and within New Zealand. See *EHarmony, Inc v Craig Cooper* DRS Reference 615 where the Complainant successfully relied on a US trademark and common law rights within New Zealand. The Complainant has registered trademark rights in CUNARD, and its extensive use, coverage and goodwill in that mark within New Zealand establishes common law rights and as such, the Complainant does have rights to the mark CUNARD within New Zealand.

- 5.9. The disputed domain name is an unfair registration because it was registered and is used in a manner that, at the time the registration took place, took unfair advantage of and was unfairly detrimental to the Complainant's Rights.
- 5.10. The Complainant has no association with the Respondent and has never authorised or licensed the Respondent to use its trademarks.
- 5.11. The Respondent has clearly registered and used the Domain to attract, confuse and profit from internet users seeking the Complainant.
- 5.12. The Respondent offered to sell the Domain for US\$1,000. This amount is in excess of the documented out-of-pocket costs directly related to the registration and maintenance of the disputed domain name and is therefore an unfair registration as was confirmed in *Skype Technologies, S.A. v Bellamy Price Mansfield, Ltd*, DRS Ref. 150.
- 5.13. Squatters, such as the Respondent, are aware that trademark owners incur substantial costs in recovering infringing domains and that the option to purchase these domains, can be the most cost-effective solution. The Respondent must be aware of this and therefore registered the disputed domain name and offered to sell it to the Complainant. The offer, in this instance, is an attempt to extort money from the Complainant instead of the Complainant following the ADR complaint route, which can be time-consuming and more expensive than the purchase price.
- 5.14. The main reason for the Respondent's registration of the Domain was for commercial gain and/or potentially to tarnish the Complainant's trademark.
- 5.15. It is clear that the Respondent was out for commercial gain by means of affiliate/sponsored links and advertising. Indeed, it is difficult to conceive that the Respondent would engage in a scheme such as this for a non-commercial purpose. It is well-known that many directory websites generate revenue by directing traffic to other websites.

(b) Respondent

- 5.16. The Respondent made no submissions.

6. Discussion and findings

- 6.1. The dispute is governed by the Policy, relevant provisions of which are 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;

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.

...

4. Dispute Resolution Service

- 4.1 This Policy and Procedure applies to Respondents when a Complainant asserts to the DNC according to the Procedure 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.

- 4.2 The Complainant is required to prove to the Expert that both elements are present on the balance of probabilities.

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5. Evidence of Unfair Registration

- 5.1 A non-exhaustive list of factors which may be evidence that the Domain Name is an Unfair Registration is set out in paragraphs 5.1.1 – 5.1.5:

- 5.1.1 Circumstances indicating 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;

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

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6. How the Respondent may demonstrate in its Response that the Domain Name is not an Unfair Registration

6.1 A non-exhaustive list of factors which may be evidence that the Domain Name is an Unfair Registration is set out in paragraphs 6.1.1 – 6.1.4:

6.4 ...
Trading in Domain Names for profit, and holding a large portfolio of Domain Names, are of themselves lawful activities. The Expert will review each case on its merits.

6.2. It will be seen that to support a complaint of the present kind, the Complainant must satisfy three elements:

- (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 Names (para 4.1.1); and
- (c) Unfair registration in the hands of the Respondent (para 4.1.2)

(a) *Rights in respect of a name or mark*

6.3. The Complainant has demonstrated rights in respect of the name CUNARD based on its trade marks and its business activities in New Zealand using that name.

6.4. The Expert accepts that the Complainant has rights in respect of the name CUNARD. This requirement is satisfied.

(b) *Identity or similarity between the name or mark and the Domain Name*

6.5. The second requirement is to show that the Complainant's name or mark is identical or similar to the Domain Name.

6.6. The disputed domain name is identical to CUNARD. This requirement is satisfied.

(c) *Unfair registration in the hands of the Respondent*

6.7. The registration is clearly unfair in the hands of the Respondent. The Complainant's submissions are correct and are accepted by the Expert.

6.8. The Respondent's registration presents as an attempt to disrupt the Complainant's business unfairly – especially when the website accessed by the disputed domain name has links to competitors of the Complainant. The website is likely to confuse internet users and deceive them into believing that the Respondent has some connection or affiliation with or endorsement from the Complainant.

6.9. The Respondent's blatant attempt to sell the disputed domain name is a firm indication that he acquired the disputed domain name with full knowledge of the Complainant's mark for the purposes of selling the disputed domain name at a profit.

- 6.10. The Respondent has 'form' as a cybersquatter which fact emphasises the inference that he knew of the Complainant and of the fame of the Complainant's mark when he registered the disputed domain name earlier this year.
- 6.11. The Complainant has a very strong case to show that this is an unfair registration.

7. Decision

All three elements identified in Paragraph 6.2 above having been satisfied the Expert, determine that the disputed domain name should be transferred to the Complainant.

Place of decision Auckland

Date 16 November 2017

Expert Name Hon Sir Ian Barker QC

Signature:

A handwritten signature in blue ink that reads "Ian Barker". The signature is written in a cursive style with a horizontal line underneath the name.