

.nz Dispute Resolution Service

DRS Reference: 1272

Simba Sleep Limited

v

Liqun Wang

Key words -

unregistered mark - well-known mark - overseas marks and reputation

1. Parties

Complainant:

Simba Sleep Limited
Mezzanine Level□
Southside Building□
105 Victoria Street□
London□
United Kingdom

Respondent:

Liqun Wang
Chendan Zhen
Wuxian Cun 174
Xinyu Jiangxi
China

2. Domain Name/s

simbasleep.co.nz

3. Procedural history

- 3.1 The Complaint was lodged on 10 January 2018 and Domain Name Commission (“DNC”), notified the Respondent of the validated Complaint on 17 January 2018. The domain was locked on 16 January 2018, preventing any changes to the record until the conclusion of these proceedings.
- 3.2 No Response was received.
- 3.3 The Complainant paid Domain Name Commission Limited the appropriate fee on 2 March 2018 for a decision of an Expert, pursuant to Paragraph 9 of the .nz Dispute Resolution Service Policy (“the Policy”).

- 3.4 Kevin Glover, the undersigned, (“the Expert”) confirmed to the DNC on 8 March 2018 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 a UK-incorporated company which has used the name “Simba Sleep” in that country since July 2015. It provides mattresses and bedding in multiple countries. It has also registered the word “SIMBA” as a trade mark in the United Kingdom and Iceland, and has applications on foot in a number of other countries.
- 4.2 The Complainant filed an application for SIMBA as a word mark in New Zealand with a priority date of 14 March 2017.
- 4.3 The Respondent registered the Domain Name on 7 December 2017. As at the date of the Complaint, the domain name resolved to a holding page which stated:
- “The owner of simbasleep.co.nz is offering it for sale for an asking price of 8999 USD!”
- 4.4 The website also contained links referring to mattress reviews, twin mattress, mattress for back pain and more.

5. Parties’ contentions

a. Complainant

- 5.1 The Complainant contends that the Domain Name is an Unfair Registration in the hands of the Respondent, in that it contains the Complainant’s well-known business name and its registered trade mark. It also contends that the Respondent has no right or interest to the trade mark or the business name “Simba Sleep”, and that there will be initial interest confusion.
- 5.2 The Complainant is concerned that there is a risk of internet users being deceived and incorrectly considering there to be a commercial link between the Respondent and the Complainant, leading to unfair disruption of the Complainant’s business and an unfair advantage to the Respondent through receiving “per-click” advertising revenue from the site.
- 5.3 The Complainant has provided details of other domain names which it uses, including www.simbasleep.com, www.simbasleep.co.uk, www.simbasleep.co.ie, www.simbasleep.fr, www.simbasleep.il and www.simbasleep.be. It also refers to previous cases where overseas domain name arbitration has resulted in domain names owned by the Respondent being transferred to the complainants in those cases.

b. Respondent

- 5.4 The Respondent did not file a response.

6. Discussion and findings

6.1 The first step in determining a domain name complaint involves assessing the rights relied upon by the Complainant. If the Complainant establishes that it has rights in a name, the Expert is then required to consider whether the domain name is an “Unfair Registration” in the hands of the Respondent, either based on the position as at the date of registration or due to subsequent events. The Complainant bears the onus of showing that it has Rights in the name.

6.2 The Policy contains the following definition of “Rights” in paragraph 3:

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 In this case, the Complainant relies upon:

- (a) Its New Zealand trade mark application;
- (b) Its marks allegedly being well-known; and
- (c) Its overseas trade mark registrations.

New Zealand trade mark rights

6.4 The strongest rights which can be relied upon are registered New Zealand trade mark rights. At law, those rights prevent other traders from using the registered mark, or a confusingly similar sign, in relation to the goods and services for which the mark is registered. It is well accepted that registered New Zealand trade marks are “Rights” for the purposes of the Policy.

6.5 A trade mark application, however, does not give rise to any monopoly rights unless and until it is registered. The process is that an application is subject to examination by IPONZ, and if IPONZ accepts the mark it is advertised and there is then an opportunity for others to object to the application through the opposition procedure. Although a trade mark proprietor's rights apply from the application date if the mark is registered, prior to the mark being registered the rights are best regarded as potential since an opposition might succeed and the mark might not become registered.

6.6 I do not consider a trade mark application by itself to provide “Rights” for the purposes of the Policy.

6.7 I add that, in this case, it appears that the Complainant's trade mark application has in fact been opposed. This opposition was lodged after the Complainant had lodged its complaint, but before the hard copy was received by the DNC. It would have been helpful for this to have been brought to the Expert's attention by the Complainant when it occurred.

Passing off / Fair Trading Act rights

6.8 Since the Complainant does not have any registered New Zealand marks, the next point to consider is whether the Complainant has rights which might otherwise be enforceable under New Zealand law. Those most commonly considered are rights under the law of passing off or arising from the Fair

Trading Act 1986 (in particular ss 9 or 13). Contractual rights can also suffice, although no such rights are asserted in this case.

- 6.9 The Complainant has not alleged that it is trading in New Zealand at present, and neither has it put forward any evidence to support sales of its products in New Zealand. In those circumstances, the Complainant has failed to discharge the onus, set out in clause 4.2 of the Policy, of showing that it has rights which would be enforceable in New Zealand.

Rights resulting from overseas registrations and trading

- 6.10 The final matter to consider is whether the Complainant might still have “Rights” for the purposes of the Policy, notwithstanding that it has not shown that it has rights which are enforceable under New Zealand law. The definition of “Rights” is expressed in terms which are inclusive and therefore non-exhaustive, but the Policy does not give any guidance as to the types of Rights which might be recognised apart from those which are enforceable in New Zealand.

- 6.11 The Policy was based on Nominet’s Dispute Resolution Policy (“Nominet Policy”). I have considered the Nominet Policy in case this provides assistance on the issue.

- 6.12 The Nominet Policy’s definition of “Rights”, contained in paragraph 1, is framed in different terms:

Rights means rights enforceable by the Complainant, whether under English law or otherwise, and may include rights in descriptive terms which have acquired a secondary meaning;

- 6.13 This appears to more directly anticipate overseas rights being sufficient, since the focus in the definition is on enforceable rights whether under English law “or otherwise”. In Nominet DRS decision 4192 (4inkjet.co.uk), the Independent Expert observed at paragraph 7.4:

Rights under the Policy include but *are not limited to rights enforceable under English law*. This includes rights to registered and unregistered trade marks and names and contractual rights to the same. The words emphasised make clear that the Policy extends to Rights to foreign marks, which are to be given equivalent recognition and treatment under the Policy.

[emphasis in original]

- 6.14 By contrast with the Nominet Policy, the DNC Policy states that rights enforceable in New Zealand are included in the definition of “Rights”, but does not state what else might be included.

- 6.15 Whether an overseas trade mark is sufficient by itself does not appear to have been settled in previous New Zealand DRS decisions.

- 6.16 The “Country Channel” appeal (DRS appeal 334) considered the relevance of overseas rights. The Expert at first instance had concluded that the Complainant did have “Rights”, as summarised by the Appeal Board:

[A]s to Rights, the basic Right which the Complainant relied on was the registration of its trade mark in the United Kingdom. [The Expert] found that registration of a trade mark in the United Kingdom did not of itself create a Right in New Zealand. However, the trade mark and the use of it could be the basis of Rights in New Zealand if the words had achieved a reputation in fact in New Zealand. The Expert was prepared to accept that the Complainant did have Rights in New Zealand in the words THE COUNTRY CHANNEL.

6.17 The Appeal Board observed:

8.5 The definition [of Rights] is an inclusive one and appears designed to give wide scope to the type of rights that might conceivably be relied upon by a Complainant. The inclusive nature of the definition does not make it an absolute prerequisite that the rights are enforceable under New Zealand law.

8.9 As the Complainant has no registered trade mark in New Zealand, its case really requires it to demonstrate on the balance of probabilities that it had a sufficient reputation or awareness of COUNTRY CHANNEL in New Zealand as at 9 June 2008 when the Domain Name was registered.

6.18 The Appeal Board allowed the appeal, on the basis that the Complainant had not proven that it had "Rights":

8.12 In summary, the Panel is obliged to find that there is no probative evidence as to reputation or awareness of the Complainant's mark COUNTRY CHANNEL in New Zealand as at 9 June 2008. The Complainant has not demonstrated on the balance of probabilities that it had Rights in that mark in New Zealand at that date.

6.19 I proceed on the basis that both the Expert and the Appeal Board found in relation to www.thecountrychannel.co.nz that a UK trade mark and/or reputation was not sufficient to show "Rights" without the Complainant also proving actual reputation in New Zealand, albeit that there was a difference about the latter issue.

6.20 The Appeal Board's finding can be contrasted with the decision in DRS 443, *insureandgo.co.nz (Insure & Go Insurance Services Limited v 1 cover NZ Limited)*. There, the Expert found that a New Zealand registered trade mark was sufficient to establish "Rights", but also referred to a European Community Trade Mark registration and common law rights through sales in the UK for over 10 years as further establishing the Complainant's rights.

6.21 The Expert's finding that UK sales and a European trade mark registration provided "Rights" were in strict terms obiter, since the registered New Zealand trade mark was already sufficient. It may also have been that the Complainant had offered evidence to show that New Zealand consumers would know of its business by virtue of its non-New Zealand rights. I do not regard the case as being an authority for the proposition that overseas trade mark registrations are sufficient in and of themselves.

6.22 Bearing in mind the way in which "Rights" is defined in the Policy and the Appeal Board's decision in "Country Channel" in particular, I consider that a

complainant who does not have rights which are enforceable in New Zealand (as a registered New Zealand trade mark or a mark which would support a claim in passing off or the Fair Trading Act) must show that they at least have reputation in New Zealand, or that there are some special circumstances which mean that they have a claim to rights in a name which has been included in the domain name.

- 6.23 I do not consider that simple use of a name overseas, without sales being directed at New Zealanders, provides a basis for finding that the Complainant has "Rights" in New Zealand which would allow it to object to another party's domain name registration.
- 6.24 The Complaint fails because the Complainant has not shown on the balance of probabilities that it has Rights (as defined in the Policy) in a name which is identical or similar to the Domain Name.
- 6.25 The allegations regarding a pattern of registrations by the Respondent can be relevant to assessing whether or not the registration is "Unfair", but this becomes relevant only once the Complainant has established its Rights. It has failed to prove its case in that regard here.

7. Decision

- 7.1 The Complaint is rejected.

Place of decision Auckland

Date 29 March 2018

Expert Name Kevin Glover

Signature

