

.nz Dispute Resolution Service

DRS Reference: 1293

**Plus500 Limited &
Plus500AU Pty Limited**

v

John Cannon

Key words -

Domain Name: plus500.net.nz – plus500.org.nz; Identical Trade Mark – Rights – Unfair Registration – unfair use – offer to sell, rent or otherwise transfer – likely to confuse, mislead or deceive – unfairly disrupting the business of the Complainant – blocking registration.

1. Parties

Complainant:

Plus500 Limited & Plus500AU Pty Limited
PO Box H339
Australia Square
Sydney 1215
Australia

Represented by: Alan Ringwood, Bell Gully.

Respondent:

John Cannon
3/5 Pitt Place
St Albans
Christchurch
New Zealand

2. Domain Name/s

plus500.net.nz
plus500.org.nz


3. Procedural history

- 3.1 The Complaint was lodged on 16 March 2018 and Domain Name Commission (DNC), notified the Respondent of the validated Complaint on 21 March 2018. The domain/s were locked on 21 March 2018, preventing any changes to the record until the conclusion of these proceedings.
- 3.2 The Respondent filed a Response to the Complaint on 16 April 2018 and the DNC so informed the Complainant on 21 April 2018. The Complainant filed a Reply to the Response on 23 April 2018. The DNC informed the parties on 28 May 2018 that informal mediation had failed to achieve a resolution to the dispute.

- 3.3 The Complainant paid Domain Name Commission Limited the appropriate fee on 25 June 2018 for a decision of an Expert, pursuant to Paragraph 9 of the .nz Dispute Resolution Service Policy (“the Policy”).
- 3.4 Andrew Brown, the undersigned, (“the Expert”) confirmed to the DNC on 02 July 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 an international finance firm and carries on business internationally as ‘Plus500’, providing an online derivative trading service (the Complainant). The Complainant was founded in 2008 and is headquartered in Israel. The Complainant’s local regional subsidiary, Plus500AU Pty Ltd, was incorporated in Australia on 19 September 2011 (CAN 153 301 681) and was granted a New Zealand derivatives issuer licence (FSP No 486026) by the Financial Markets Authority in October 2016.
- 4.2 The Complainant’s name (Plus500) is an invented name which solely denotes the Complainant and its business. The Complainant is not commonly known by any other name.
- 4.3 The Complainant is the owner of the plus500.com, plus500.co.nz and plus500.com.au domains. It operates a New Zealand website at <https://www.plus500.co.nz> and an Australian website at www.plus500.com.au for the offering of financial services to customers. The Complainant’s Plus500 name and stylised Plus500 logo appear prominently on the websites at these domains.
- 4.4 The Complainant is also the owner of the following trade marks and trade mark applications (the Plus500 Marks):

Country	TM No.	Status	Depiction	Classes and specification
Australia	1522930	Registered	PLUS500 (word mark)	36 – Financial affairs; monetary affairs; providing trading services online and through a platform that allow users to trade stocks, foreign currency, commodities, indices and contracts for difference (CFDs)
Australia	1725616	Registered		36 – Financial affairs; monetary affairs; providing trading services online and through a platform that allow users to trade stocks, foreign currency, commodities, indices and contracts for difference (CFDs)
New	1088117	Accepted	PLUS500 word series	36 – Financial affairs;

Zealand			mark	monetary affairs; providing trading services online and through a platform that allow users to trade stocks, foreign currency, commodities, indices and contracts for difference (CFDs).
New Zealand	1088120	Application	PLUS500 logo mark	36 – Financial affairs; monetary affairs; providing trading services online and through a platform that allow users to trade stocks, foreign currency, commodities, indices and contracts for difference (CFDs).

4.5 The Respondent is Mr. John Cannon (the Respondent). He is the registrant of the domain names plus500.net.nz and plus500.org.nz (the Disputed Domain Names). Both domains were registered on 11 January 2018.

4.6 The Complainant has provided evidence of the appearance of the websites displayed at the Disputed Domain Name plus500.net.nz as at January 2018 as well as of the appearance of its own websites www.plus500.com, www.plus500.co.nz and www.plus500.com.au. The website displayed at the Disputed Domain Name plus500.net.nz publishes disparaging material against the Complainant.

4.7 On 30 January 2018, the Respondent offered to transfer the Disputed Domain Names to the Complainant upon payment by the Complainant of \$87,000.

5. Parties' contentions

a. Complainant

5.1 The Complainant asserts it has extensive and exclusive rights to the Plus500 brand due to the creation of the brand in 2008, its Australian trade mark registrations and New Zealand trade mark applications, its operation of the domains and corresponding websites at plus500.com, plus500.co.nz and plus500.co.au, and its reputation and goodwill in New Zealand and globally.

5.2 The Complainant contends that the Respondent unfairly registered the Disputed Domain Names. It states that the Disputed Domain Names are confusingly identical to its own business name and Marks in circumstances where the Respondent has no rights or interest in the Disputed Domain Names. The Complainant states that it has not authorised use of the Disputed Domain Names by the Respondent and that despite requesting the Respondent to stop use of the plus500.net.nz domain, he has continued to do so.

5.3 The Complainant further asserts that the Disputed Domain Names were registered to take unfair advantage of the Complainant's rights and/or are unfairly detrimental to the Complainant's rights. In addition, the Complainant states:

“Mr Cannon is a disaffected former customer of the Complainant who registered the plus500.net.nz domain in order to use it to disparage Plus500 and thereby unfairly disrupt the business of Plus500.”

- 5.4 The Complainant also contends that the conduct of the Respondent demonstrates that the Disputed Domain Names will be used in the future to:
- confuse members of the public as to whether or not they are associated with the Complainant;
 - disparage the Complainant;
 - direct members of the public to disparaging material;
 - dilute the Complainant’s goodwill and reputation in its Marks;
 - block or prevent registration of the Disputed Domain Names by the Complainant;
 - seek excessive payment from the Complainant; and/or
 - sell the Disputed Domain Names to a third party having no rights in the Marks.
- 5.5 The Complainant further contends that the Respondent’s demand for payment of \$87,000 AUD (after applicable taxes) in return for the transfer of the Disputed Domain Names is far in excess of the Respondent’s out-of-pocket costs in registering the Disputed Domain Names.

b. Respondent

- 5.6 The Respondent filed a Response with the DNC on 16 April 2018. The Respondent asserts he has approved name reservation rights to plus500 Ltd for New Zealand by virtue of having reserved that name with the Companies Office.
- 5.7 In response to statements made by the Complainant regarding its goodwill and reputation, the Respondent has referred to complaints made against the Complainant both by himself and others and refers the DNC to four websites which are said to contain material relating to the Complainant. The Respondent asserts that his complaints are echoed throughout the internet and are “far too extensive to list here”.
- 5.8 The Respondent asserts that his demand for payment of \$87,000 was never meant to be taken as a serious demand and refers to a settlement offer between himself and the Complainant which he rejected.
- 5.9 The Respondent denies that he intends to use the Disputed Domain Names in a confusing manner.

c. Reply by Complainant

- 5.10 In its Reply, the Complainant states that reservation of a company name is not evidence that the registrant has any existing underlying goodwill and reputation in that name. The Complainant asserts that the reservation of the company name plus500 Limited by the Respondent is simply a further attempt by the Respondent to misappropriate the Complainant’s goodwill and supports the contention that the Respondent is attempting to interfere with the running of the Complainant’s business. The Complainant also asserts that if the Respondent were to incorporate a company and trade in New Zealand under the plus500 Limited name, it would amount to a breach of the Fair Trading Act and the tort of passing off.

- 5.11 The Complainant contends that the Respondent's reference to complaints by others and the four websites simply underscore the facts that (a) Plus500 means the Complainant; and (b) the Respondent has improperly registered the Disputed Domain Names to interfere with the running of the Complainant's business.
- 5.12 The Complainant also asserts that the wording of the Respondent's initial demand for payment of \$87,000 AUD appeared serious on its face as it was stated to have been sent following thought, consultation and consideration and ended with a reference to 'in good faith' and would have resulted in a binding agreement had the offer been accepted. In any case, the Complainant asserts that the offer underscores the fact that the Respondent's main objective is to cause nuisance to the Complainant.
- 5.13 The Complainant asserts that no weight should be given to the Respondent's denial that he intends to use the Disputed Domain Names in a confusing manner and that this denial, even if true, does not answer to the fact that registration of the Disputed Domain Names by the Respondent took unfair advantage of the Complainant's rights.
- 5.14 The Complainant also asserts that the Respondent was not entitled to disclose the settlement offer put to him in his response and that the settlement offer is entirely consistent with the Complainant's rights in the Plus500 name.

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 Complainant has provided evidence that it has applied for two trade marks in New Zealand for the PLUS500 word series mark and Plus500 logo mark in respect of Financial affairs; monetary affairs; providing trading services online and through a platform that allow users to trade stocks, foreign currency, commodities, indices and contracts for difference (CFDs) in class 36. The Complainant's applications were filed on 6 March 2018. Application No. 1088117 has been accepted. Application No. 1088120 is currently under examination. Both marks are therefore not yet registered and so, as at the time of determination, the Complainant has no registered trade marks in New Zealand.
- 6.4 The Appeal Panel in DRS 334 (*The Country Channel Limited*) noted that the definition of Rights in the Policy is an inclusive one designed to give wide scope

to the type of Rights that might conceivably be relied on by a Complainant. The Panel noted that it is not an absolute pre-requisite that rights are enforceable under New Zealand law. The Complainant is therefore required to show, as at the date of registration of the Domain Names (11 January 2018), that it had rights in PLUS500 word series mark and Plus500 logo mark, those rights not necessarily having to be enforceable in New Zealand.

- 6.5 The Complainant has provided evidence of its Australian trade mark registrations for the PLUS500 (word mark) and . The Plus500 (word mark) was filed on 30 October 2012. The Complainant has also provided evidence of its registration as an Overseas ASIC Company in New Zealand (#5741129) and of its goodwill and reputation – it was listed on the London Stock Exchange AIM board in July 2013; its trading platform was rated #1 in Europe by a number of new traders; it was rated best mobile CFD trading platform in Australia in 2017; and it is the title sponsor for the Brumbies team in the Super Rugby competition.
- 6.6 The Expert finds that the Complainant clearly has rights in respect of the Plus500 Marks as a result of its prior trade mark registrations in Australia and its reputation in the Plus500 brand in New Zealand. This reputation in New Zealand arises as a result of the use and provision of the Plus500 brand in New Zealand since at least 19 September 2011. The Expert is satisfied that the Complainant's various relevant rights were all established prior to registration of the Disputed Domain Names.
- 6.7 The Expert also finds that the Disputed Domain Names are identical to the Plus500 Marks; the Plus500 Marks are entirely subsumed within the Disputed Domain Names.
- 6.8 Accordingly, the Expert finds that paragraph 4.1.1 of the Policy is satisfied in favour of the Complainant.

b. Unfair Registration

- 6.9 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.”

- 6.10 The first question is whether under para 3(i) of the Policy, the Complainant can show Unfair Registration at the time registration took place.
- 6.11 The second question is whether, in the alternative (or cumulatively), the Complainant can show Unfair Registration through use of the Domain Name in a manner which took unfair advantage of or was unfairly detrimental to the Complainant's Rights.
- 6.12 The Expert is satisfied that the Respondent was aware of the Complainant's rights in the Plus500 name and Marks at the time of registering the Disputed

Domain Names due to the pre-existing relationship between the Complainant and the Respondent.

- 6.13 Paragraph 5.1 of the Policy provides a non-exhaustive list of factors which may be evidence that the Disputed Domain Names are Unfair Registrations. The Expert is therefore entitled to refer to factors not specifically mentioned in paragraph 5.1 in support of his findings.
- 6.14 The Expert finds that the Disputed Domain Names have been registered and used in a manner which takes unfair advantage of the Complainant's rights as contemplated in subparagraphs (i) and (ii) of the definition of Unfair Registration in paragraph 3 of the Policy for the following reasons:
- (a) The Expert accepts the evidence of the Complainant that, before this Complaint was filed, at least one of the Disputed Domain Names was used for the purposes of disparaging the Complainant and its business and/or to redirect third parties to a further website at which disparaging content could be found. The Expert finds that this conduct indicates that the Respondent registered the Disputed Domain Names primarily for the purpose of unfairly disrupting the business of the Complainant pursuant to paragraph 5.1.1(c) of the Policy.
 - (b) The Expert accepts the evidence of the Complainant that it has established goodwill and reputation in the alpha-numeric Marks both in New Zealand and globally. The Expert therefore finds that the Respondent's conduct shows that the Respondent registered the Disputed Domain Names to dilute the Complainant's goodwill and reputation.
 - (c) The Expert also considers that the Respondent's knowledge of the Complainant's rights in the Plus500 Marks at the time of registering the Disputed Domain Names and subsequent conduct, suggests that the Disputed Domain Names were registered for the purposes of confusing members of the public as to whether or not they were associated with the Complainant. The Expert therefore finds that registration of the Disputed Domain Names took unfair advantage of the Complainant's rights in the Plus500 Marks.
 - (d) The Expert also accepts the evidence of the Complainant that the Respondent's demand for payment far in excess of his out-of-pocket costs directly associated with acquiring or using the Disputed Domain Names is evidence of Unfair Registration pursuant to paragraph 5.1.1(a) of the Policy. The Expert considers that the Respondent's reply that the demand was never meant to be taken seriously is insufficient to rebut this finding in light of the Respondent's overall conduct. The Expert finds that the Respondent's demand for payment also suggests that the Respondent intended to block or prevent registration of the Disputed Domain Names by the Complainant and/or sell the Disputed Domain Names to a third party having no rights in the Plus500 Marks so as to take unfair advantage of the Complainant's rights.
- 6.15 Accordingly, the Expert finds that paragraph 4.1.2 of the Policy is satisfied in favour of the Complainant in that Disputed Domain Names are an Unfair Registration under both limbs in the definition of Unfair Registration.

6.16 Accordingly, the Expert is satisfied that paragraph 4.1.2 is satisfied in favour of the Complainant on the ground of both unfair advantage and unfair detriment to the Complainant's rights through use.

7. Decision

7.1 For the foregoing reasons, the Expert orders the transfer of the Disputed Domain Names plus500.net.nz and plus500.org.nz to the Complainant.

Place of decision Auckland

Date 18 July 2018

Expert Name Andrew Brown QC

Signature

A handwritten signature in blue ink, appearing to read "Andrew Brown". The signature is written in a cursive, flowing style.