

.nz Dispute Resolution Service

DRS Reference: 1319

GUNSNZ LTD

v

KEN ROUNTREE

Key words -

Unregistered mark – descriptive – non-standard submission

1. Parties

Complainant:

GUNSNZ LTD
245 PARNELL ROAD LEVEL 2
PARNELL AUCKLAND
NEW ZEALAND

Respondent:

KEN ROUNTREE
PO BOX 16093
TE HORO 5544
NEW ZEALAND

2. Domain Name/s

gunsnz.co.nz

3. Procedural history

- 3.1 The Complaint was lodged on 13 August 2018 and the Domain Name Commission (**DNC**) notified the Respondent of the validated Complaint on 14 August 2018. The domain was locked on 14 August 2018, preventing any changes to the record until the conclusion of these proceedings.
- 3.2 No Response was received.
- 3.3 The Complainant paid the DNC the appropriate fee on 10 September 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 15 October 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.
- 3.5 On 6 November 2018 sent an email to the Complainant providing an opportunity for non-standard supplementary submissions at the Expert's request, on the basis that the Respondent would then have an opportunity to

respond to any further material filed. A copy of that email is **attached** to this decision.

- 3.6 Following the Procedural Order, the Complainant filed a non-standard supplementary submission on 6 November 2018. That supplementary submission was sent to the Respondent on 28 November 2018. The Respondent responded by email on the same day.

4. Factual background

- 4.1 The Complainant alleges that it operates a New Zealand-based online business selling firearms, ammunition and accessories and that its primary domain is gunsnz.com. That domain name has been registered since 2014.
- 4.2 The Complainant says that it uses the domain name gunsnz.nz to redirect to its primary domain, and that it has been the registered owner of gunsnz.nz since 2015.
- 4.3 The Complainant says that it also used to own the Domain Name, gunsnz.co.nz, which was used to redirect to the primary domain as well. The Complainant purchased the gunsnz.co.nz domain name in 2015 and the redirection was put in place at that time.
- 4.4 The Complainant says that it intended to renew its registration of the Domain Name in 2016 and instructed its IT company to do so, but that the renewal was not actioned due to an error. The fact that the renewal had not been completed was not noticed by the Complainant or its IT consultant until August 2017, well after the 90-day pending release period had expired.
- 4.5 The Respondent registered the Domain Name between it becoming available and the Complainant becoming aware that it did not own the Domain Name.

5. Parties' contentions

a. Complainant

- 5.1 The Complainant relies on rights in "gunsnz" which it says arise from a New Zealand trade mark.
- 5.2 The Complainant also relies on its rights in "gunsnz" through its use in other domain names (.nz and .com), as well as its previous use of gunsnz.co.nz. It did not supply details of the extent of its trading activities under those domain names.
- 5.3 The Complainant contends that the Respondent is associated with a business which competes with the Complainant, from a website hosted at nzar15.com, and that the redirection of its former domain name to the website of its direct competitor is an unfair registration.
- 5.4 In its supplementary submission, the Complainant states that the Domain Name was registered in the name of Queen Street Chiropractors, which is another company associated with Mr James Yates, the principal of the Complainant.

b. Respondent

- 5.5 The Respondent did not file a response to the original Complaint.
- 5.6 In response to the Complainant's supplementary submissions, the Respondent sent an email in the following terms:

We assert that Guns NZ have no right to the domain gunsnz.co.nz.

Yves Saint Laurent is proven to be the previous owner.

To not renew the domain and then to ignore the 90 days grace period to renew, beggars belief. To do this twice is impossible. Every competent business micro manages their domain. This case is simply a business throwing its toys because someone they compete with has decided to purchase a domain they now want.

6. Discussion and findings

- 6.1 Domain name registrations in New Zealand generally operate on a "first in time" basis. The context of the Policy is that it provides an alternative for resolution of disputes relating to the registration of domain names within the .nz domain space.
- 6.2 Once a domain name registration has expired, there is a 90-day pending release period. During that period, the former owner may renew the domain name and retain ownership of it. After that time, it returns to the pool of domain names available for registration on a "first in time" basis.
- 6.3 It is for a complainant to prove, on the balance of probabilities, that the respondent's registration of a domain name is an "Unfair Registration" in terms of the Policy, in light of the rights held by the complainant.

General approach regarding existence of "Rights"

- 6.4 The first step is to consider whether the Complainant has proven that it has rights in the name "gunsnz" which it is able to rely upon for the purposes of the Policy.
- 6.5 If the Complainant establishes that it has such rights in a name, I am 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.
- 6.6 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.
- 6.7 The definition has two aspects. The first sentence relates to the existence of rights and is framed in inclusive terms. The second sentence qualifies the first and means that certain rights, even if falling within the ambit of the first sentence, are insufficient for the purposes of the Policy.
- 6.8 In this case, the Complainant relies upon:
- (a) Its New Zealand trade mark application;
 - (b) Its company name, Gunsnz Limited; and
 - (c) Its trading reputation and prior ownership of the Domain Name.

- 6.9 The Complainant has not made submissions on whether “gunsnz” is wholly descriptive of its business.

Whether a trade mark application amounts to Rights

- 6.10 I have considered the Complainant’s reliance on its trade mark application for GUNSNZ. The application was filed in July 2018, being at least a year after the Respondent’s registration of the Domain Name. The application had not been accepted or registered as at the date of the Complaint.
- 6.11 I held in a previous decision that a trade mark application does not, in itself, amount to 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.

- 6.12 I consider the same reasoning to apply equally in the present case, if not more so because the Complainant’s proposed mark is largely descriptive with only a minor degree of adaptation. Its ultimate registration is far from certain. I am not prepared to give any weight to Rights claimed as a result of the trade mark application.

Whether the Complainant’s company name amounts to Rights

- 6.13 The Complainant also relies upon the registered name of its company, Gunsnz Limited.
- 6.14 In my view registration of a company name does not, of itself, create Rights for the purposes of the Policy. There are very few exceptions to the names capable of being registered as company names in New Zealand, and given this it is not appropriate to place weight on the fact of registration. The existence of a registered company name is simply part of the overall assessment of whether a complainant has rights in the name generally, in the sense of reputation.

Whether the Complainant has Rights in the name through trading

- 6.15 In the absence of a registered trade mark, the question becomes whether the Complainant has sufficient rights arising otherwise to provide grounds for a complaint. Typically that would be goodwill in the relevant name as a result of trading and/or promotional activities.
- 6.16 Here the Complainant asserts that it has rights due to having operated the Domain Name for a period of time as a redirection towards its primary domain and website. The company name may also be relevant to this issue, but the main focus is on rights which would be sufficient to establish a claim in passing off or under the Fair Trading Act 1986 (for example, ss 9 or 13).
- 6.17 There is, however, very little material which enables determination of this issue. For example, the Complainant has not provided any evidence of its market share, sales, promotional or advertising activities. It was invited to provide such evidence by way of supplementary submissions but it did not do so.

- 6.18 The Complainant has alleged, in broad terms, that it has traded by reference to Gunsnz since at least 2014, although according to the Complaint its registration of the Domain Name lapsed some time in 2016.
- 6.19 It is not possible to conclude that the Complainant has rights as a result of its trading and promotional activities without receiving evidence of those activities. A bare allegation of trading over a time period is not sufficient. If the Complainant has had only minimal sales within New Zealand, for example, this would not justify transferring the Domain Name.
- 6.20 It is incumbent on a complainant with a descriptive mark in particular to show that its rights in that mark are so strong that the presumption of first in time should be displaced.

Whether the name "Gunsnz" is wholly descriptive

- 6.21 The Complainant is also unable to rely on rights in a name which is wholly descriptive. In this case, the Complainant is a New Zealand business which sells guns, and "gunsnz" is highly descriptive. I do not need to decide whether or not this is wholly descriptive for the purposes of the Policy, however, in light of my finding that the Complainant has failed to produce sufficient evidence of its rights.

Relevant entity

- 6.22 A further issue in this case is whether the rights alleged by the Complainant are held by it or another entity. The Complainant is Gunsnz Limited, although the Domain Name was formerly held by Queen Street Chiropractors. It is not clear whether Queen Street Chiropractors operates as a sole trader, partnership or is the truncated form of a company name.
- 6.23 The Complainant has alleged that the businesses are associated but without providing any details of those arrangements (such as whether there are or were licence arrangements, the business which operates the website etc). These are matters which also ought to have been addressed in the Complaint.

Summary

- 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.

7. Decision

The Complaint is dismissed.

Place of decision Auckland

Date 17 December 2018

Expert Name Kevin Glover

Signature



Appendix to the Decision – Expert Procedural direction.

1. This complaint relates to the domain name gunsnz.co.nz. The complainant, Gunsnz Limited, asserts that it has rights in the name “Gunsnz” as a result of its operation of a website from the domain gunsnz.com and its redirection to that website from gunsnz.nz, and that the registration by the respondent is an unfair registration in that it is being used to redirect to its own website.
2. Although the complaint makes a number of allegations as to its rights, its focus is on the conduct of the respondent and the circumstances by which the domain name came to be registered in the respondent’s name. The complaint omits information which would allow the Expert to assess whether the complainant has rights in the name “gunsnz” and the strength of those rights.
3. In addition, the registrant of gunsnz.nz is not the complainant, but is instead “Queen Street Chiropractors”. There is no explanation in the complaint as to the link (if any) between Queen Street Chiropractors and Gunsnz Limited, or the terms upon which Gunsnz Limited might be entitled to use that domain name. It is also not clear which entity or person owned gunsnz.co.nz before the respondent or the period of time for which the domain name was registered.
4. The above matters have not been expressly addressed to date and may be material to the Expert’s decision. It is preferable that these matters be clarified so that the substance of this dispute can be resolved.
5. In the circumstances, the Expert directs as follows:
 - (a) That the complainant file any further information regarding:
 - (i) the rights which it says provide grounds for the complaint, including the extent of its marketing and trading activities relating to the name Gunsnz; and
 - (ii) clarification of the ownership of gunsnz.nz and previous ownership of gunsnz.co.nz,such information to be provided by 5pm on 12 November 2018.
 - (b) That the respondent file any response to issues arising from the complainant’s further submissions and/or evidence by 5pm on 26 November 2018.
 - (c) The complaint will then be determined based on the information submitted to date and any such further material filed in accordance with the above directions.
6. Given that the parties are alleged to be direct competitors, some of the material may be commercially sensitive. If any party wishes to provide confidential material, that material should be identified in a covering note and steps can be taken to redact it from documents provided to the other party. The Expert will also take such claims into account when writing his decision.
7. It may be of assistance for the complainant and the respondent to obtain legal assistance in providing further submissions, to ensure that the material provided corresponds with the requirements of the Policy.