

## **.nz Dispute Resolution Service**

**DRS Reference: 334**

### **Decision of Appeal Panel**

#### **The Country Channel Limited v The Country Channel Limited**

Key words -

*Domain name – thecountrychannel.co.nz*

Appeal – Approach on Appeal

Rights: unregistered mark - whether secondary reputation or awareness demonstrated as at date of registration or acquisition - burden of proof.

#### **1. Parties**

Complainant:

The Country Channel Limited  
Unit 2, Gate Farm Offices  
Park Road  
Kiddington, Woodstock  
Oxford OX2 01DB  
United Kingdom

Respondent:

The Country Channel Limited  
PO Box 137246  
Parnell  
Auckland  
New Zealand

#### **2. Domain Name/s**

2.1 thecountrychannel.co.nz ("the Domain Name")

#### **3. Procedural history**

3.1 The Complaint was lodged on 7 October 2008. The Respondent filed a Response to the Complaint on 30 October 2008. A Reply was lodged by the Complainant on 12 December 2008.

3.2 On 21 January 2009, The Hon Barry Paterson QC (the Expert) delivered a decision upholding the Complaint and ordering the transfer of the Domain Name. In his decision the Expert concluded:

- (a) That as to Rights, the basic Right which the Complainant relied on was the registration of its trade mark in the United Kingdom. He 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. The Expert further found that these words were not wholly descriptive of the Complainant's business.
- (b) The Expert went on to find that the Complainant had established that there was an Unfair Registration and that the Respondent was using the Domain Name in a way that was likely to confuse, mislead or deceive people or businesses into believing that the Domain Name was registered to, operated or authorised by or otherwise connected with the Complainant. The Expert found that continued use of the Domain Name by the Respondent was likely to be unfairly detrimental to the Complainant's Rights. The Expert found that the onus shifted to the Respondent to establish that the registration was not an Unfair Registration in terms of paragraph 6.1.1 of the Policy.
- (c) The Expert reviewed the evidence which he considered relevant to paragraph 6.1.1 of the Policy. He noted that the Respondent's original proposal was for the name to be The Farm Television Network. He then drew the inference that the Respondent would have known of the Complainant's programme from the time it was incorporated. In the Expert's view a person with such knowledge should have been alerted to the issue of the likely confusion which use of the Domain Name would cause. The Respondent had not shown that it had made demonstrable preparations to use the Domain Name in connection with genuine offerings of goods and services and was therefore not entitled to rely on the provisions of paragraph 6.1.1 of the Policy.

3.3 The Respondent/Appellant (hereinafter "Respondent") subsequently lodged an appeal against the Expert's decision. The Respondent filed an appeal notice on 27 February 2009. The Complainant/Respondent (hereinafter "Complainant") then filed an appeal notice response on 12 March 2009.

3.4 On 19 March 2009, an Appeal Panel comprising Andrew Brown QC, The Hon Sir Ian Barker QC and Terence Stapleton was appointed.

#### **4. The nature of this appeal**

4.1 This is the first appeal to come before an Appeal Panel ("the Panel"). The Panel has carefully considered the nature of an appeal. Paragraph

12.1 of the Policy provides that the Panel “will consider appeals on the basis of a full review of the matter and may review procedural matters”.

- 4.2 The Panel notes the decision of the Supreme Court in *Austin Nichols Inc v Stichting Lodestar* (2007) 74 IPR 452. There the Supreme Court of New Zealand was considering an appeal under s27 of the Trade Marks Act 1953 from a decision of the Commissioner of Trade Marks in trade mark opposition proceedings. The Supreme Court held<sup>1</sup> that under s27 “it is clearly envisaged there will be rehearing on the record” and that the appeal court “must be persuaded that the decision is wrong”. However, in reaching such a decision, the Court held that no deference should be given to the Commissioner’s decision. Further, if the appellate court’s opinion “is different from the conclusion of the tribunal appealed from, then the decision under appeal is wrong in the only sense that matters, even if it was a conclusion on which minds might reasonably differ”<sup>2</sup>.
- 4.3 The Panel believes this is the proper approach to adopt in respect of appeals under the Policy. It therefore proceeds to deal with this appeal by conducting a full review of the matter, taking into account the documents before the Expert and the formal Appeal and Response notices filed on appeal and considering whether the decision appealed from was wrong.

## 5. Factual background

- 5.1 The Complainant was incorporated in the United Kingdom in March 2006 and launched as an Internet television channel on the website [www.countrychannel.tv](http://www.countrychannel.tv) in June 2006. The Complainant’s television channel streams over the Internet and is a free-to-view web broadcast service accessible worldwide. It apparently offers a variety of programmes on farming, lifestyle, wildlife, animals and the like.
- 5.2 The Respondent registered the Domain Name in New Zealand on 9 June 2008.
- 5.3 The Respondent was incorporated in New Zealand in April 2008 for the purposes of providing a television channel called “The Country Channel” on Sky Television in New Zealand’s pay television platform. This is a subscriber-based programme. Legal arrangements with Sky New Zealand prevent the Respondent from broadcasting on any other media including the Internet.
- 5.4 On 18 July 2008, a representative of the Respondent responsible for planning and buying “for the Country Channel in New Zealand” contacted the Complainant asking about content to fill their schedule. There was a further explanatory email on 21 July 2008 in response to the Complainant’s queries. On 12 August 2008, the representative advised

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<sup>1</sup> At [13].

<sup>2</sup> At [16].

that her email address in future would be @thecountrychannel.co.nz i.e. the Domain Name.

- 5.5 On 12 August 2008, the Complainant advised the Respondent that it was:

"... not happy that [the Respondent] will be launching as The Country Channel from 1<sup>st</sup> October, as this will mean that you will be trading directly across us in the marketplace. We launched The Country Channel in June 2006 and since then have been broadcasting on the internet at [www.countrychannel.tv](http://www.countrychannel.tv), plus have had a 10 hour selection of Country Channel programming running on Sky Channel 167 in Europe (The Information Channel) every week since September 2006. We have viewers throughout the world, including New Zealand, and broadcast content about all countryside issues, with one of our six strands (Country Matters) dedicated to the farming community. We have trademarked our name and our logo to give ourselves some protection."

- 5.6 The Respondent replied indicating that it designed and planned this channel a year ago and that the Sky platform in New Zealand "tends to use this style of name, i.e. The History Channel, The Documentary Channel, The Arts Channel etc". The Respondent said that at the time it was completely unaware of the Complainant.

- 5.7 On 7 October 2008, the Complaint was filed.

## **6. Parties' contentions**

### **a. The Complainant**

- 6.1 The Complainant contends that it has Rights in "The Country Channel" as a result of its registration as a company in the United Kingdom in March 2006 and its launch as an Internet television channel on [www.countrychannel.tv](http://www.countrychannel.tv) in June 2006. It also has a United Kingdom registered trade mark COUNTRY CHANNEL (as a series of two marks) registered from April 2006 in classes 35, 38, and 41 and states that it had been trading for 2.5 years at the date of the Complaint.

- 6.2 The Complaint asserts that:

"The existence of [the Respondent's] new channel, with a name and remit identical to our own, will undoubtedly cause confusion in the marketplace – for our audience, our advertisers, our sponsors – and hamper our channel and our business development. Their website already looks very similar to ours, as does their logo, and we believe that they are directly trading across us: and could indeed be deemed to be passing off. We have a number of customers and sponsors who have chosen to use our channel to promote themselves, specifically because we broadcast primarily on the internet and can therefore reach a worldwide audience."

## **b. The Respondent**

- 6.3 In its Response, the Respondent pointed out that the Complainant had been operating for approximately two years, had registered COUNTRY CHANNEL as a trade mark in Great Britain, but had not registered the mark in New Zealand. In particular, the Respondent noted that the Complainant had provided no evidence that it had a significant viewership or market presence in New Zealand.
- 6.4 The Respondent stated that it had invested substantial time, effort and money in developing and launching The Country Channel in New Zealand without prior knowledge of the Complainant's existence until shortly prior to launch of the television channel. The channel went to air on 1 October 2008.
- 6.5 The Respondent asserted that, before being aware of the Complainant's cause for complaint, the Respondent had made demonstrable preparations to use the Domain Name in connection with a genuine offering of goods or services.

## **c. The Reply**

- 6.6 In its Reply, the Complainant addressed the contentions as to lack of proof of its Rights in New Zealand. It stated:

- "b) The Country Channel (UK) has viewers throughout the world, and has a number of registered users in New Zealand, who receive our regular newsletters. Our channel appeals to people all over the English-speaking world, and is particularly popular with the ex-pat community, and we have received e-mails from them about how much they enjoy our channel.
- c) According to [www.alexacom.com](http://www.alexacom.com), (which gives world ranking on websites) [www.countrychannel.tv](http://www.countrychannel.tv)'s user-base is 88% UK, and 12% worldwide. ...
- d) Confusion in the market has already been demonstrated. We have received e-mails from Country Channel (UK) viewers in New Zealand, enquiring about our having started up on New Zealand Sky, and also received an e-mail from a Country Channel (NZ) viewer asking for further information about one of their Australian programmes. (hard copies attached \*C,\*D & \*E)"

## **7. Appeal notice and appeal notice response**

### *Appeal notice*

- 7.1 In its appeal notice, the Respondent states:

- "2. The Expert erred:
  - (a) In failing properly to recognise that under paragraph 4 of the Policy the onus lay on the [Complainant] to prove on a balance of probabilities that:

- (i) At the relevant time it had Rights in the name; and
  - (ii) The [Respondent's] registration of the Domain Name was an Unfair Registration.
- (b) In finding that the [Complainant] had proved to the required standard that it had Rights in the name The Country Channel at the relevant time;
  - (c) In concluding that before the [Respondent] used or made demonstrable preparations to use the Domain Name in connection with a genuine offering of goods or services the [Respondent] was aware of the cause of the complaint;
  - (d) In failing to consider and apply paragraph 6.1.2 of the Policy."

7.2 In its detailed appeal notice, the Respondent asserted that the Complaint was based on:

- "(a) An unsubstantiated allegation that the [Complainant] had a worldwide reputation in the name "Country Channel" (including in New Zealand);
- (b) A device trade mark for a particular form of the name "Country Channel" registered in the UK, which the [Complainant] seems to have regarded as conferring worldwide protection for the words."

7.3 The Respondent also asserted that the Expert applied the wrong standard of proof and was wrong to find that the Complainant had proven its reputation in New Zealand *at the time that the Respondent registered the Domain Name* (Respondent's emphasis).

7.4 Further it was asserted that at the relevant date i.e. registration of the Domain Name on 9 June 2008, there was no evidence that the Complainant had any reputation or viewers at all in New Zealand. The Respondent asserted that there was no evidence that at the time it was registered and began making substantial preparations for launch of its television channel (including registering the Domain Name), it was aware of the existence of the Complainant or its trade mark or the cause of complaint.

7.5 The Respondent noted that it was the party that began the email correspondence with the Complainant and that the complaint over the Domain Name only arose a month later in August 2008.

#### *Appeal notice response*

7.6 In its appeal notice response, the Complainant asserted that it does have a worldwide audience which includes New Zealand and that statistics from [www.alexacom](http://www.alexacom) were submitted as evidence demonstrating a worldwide audience. "A number of emails from viewers of [www.countrychannel.tv](http://www.countrychannel.tv) in New Zealand were also submitted as evidence".

7.7 Later in the response, the Complainant asserted that it did have viewers in New Zealand "including registered users who have supplied their email addresses in order to receive copies of our regular e-newsletters". The Complainant maintains that the Expert did not "fill gaps in the evidence" by stating that "it would be expected that [www.countrychannel.tv](http://www.countrychannel.tv) would have viewers in New Zealand, given the pervasive reach of the internet". This was said to be "surely commonsense".

7.8 The Complainant relied on the Expert's view stated in the decision that the Respondent should have been aware of the Complainant's existence before the Respondent made preparations to launch its channel in New Zealand and before registration of the Domain Name.

## 8. Discussions and findings

8.1 In order to succeed with its Complaint, the Complainant was required to prove to the Expert and now this Panel, that it has met the requirements in 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."

8.2 Paragraph 4.2 specifically provides that:

"The Complainant is required to prove to the Expert that both elements are present *on the balance of probabilities*". (emphasis added)

8.3 The Panel considers that the key issue in this Complaint and on appeal is whether the Complainant has established on the balance of probabilities that it has Rights as at the relevant date i.e. registration of the Domain Name on 9 June 2008.

8.4 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."

8.5 The definition 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. However, some further limits are placed on the Rights that will successfully sustain a Complaint by the definition of Unfair Registration in paragraph 3:

"**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."

- 8.6 This definition makes it clear that where, as here, the Domain Name is attacked under limb (i) (i.e. as having been registered or acquired in a manner that took unfair advantage of or was unfairly detrimental to the Complainant's Rights), the Rights must have existed *as at the date of registration or acquisition*. The definition as a whole also presupposes pre-existing Rights of some nature in order for unfair advantage or unfair detriment to arise through the acts of registration or acquisition (limb (i)) or use or likely use (limb (ii)). In most cases, a Complainant will need to demonstrate that the Rights exist and are enforceable *in New Zealand* in order to demonstrate such Unfair Registration.
- 8.7 In this Complaint, the Complainant defines the Rights it relies on as arising from its registration as The Country Channel Limited as a company in the United Kingdom in March 2006, its launch as an Internet television channel under [www.countrychannel.tv](http://www.countrychannel.tv) in June 2006, the registered trade mark it holds in the United Kingdom and finally as a result of having traded for 2.5 years as The Country Channel.
- 8.8 In its Reply, the Complainant augmented its definition of Rights with further information. Finally, the Complainant has itself characterised the type of Unfair Registration as being in the nature of passing off ("could indeed be deemed to be passing off").
- 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.
- 8.10 Where, as here, the name COUNTRY CHANNEL tends towards the descriptive end of the spectrum of marks (see discussion of Hill J in *Equity Access Pty Limited v Westpac Banking Corporation*<sup>3</sup>), then it is particularly important that a Complainant provides substantiating evidence to show such pre-existing reputation or awareness of the mark in New Zealand.
- 8.11 In the present case, the Panel finds as follows:
- (a) Although the Complainant asserts that it "has an established identity and brand" as a result of trading for 2.5 years (in fact 2 years prior to the relevant date), no evidence is provided in the

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<sup>3</sup>

(1989) 16 IPR 431 at 448.

Complaint to show that this reputation or awareness had reached New Zealand at the date of registration of the Domain Name;

- (b) In its Reply, the Complainant asserts that it has "a number of registered users in New Zealand, who receive our regular newsletters". But significantly no corroborative figures or documentation were provided in that Reply, despite the Respondent having pinpointed in its earlier Response that the Complainant "has provided no evidence that it has a significant viewership or market presence in New Zealand";
- (c) In paragraph (c) of the Reply, the Complainant provides statistics as to its website use from [www.alexa.com](http://www.alexa.com) showing its viewership as 88% in the United Kingdom and 12% in the rest of the world. But again there is no breakdown as whether any of these are in New Zealand;
- (d) Finally in paragraph (d) of its Reply, the Complainant relies on:

"... hav[ing] received emails *from Country Channel (UK) viewers in New Zealand*, enquiring about our having started up on New Zealand Sky, and also receiv[ing] an email from a Country Channel (NZ) viewer asking for further information about one of their Australian programmes." (emphasis added)

A careful reading of the three emails shows that these are all dated October 2008, i.e. four months after the relevant date. But in addition significantly only one is from someone who obviously knew of the Complainant and was a viewer of its programmes. The other two are from New Zealanders who had seen the *Respondent's* television programme in New Zealand, wanted further information about a particular screening and found the Complainant's website. These two are not pre-existing viewers of the Complainant.

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.

8.13 Given the Panel's finding on the Complainant's failure to meet this requirement, it is unnecessary for the Panel to go on and consider other aspects of the appeal.

## **9. Decision**

9.1 The Panel allows the appeal, reverses the Expert's decision and directs that no action be taken in respect of the Domain Name.

Date

30 March 2009

Expert Name

Andrew Brown QC

Signature



Date

30 March 2009

Expert Name

Sir Ian Barker QC

Signature



Date

30 March 2009

Expert Name

Terence Stapleton

Signature

