

.nz Dispute Resolution Service

DRS Reference: 101

InterCity Group (NZ) Limited v Traction Group Limited

Key words - Domain name

intercity.co.nz ("the Domain Name")

Identical or similar trade mark or name

Registered mark – identical

Rights

No demonstrable preparations to use.

Unfair registration

Unfair registration – unfair use – likely to confuse, mislead or deceive – potential of unfairly disrupting the business of the complainant – respondent having no connection with name or trade mark – website undeveloped.

Procedure

Respondent struck-off company – whether decision of Expert a right *in rem* or *in personam* remedy - transfer

Decision of Independent Expert

1. Parties

Complainant:

InterCity Group (NZ) Limited

PO Box 26-601

Epsom

Auckland (Represented by Mr A. Ringwood and Mr K. Glover of Bell Gully Solicitors, Auckland)

Respondent:

Traction Group Limited

Ohauti Rd RD3

Tauranga

Auckland (Represented by Mr P. Vincent)

2. Domain Name/s

intercity.co.nz ("the Domain Name")

3. Procedural history

The Complaint was lodged on 6 June 2006 and InternetNZ, through the Office of the Domain Name Commissioner, notified the Respondent of the validated Complaint on 9 June 2006. The domains were locked on 6 June 2006, preventing any changes to the record until the conclusion of these proceedings.

Mr Paul Vincent filed a Response to the Complaint on 23 June 2006 on behalf of the Respondent and InternetNZ so informed the Complainant on 23 June 2006. The Complainant filed a Reply to the Response on 5 July 2006. InternetNZ informed the parties on 8 August 2006 that informal mediation had failed to achieve a resolution to the dispute.

The undersigned, the Honourable Sir Ian Barker, QC, on 11 August 2006, confirmed to InternetNZ that he knew of no matters which needed to be disclosed to the parties which might be of such a nature as to call into question his independence and impartiality. On 11 August 2006, InternetNZ appointed him as Expert to determine the domain name dispute between the parties in accordance with InternetNZ's Dispute Resolution Service Policy and Procedure.

As will be seen, there are questions surrounding the identity of the Respondent and whether it still exists legally. Mr Paul Vincent has filed documents on behalf of the Respondent. It will be convenient on occasion to refer to these documents as emanating from the Respondent despite the legal situation which will unfold.

4. Jurisdictional Issues

On perusing the file, the Expert found documentation that showed the named Respondent, Traction Group Limited ("TGL"), had been struck-off the Companies' Register on 24 December 2002. The Expert noted that the property of a struck-off company, pursuant to section 324(1) of the Companies Act 1993, vests in the Crown, subject to various powers of the High Court to vest property in an applicant and to restore the company to the Register. The Registrar of Companies also has power to restore such a company to the Register in some cases. It should also be noted that s 324(2) of the same Act provides that the section does not apply to property held on trust by the company for any other person.

No orders appeared to have been made under s 324, although someone has continued to pay the fees for maintaining the registration of the disputed domain name since 2002. Nobody had advised the Domain Name Registrar of the striking-off of the company. Accordingly, the information as to the identity of the Respondent, as shown on the Register, was incorrect as from 24 December 2002, because the Respondent no longer existed legally after that date. The disputed domain name was first registered to TGL on 11 October 2002.

The Expert considered that he may have no jurisdiction to determine the domain name dispute, if one of the parties no longer exists legally. By Procedural Order dated 15 August 2006, the Expert called for submissions as to his jurisdiction in the above circumstances. He also sought submissions on

procedural points arising out of the written Complaint and Response and fixed time limits for the filing of these submissions. The Complainant was given a short extension of time because its senior counsel was out of New Zealand. The Complainant filed its submissions on 25 August 2006, and Mr Vincent for the Respondent, on 31 August 2006.

Because the submissions the Respondent filed as a result of the Procedural Order contained matters revealed for the first time, on 4 September 2006, the Expert allowed the Complainant to file submissions strictly in reply by 6 September 2006.

These submissions in reply exceeded in length what the Expert had expected. Mr Vincent then sought to file yet further submissions by way of further reply. He was given leave to file limited submissions in response to those comments in the Complainant's reply submissions which justified for a reply on matters other than the jurisdictional issues. The basis on which the Complainant's solicitors were given leave to file submissions, strictly in reply to Mr Vincent's 31 August submissions was that any submission not strictly in reply would not be considered by the Expert. Mr Vincent's final submissions were received on 8 September 2006.

In a procedure intended to provide a speedy resolution of domain name disputes, there must be a limit to the number of filings a party can reasonably make. Some domain name dispute resolution regime systems, notably WIPO's, normally allow only one filing per side (absent special circumstances), taking the view that both parties should "get it right" first time.

What follows in this section of the decision is a distillation of the facts on jurisdictional issues derived from the various submissions. Other issues referred to in the submissions filed as a result of the Procedural Order, will be considered in later parts of the decision.

On 18 August 2006, shortly after the Procedural Order was issued to the parties, a company was registered called "Traction Group Limited", the same name as the struck-off Respondent. The Expert was surprised that registration of a company with the identical name as that of a struck-off company had been permitted by the Registrar of Companies. In the Expert's experience over the years, a reference to a year is often added to a company name to eliminate confusion and to show that the new company is a different entity to the struck-off one. Thus, the Expert would have expected the approved name for the new company to have been Traction Group (2006) Limited.

The new company was registered with its sole shareholder and director, Mr P C Vincent, who filed the Response on behalf of the struck-off Respondent and who made various enquiries and responses to the Office of the Domain Name Commissioner, relating to this proceeding.

The Complainant submitted in summary:

- (a) the jurisdiction of the Expert is a jurisdiction *in rem* and not *in personam* in respect of a named Respondent;

- (b) the person who accepted service of the Complaint and who filed the Response is in *de facto* control of the disputed domain name and comes within the definition of 'Respondent' in the DRS Policy;
- (c) clause 1.1 of the Policy states that the Policy is to provide an efficient and relatively inexpensive mechanism for dealing with unfair registration. The various options of approaching the High Court or the Registrar of Companies to resurrect the company are unduly burdensome on a Complainant.
- (d) the struck-off company may be holding the disputed domain name in trust for AdNet.co.nz.Ltd ("AdNet") under s 324(2) of the Companies Act 1993;
- (e) If none of the above is correct, proper enquiry should be made as to the attitude of the Crown to property in the disputed domain name.

In its Complaint, the Complainant sought an order from the Expert to request Internet NZ to carry out a search of other domain names owned by the Respondent. It suspected that the Respondent might be a domain name wholesaler and might have domain name registrations reflecting well-known trademarks. The Expert declined to make such an order. The later submissions from Mr Vincent reveal the nature of the domain name activities of those associated with the Respondent. It appears that there are few names still registered in the name of the struck-off company.

Mr Vincent, submitted that after TGL had been struck-off in 2002, a new company was formed called AdNet.co.nz Ltd ("AdNet"). 400 names were transferred from TGL to AdNet in 2002 but some names, including the present disputed domain name, were missed. AdNet owns the largest number of New Zealand domains - over 900 domain names. 400 of these are 2 or 3 letter domain names, including gm.co.nz and ge.co.nz, about which challenges were made.

TGL was "restored" in August 2006 so that some 10 domain names registered in its name can be transferred to AdNet.

AdNet has paid the ongoing registration fees for the disputed domain name. AdNet has been registering or purchasing domain names since 1999, at which time Mr Vincent claimed the registration and contact maintenance process was difficult to keep standardised for so many domain names. Another contributing factor for contact detail errors he claimed, was that, in the early years, some registrars had no online resource to change contact details and limited resources to do this manually, frequently resulting in errors. It was difficult at the time to check names to ensure all the correct contact details were present on every domain at all times.

Mr Vincent did not reply to the Complainant's arguments regarding TGL not being a current legal entity. He claimed that it is one now because of the registration of the new company. This submission cannot have been made with legal advice, since it is beyond doubt that the new company is a different entity from the company, TGL, which was struck-off in 2002.

Mr Vincent claimed that he and his interests did not provide false contact details to a registrar or the DNC, saying.

“If we were not reachable by phone, the domains@traction.co.nz & domains@adnet.co.nz addresses come into our email box, and we responded in a timely fashion (emails sent to any email address @ any of our domain names get delivered to our inboxes).”

He also maintained that:

“...we are prepared to spend a considerable amount of money in court to defend the rights to this domain name and to protect the future IP of the remainder of our names.”

5. Decision on Jurisdictional Issues

Mr Vincent is quite incorrect to assume that the registration of a new company under the name TGL will allow that new company to deal with the disputed domain name. The new company is a completely separate legal entity which has no right to deal with any assets of the old company. Possibly, the old TGL may hold the disputed domain name in trust for AdNet and/or Mr Vincent. It cannot hold it in trust for the new TGL. However, no trust can appear on the register.

In the view of the Expert, the Complainant's submission (not challenged by the Respondent) that disputes under the DRS are proceedings *in rem* is correct for the following reasons:

- (a) The relief granted to a successful Complainant is a direction to the DNC to implement the Expert's decision (clause 13.2) by having any necessary changes made to the Register. A Respondent is not obliged to do anything nor does the Respondent suffer any costs penalty.
- (b) If there had to be an extant and/or identifiable and/or locatable Respondent in every case, then relief could not be given in the circumstances where a false name had been given upon registration of the domain name or where a Respondent cannot be located or served with the Complaint. It should also be noted that the provision of false registration details can be evidence of unfair registration under clause 5.14. A struck-off company (i.e. one which does not exist legally) is analogous to a non-existent individual when either is shown on the Register as a domain name registrant.
- (c) A Respondent in *de facto* control of a domain name registered incorrectly, because the named registrant is either a fictitious person or a struck-off company, should not be entitled to benefit from this state of affairs, particularly when the *de facto* registrant is using that domain name. By contrast, a Complainant would be greatly inconvenienced if it had to go to the trouble and expense of taking Court proceedings to resurrect a struck-off company, merely with the aim of achieving a live respondent.

As noted earlier, the struck-off company, TGL, may be holding the disputed domain name in trust for AdNet and/or Mr Vincent. It is not possible to make a definite finding on this point in the absence of fuller documentation and evidence from the Respondent.

Moreover, either Mr Vincent and/or AdNet could be the person “on whose behalf the domain name is registered” (See definition of Respondent under the Policy.)

Accordingly, the Expert considers he has jurisdiction to consider the Complaint on its merits, despite the status of the Respondent as a struck-off company. Technically, a struck-off company cannot make submissions, but because of the definition of “Respondent” just cited, the Expert will consider Mr Vincent’s submissions.

6. Factual background

The Complainant operates long-distance bus and coach services throughout New Zealand under the INTERCITY brand. These services connect numerous centres of population, large and small.

The New Zealand Railways operated a bus and coach service for some six years before the Complainant purchased those services in 1991, together with the right to use the INTERCITY name under which the Railways had operated the service.

The Complainant is the registered proprietor of New Zealand Trademark 2528709 for the word INTERCITY in relation to road transport services. Application for the mark was filed on 24 August 1995 and registration granted on 20 December 1996.

Prior to its acquisition of Newman’s Coachlines in 1997, the Complainant traded exclusively under the INTERCITY brand. Since 1997, some 85% of the Complainant’s advertising includes the word INTERCITY. Sample brochures were annexed to an affidavit filed by Mr M P Johns, the Complainant’s Chief Executive. In the years from 1 April 2000 to 31 March 2006, the Complainant spent some NZ\$7.5 million on sales and marketing. Passengers carried on INTERCITY-branded vehicles in the year ending 31 March 2006 were about 987,000.

The Complainant sells tickets in New Zealand and elsewhere using its own staff and independent retail agents. Through its website at <intercitycoach.co.nz.> it takes reservations and bookings. It is an integral part of New Zealand’s tourist structure. It belongs to various tourism organisations and has entered into tourism promotions and trade relationships.

The Complainant has taken action against parties who appear to infringe its registered mark. Solicitors’ letters to offending parties were exhibited.

The disputed domain name was shown as registered to the Respondent on 11 October 2002. The registration particulars gave a Newmarket box number

and Mr Vincent as the administrative contact. The address given in the Response is in Tauranga.

The Respondent, through Mr Vincent, claimed (without any supporting documents) that registration of the disputed domain name had taken place in May 2001. That may be so, but registration in the name of TGL was on 11 October 2002. The Expert will take that as the date of registration, in the absence of hard evidence to the contrary.

The present CEO of the Complainant, after he had become aware of the Respondent's use of the disputed domain name, caused solicitors to write a 'cease and desist' letter to the Respondent on 28 February 2006.

Mr Vincent emailed a Reply to this letter on 1 March 2006, declining to transfer the disputed domain name to the Complainant.

In summary, his grounds were:

- (a) The Complainant had contacted "us" many times to purchase the disputed domain name but "we" have declined because "we intend to use it for a future news content portal which focuses on linking nearby cities together in order to mutually benefit tourism.
- (b) The disputed domain name is two generic words.
- (c) The registered mark relates to the transport industry and would not be competing with "our" website.
- (d) The disputed domain name is attached to a blank page. "Our" portal will be launched in 2007.

No explanation was given as to the use of the first person plural.

The disputed domain name had previously been used to host a website for InterCity Urgent Couriers Ltd, without the knowledge of that company. That company advised the Complainant's solicitors on 7 March 2006 that it had no control or ownership of a website accessed by the disputed domain name. It operated its own domain at <intercityurgent.co.nz>.

Mr Vincent produced an email from the Complainant's General Manager, Sales and Marketing dated 28 November 2001. The addressee was craig@interspeed.co.nz. The email advised that the Complainant wished to secure the disputed name and wondered if the addressee had any plans to use it, since the website was not live. Presumably, the addressee was an owner of the disputed domain name prior to TGL.

The Complainant filed affidavits in support of its complaint. The Respondent filed a Response with annexures and its reply to the Procedural Order which provided fresh information. No affidavits or statutory declarations were produced by Mr Vincent. Much of the information contained in his later submissions should have been in the initial Response.

7. Parties' Submissions

A. Complainant

The disputed domain name infringes the Complainant's rights in respect of its registered trademark INTERCITY. Registration and maintenance of the disputed domain name amounts to the tort of "passing-off" and breaches the Fair Trading Act 1986.

There is an "unfair registration" of the disputed domain name in that:

- (a) at the time of registration, the Complainant was the owner of the above trademark;
- (b) the trademark is well-known and has been used for 11 years; the Complainant has spent some \$10 million in advertising and promoting its services under and by use of the mark;
- (c) the Respondent was hosting Inter City Urgent Couriers Ltd's website at the disputed domain name without that company's knowledge;
- (d) the Respondent states it has plans to use the disputed domain name for the purposes of a tourist information website for visitors to New Zealand;
- (e) the Complainant's business is concerned with the transportation of tourists within New Zealand and the Respondent's proposed use of a tourism website:
 - (i) would give the impression to consumers that the site was owned, operated and/or endorsed by the Complainant;
 - (ii) would be likely to lead to confusion with and to suggest a non-existent association with the Complainant and its business;
 - (iii) would inevitably dilute the value of the Complainant's INTERCITY trade mark; and
 - (iv) would generally take unfair advantage of and/or be unfairly detrimental to the Complainant's rights.

The registration and maintenance of a domain name registration which infringes another party's intellectual property rights amounts to an Unfair Registration under the Policy.

In this regard, the conduct of the Respondent in registering and continuing its registration of the Domain Name and its use and proposed use of the Domain Name:

- (b) amounts to passing off because the Domain Name "*is an instrument of fraud*" in the hands of the Respondent;
- (c) infringes the Complainant's rights in relation to its registered trade mark for the word INTERCITY, in that it is a use of an identical sign in

relation to similar or identical goods or services for which the mark is registered; or alternatively, if the goods or services are dissimilar, takes unfair advantage of, or is detrimental to, the distinctive character or repute of the INTERCITY trade mark, being a well-known mark in New Zealand.

- (d) Breaches the Fair Trading Act 1986 because:
- (i) consumers expecting to find the Complainant's website at the disputed domain name will be misled or deceived (section 9);
 - (ii) registration of a Domain Name which includes a well-known trade mark of a third party is liable to mislead or deceive the public (section 10);
 - (iii) use of the Complainant's brand and name conveys a false or misleading representation as to endorsement or origin of the Respondent's website or any goods or services which it may subsequently advertise on the website (section 13).

The Complainant exhibited a statement of claim filed in the High Court in 2002 in which the United States company AT & T sued TGL for alleged wrongful use of the domain name <att.co.nz>.

B. The Respondent's Response

The disputed domain name was not registered in bad faith. Dictionary words may be registered in good faith on a "*first come first served*" basis. The Complainant seeks, wrongfully, to monopolise a common expression .

The Complainant's trademark is only in respect of road transportation services.

The disputed domain name is not for sale. "We" intend to use it for a future news and content portal focussing on events and attractions linking nearby cities. It has taken 5 years for the Complainant to claim ownership of the disputed domain name. (The first person plural is in inverted commas because the document does not make it clear who else, if anybody, is involved besides Mr Vincent.)

There are other companies which use the generic term "intercity" in the description of their services on their websites. The Complainant has not sought to stop companies like Intercity Urgent Couriers Ltd, using the word 'intercity'.

The Complainant is guilty of reverse domain name hijacking.

C. Complainant's Reply

The Complainant is not wrongfully monopolising a common phrase but relies on its rights.

Although the Respondent claims that the disputed domain name will have no direct connection with road transportation, the Complainant is entitled to rely on its intellectual property rights. It is not correct to say there are many companies which use the word “intercity” as a generic term.

The 2001 email was not an offer to purchase the disputed domain name. The Complainant is not guilty of reverse domain name hijacking. The Respondent has offered no evidence of preparatory work for its proposed website. The threatened use of the disputed domain name is in an industry where the Complainant is active.

D. Complainant’s Reply to Procedural Order

This document addressed the jurisdictional questions discussed earlier. It also, in response to the Expert’s direction, addressed Clause 5.4 of the Policy which it had not mentioned in its original Complaint.

“Clause 5.4 prevents the Expert from taking into account “acts or omissions amounting to unfair registration: prior to (in this case) 1 June 2003.

This does not preclude the Expert from receiving and taking into account the Complainant’s evidence of its trade mark registrations prior to that date; its reputation and goodwill arising from its extensive trading under the InterCity name prior to that date; or its consequent legal rights, as that all concerns the Complainant, and is not evidence of “acts or omissions amounting to unfair registration”. If the Expert is satisfied (as we submit is the case) that in light of that evidence the registration by another party of the “intercity.co.nz” Domain Name must have been an Unfair Registration then there is no need for the Expert to take into account any evidence of “acts or omissions” amounting to unfair registration or use. The position is *res ipsa loquitur*, without the need for any evidence of the kind precluded by Clause 5.4.

In any event, the Expert is able to have regard to continuing conduct based on the second limb of the definition of Unfair Registration (i.e. where the Domain Name “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”). For the reasons set out in the Complaint and supporting evidence, there is a proper basis for upholding the Complaint on the basis of continuing use and likely further use in breach of the Complainant’s rights.”

E. Respondent’s Reply to Procedural Order

The Respondent is making use of the disputed domain name in a way consistent with its generic or descriptive meaning (Policy 6.1.2). The error in not transferring the disputed domain name to AdNet in 2002 was not intentional and the Respondent has not knowingly given false contact details to a registrar and/or the DNC (Policy 5.1.4).

Clause 5.4 was added in part to stop this kind of attempt at reverse domain hijacking from being successful. The DRS decided that three years was ample time for a complaint to be brought forward. The Complainant has had over 4 years to object to the Respondent's ownership of the disputed domain name, yet it only chose to wait until June 2006 – which is over 10 years since the internet browser was first created. The Complainant saw little value in the disputed domain name but has changed its mind because it wants to use a shorter and easier domain name in its marketing. The DRS process has provided the Complainant with a cheap way to attempt to take ownership of this name, with little risk of damages being awarded to the Respondent if it is unsuccessful.

The intention to use the disputed domain name for a tourism site is **not** “contrary to the rights of the Complainant”. As stated in the original Response, the Complainant's trademark does not cover the entire tourism industry, only “road transportation services”. The Respondent's tourism site can operate successfully without promoting “road transportation services”. ‘Intercity’ is a generic word with a dictionary meaning.

AdNet is not in the business of registering company names or brands in order to pass off or ‘cybersquat’. It performs due diligence each time it registers or purchases a domain name to ensure that it has the legal right to own. That is not to say that there may be other small businesses or companies which are using part or all of the words used by some of AdNet's 900+ domain names. It is difficult not to. If there is a case where the Respondent owns a domain name which another party **may** have rights to such a case should be considered separately unless there is an obvious breach.

About 400 of AdNet's domains are two-letter or three-letter domain names. The Respondent owns over 60% of all two letter.co.nz combinations that are available so there are quite a few people suggesting that these names are rightfully theirs as they have considerable value.

The Respondent has been threatened by companies like General Motors for gm.co.nz, General Electric for ge.co.nz. AT&T decided that att.co.nz was rightfully theirs. In early stages of court, however, it settled quite early as they found that it had no legal standing.

Two and three letter names are mostly generic – you cannot trademark two letters, and usually you cannot trademark dictionary terms. A list of some domain names for the auto industry was attached as an example.

The Respondent pays over \$30,000 per year just to keep these domain names registered, and has the largest number of New Zealand domain names. The Respondent is prepared to spend a considerable amount of money in court to defend the rights to this domain name and protect the future IP of the remainder of its names. The Respondent does not want this case to be the basis for a large number of reverse hijacking attempts by companies wanting to make a quick buck or to obtain domain names cheaply.

The submissions about the domain name wholesaling business should have been included in the initial Response because the topic had been raised in paragraph 3.17 of the Complaint. Hence, the indulgence given to the Complainant to reply to these submissions.

F. Complainant's Submissions Strictly in Reply to E above

As noted earlier, the Expert is considering only those parts of these submissions which are strictly in reply to new matters on the merits in the Respondent's submissions made in obedience to the Procedural Order.

The Respondent's business appears to be to register and sell domain names rather than register them. Its efforts to obtain 2 letter domains must be blocking registrations. If, as it alleged, the Respondent undertakes due diligence before registering domains, it could not have done so in this case, otherwise the Complainant's registered trademarks would have been disclosed.

The Respondent made no analysis of how Clause 5.4 of the Policy should work.

The Respondent breached obligations of confidentiality by referring to the outcome of the AT & T litigation. The Complainant then proceeded to say how that litigation had been resolved, although there was no reference to AT & T having given its permission for such details to be revealed.

The selective list of domain names disclosed indicates some instances of a third party's mark being incorporated.

The submission sought in some respects to reiterate previous arguments, which was not the Expert's intention when giving the Complainant leave to file a further submission under Rule B2.12.

G. Respondent's Additional Submissions filed on 8 September 2006

Despite being advised of the necessity for a statement under Rule B2.12, the Respondent did not preface this lot of submissions with such a statement. Submissions strictly in reply to F above are the only ones here considered in summary form.

"10. The Complainant's accusations are pure speculation. For most of our generic domain names we honestly intend on building into a content network / search portal. Each generic domain name will likely either redirect or be used directly. Developing separate domains around each channel of the portal will be more effective, and make the site appear to have more depth and uniqueness.

A generic domain like drivingschool.co.nz would likely redirect to the Directory category for driving schools, and display driving schools in the users region. Some of our domain names are not necessarily search terms, but may simply be a name which could have commercial appeal. We may decide to use these names for other sites we develop, or someone may decide to develop a job site and offer to purchase the domain. This does not amount to unfair

registration. Our hundreds of 2 letter names will either be used to redirect to other domains we own. In the next 5-10 years as more mobile devices become web-capable, sites that have short and easy-to-remember domains will have a competitive advantage over those that do not. These are not unfair registrations, and we have every right to sell our domains if we wish.

The Complainant's suggestion that we are registering or acquiring domains to block 'third parties who have rights' is not what our submissions have stated or implied. Domains can be registered on a first come first serve basis. We previously ran a site called Carsearch.co.nz (screenshots attached). We redirected relevant domain names to areas within that site eg Autofinance.co.nz. If we did not register or acquire these names, our competitors would have. The CarSearch.co.nz site was originally going to be a JV with the NZ AA, but our deal fell through, and we ran it alone for 2 years.

Due diligence is performed on non-generic words or phrases, and includes a trade mark search. Once again, this domain is generic, and complainant cannot claim trade mark ownership of this dictionary word across an entire country's economy. Complainant has had 5 years to dispute our rights to this domain, and only chose to do so once it realised that the internet was a mass medium, and that short generic domain names are easy for consumers to remember.

Evidence of a trade mark that exists within one of our domain names does not necessarily constitute unfair registration.

8. Discussion and findings

Dealing first with preliminary matters. First, the Expert is not concerned with ascertaining what happened in the AT & T litigation against TGL. If any settlement were confidential, it should not have been mentioned in these proceedings. One wonders why the Complainant (who is not AT & T) chose to say anything about the settlement, even to contradict the Respondent. Nor was there any reliable evidence about other litigation involving the gm or ge marks.

Secondly, the Expert cannot find it proved that the Respondent had knowingly given false contact details to the Registrars and/or the DNC. The Expert, whilst sceptical about the failure to advise the Registrar about the striking-off of TGL, is prepared to give the Respondent the benefit of the doubt when it speaks of confusion about the transferring of domain names from TGL to Adnet. That comment is not intended to inhibit the Registrar or the DNC from taking any action in respect of the Respondent's failure to advise the true position about TGL.

In the Expert's view, the Complainant has trademark rights in the word INTERCITY. The trademark is identical to the disputed domain name.

It is no defence in this context, for Mr Vincent to say that INTERCITY is a generic term. He cannot "second guess" the decision of the Registrar of Trade Marks to grant registration of a trademark for this term. Therefore, the first criterion under the Policy has been met.

The more difficult question is whether there is unfair registration, which is defined relevantly as:

“A Domain Name which...

- (b) has been, or is likely to be, used in a manner which took unfair advantage of or was unduly detrimental to the Complainant's rights.”

The Expert is forbidden by Clause 5.4 of the Policy to consider acts or omissions amounting to ‘unfair registration’ which occurred more than 3 years before the date of filing of the Complaint (i.e. before 6 June 2003). As against that, the Complainant was only able to commence this proceeding after 1 June 2006 when the Policy came into force. The Expert obviously must take the Complainant's mark and its reputation into account as well as its efforts to promote its mark over the years.

Mr Vincent's principal point is that the Respondent's proposed website for tourism is not going to compete with the Complainant's use of its mark for road transportation. This argument is simplistic because road transportation is an essential ingredient of tourism. The choices available for internal transportation within New Zealand would be essential information for many tourists who would want to know how best to travel from Town A to Town B by public transport. The Complainant's nationwide coach network would be the main source of information for long-distance travel by road. It would be difficult to envisage a worthwhile New Zealand tourism website with no reference to road transportation.

There is no evidence to support Mr Vincent's contention of many approaches to the Respondent's interests by the Complainant - apart from the 2006 letters from the Complainant's solicitors. The 2001 email to which he refers was apparently from a previous registrant operating as <craig@interspeed.co.nz>. No guidance was provided in the Response as to the identity of this registrant.

Nor has there been any refutation by the Respondent of the Complainant's allegation that it had hosted Inter City Urgent Couriers Ltd's website under the disputed domain name without that company's permission. This action indicates an attitude which does not respect the Complainant's trademark.

The statements about AdNet's collection of domain names is irrelevant in deciding what the outcome of the dispute over this domain name should be. All Mr Vincent's statements show is that AdNet operates a business of acquiring and wholesaling .nz domain. This is a perfectly legitimate business, provided any of its domain names do not infringe the Policy. But its wholesaling business does not make the registration of this particular disputed domain name fair if it is, in fact, unfair. The Expert is not concerned with any other domain name.

Numerous cases under the ICANN Policy for disputed domain names have shown that passive holding of a domain name for long periods without there even being a website can be indicative of bad faith use of a domain name. The Internet NZ Policy expresses the criterion somewhat differently in para. 5.2

below, but passive holding can be taken into account in the overall assessment of unfair registration.

A non-exhaustive list of facts which may be evidence that the Domain Name is an Unfair Registration is set out in paragraphs 5.1.1 – 5.1.5 of the Policy, as follows.

- “5.1.1 Circumstances indicating that 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;
- 5.1.3 The Complainant can demonstrate that the Respondent is engaged in a pattern of registrations where the Respondent is the registrant of domain names (under .nz or otherwise) which correspond to well known names or trade marks in which the Respondent has no apparent rights, and the Domain Name is part of that pattern;
- 5.1.4 The Complainant can demonstrate that the Respondent has knowingly given false contact details to a Registrar and/or to the DNC; or
- 5.1.5 The Domain Name was registered arising out of a relationship between the Complainant and the Respondent, and the circumstances indicate that it was intended by both the Complainant and the Respondent that the Complainant would be entered in the Register as the Registrant of the Domain Name;
- 5.2 Failure on the Respondent’s part to use the Domain Name for the purposes of e-mail or a web-site is not in itself evidence that the Domain Name is an Unfair Registration.”

A non-exhaustive list of factors which may be evidence that the Domain Name is not an Unfair Registration is set out in paragraphs 6.1.1 – 6.1.4 of the Policy, as follows:

- “6.1.1 Before being aware of the Complainant’s cause for complaint (not necessarily the Complaint itself), the Respondent has:
 - (a) used or made demonstrable preparations to use the Domain Name or a Domain Name which is similar to the

- Domain Name in connection with a genuine offering of goods or services;
- (b) been commonly known by the name or legitimately connected with a mark which is identical or similar to the Domain Name;
 - (c) made legitimate non-commercial or fair use of the Domain Name; or
- 6.1.2 The Domain Name is generic or descriptive and the Respondent is making fair use of it in a way which is consistent with its generic or descriptive character;
- 6.1.3 In relation to paragraph 5.1.5; that the Registrant's holding of the Domain Name is consistent with an express term of a written agreement entered into by the Parties; or
- 6.1.4 In relation to paragraphs 5.1.3 and/or 5.3; that the Domain Name is not part of a wider pattern or series of registrations because the Domain Name is of a significantly different type or character to the other domain names registered by the Respondent.
- 6.2 Fair use may include sites operated solely in tribute to or in criticism of a person or business.
- 6.3 If paragraph 5.3 applies, to succeed the Respondent must rebut the presumption by proving in the Response that the registration of the Domain Name is not an Unfair Registration."

Of the non-exhaustive criteria in para. 5.1 above, Clause 5.1.1.(b), 5.1.2 and 5.2 seem the most apposite to the Complainant's claim. Clause 6.1.2 and, possibly, 6.1.1(a) seem most apposite to Mr Vincent's contentions.

For years prior to the filing of the Complaint, the Complainant owned the INTERCITY trademark which was well-known throughout New Zealand as representing the major provider of internal public transportation by road in that country.

The Respondent claims that a tourism website under the disputed domain name would not lead to confusion with the Complainant's mark. This cannot be so since transportation within New Zealand between cities is an integral part of tourism. Many tourists need to know how they can get from one city to another by public transport. Such a person accessing the Respondent's website (if and when it materialises) would be confused into thinking that the website had some connection with the intercity bus service owned by the Complainant and marketed under the trademark INTERCITY.

The Expert cannot find proved Mr Vincent's bare assertion which must be aimed at the submission that he (or AdNet) has made demonstrable preparations to use the disputed domain name in connection with a genuine offering of goods and services. No evidence of instructions to a website provider or anything similar was offered. Little detail of exactly what would be on the website was given. No affidavit nor statutory declaration was filed on behalf of the Respondent. There does not have to be, but bare assertions gain greater weight if supported by documents made under penalty for containing false statements.

The Respondent has held the disputed domain name passively for the three years prior to the filing of the Complaint (and, indeed, much longer) without having taken any apparent step to develop a website. Although standing alone, because of Clause 5.2 of the Policy, that fact is not in itself evidence of an unfair registration, nevertheless, the passive holding is a factor to be included with all the others discussed above in leading to that conclusion.

Nor is Para 6.1.2 available to the Respondent. Even if the disputed domain name be generic or descriptive, the proposed use by the Respondent is not consistent with its generic or descriptive character.

The unchallenged incident whereby the Respondent hosted a courier company at the disputed domain name also strengthens the unfair registration conclusion.

In general terms, the Complainant has shown that the disputed domain name *“has been and is likely to be used in a manner which took advantage of or was unduly detrimental to the Complainant’s rights”*, to quote the definition of *“unfair registration”*.

Accordingly, the Expert finds unfair registration proved.

5. Decision

Accordingly, the disputed domain name <intercity.co.nz> is ordered to be transferred to the Complainant. The Respondent’s claim for a declaration of Reverse Domain Name Hijacking must be consequentially denied.

Date
Expert Name
Signature

13 September 2006
The Hon. Sir Ian Barker, QC