

.nz Dispute Resolution Service

DRS Reference: 346

Trade Me Limited v Thought box Limited

Key words

Similar Trademark or name– registered marks – marks plus generic word in domain

Unfair Registration

Unfair use – likely to confuse, mislead or deceive – unfairly disrupting business of complainant

Procedure

remedy - transfer

1. Parties

Complainant:

Trade Me Limited
Level 3, NZX Centre
11 Cable Street
PO Box 11042
Wellington
New Zealand

Respondent:

Thought Box Limited
20 Te Arawa St
Mission Bay
Auckland
New Zealand

2. Domain Name

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

3. Procedural history

The Complaint was lodged on 30/10/2008 and Domain Name Commission (DNC), notified the Respondent of the validated Complaint on 30/10/2008. The domain/s were locked on 30/10/2008, preventing any changes to the record until the conclusion of these proceedings.

The Respondent filed a Response to the Complaint on 21/11/2008 and the DNC so informed the Complainant on 24/11/2008. The Complainant filed a

Reply to the Response on 27/11/2008. The DNC informed the parties on 15/12/2008 that informal mediation had failed to achieve a resolution to the dispute.

The Complainant paid Domain Name Commission Limited the appropriate fee on 6/01/2009 for a decision of an Expert, pursuant to Paragraph 9 of the .nz Dispute Resolution Service Policy ("the Policy").

Hon Sir Ian Barker QC, the undersigned, ("the Expert") confirmed to the DNC on 7/01/2009 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

The Complainant operates an online auction website known as "Trade Me" under the domain name <trademe.co.nz>. This website provides sellers with a place to advertise and buyers with a place to find a wide range of goods, including new and used motor vehicles, real estate, furniture, etc. It also provides facilities for employers and recruiters to advertise jobs and also dating and "old friends" websites.

The Trade Me website has over 2,000,000 members and, according to Neilson/NetRatings data for September 2008, it is the most visited New Zealand website, with an average of about 4.2 million unique browsers a month.

Its Trade Me Motors website which can be accessed through the <trademe.co.nz> domain is visited, according to the same source, by some 1.3 million unique browsers a month.

The Complainant owns registered trade marks for TRADE ME, TRADEME and other registered trademarks, which include the TRADE ME logo and/or slogan. The earliest of these marks was registered in 2003. The Complainant is well known in Australia and New Zealand and, indeed, its shareholding has been purchased by a large Australian media company. The New Zealand trade marks have been registered in Australia.

The Respondent registered the domain name in April 2006 and uses it for a website from which the general public can advertise the sale of used cars.

5. Parties' contentions

a. Complainant

The disputed domain name, although not identical to the words TRADE ME, is confusingly similar in the context. The addition of the word

“TENDER” is of a generic word which can be taken by the reader to be a reference to the nature of the business, as distinct from the identity of the proprietor. Moreover, the phrase TRADE ME in the context of selling items online, including vehicles, has acquired an association with the Complainant in the eyes of the public. Accordingly, the domain name is similar to the Complainant’s registered trade marks.

The use by the Respondent of the disputed domain name is likely to confuse, mislead and deceive and is evidence of unfair registration. By using the words TRADE ME in the domain name and on his website, the Respondent is using the Complainant’s mark in a way likely to mislead or deceive internet users into believing that the disputed domain name is registered to, operated, authorised by or otherwise connected with the Complainant’s website.

In particular, the Respondent has been referring Trade Me members to the website through its classified listings on the Complainant’s website. Accordingly, it is likely that persons visiting the Respondent’s website, if not familiar with the Complainant’s website, would think that they are visiting a website operated or endorsed by or associated with the Complainant, particularly when the website advertises the sale of used cars, a category of goods offered through the Complainant’s website.

The Complainant has registered several domain names relating to the sale of motor vehicles to avoid further confusion.

b. Respondent

The disputed domain name is not an unfair registration. The word “Trademetender” is one word quite distinctive from “Trade Me”.

The Respondent has been using the domain name with the Complainant for nearly two years and has advertised on the Complainant’s site using his own email address.

The Respondent claims that some two years ago, he spoke to an employee of the Complainant and asked if there were objection to the disputed domain name as he was developing his website under the <trademetender> domain name. He says he was told that there was no objection. It was only recently when he referred on his Trade Me site that further stocks could be seen under the disputed domain name, that the Complainant commenced this dispute.

No one confuses the disputed domain name with Trade Me “*re the root phrase when logging on to a computer to get to either site*”. The Trade Me name is well-known for an almost infinite product range and it is unlikely that the public would be confused.

Trademetender has accrued its own recognition as a used car sales site over a 4 year term.

A trademark does not have to be registered to be a recognised trademark. There are many similar domain names which do not breach the Complainant's trademark, such as <tradeandexchange.co.nz> and <autotrader.co.nz>.

c. Complainant's Reply

The Complainant denies that the Respondent contacted the Complainant to establish whether the Complainant objected to the Respondent's registration of the disputed domain name. The Complainant has searched for any record of communication but has found none.

The Complainant denies that the public would not be confused by the Respondent's use of the disputed domain name, since it includes the Complainant's registered mark alongside the additional word "tender". Tendering is the primary activity undertaken on the Complainant's website. The Respondent has advertised his website and has included the "trademetender" email on listings placed on the Complainant's website.

6. Discussion and findings

The first matter which the Complainant has to prove that it has rights in respect of a name or mark which is identical or similar to the disputed domain name. The definition of rights in the Policy is: *"Rights includes but is not limited to rights enforceable under New Zealand law. However, the complainant will be unable to rely on rights in a name or term which is wholly descriptive of the complainant's business"*.

The easiest way for a complainant to satisfy this requirement is to prove that it has a registered trademark. The Complainant has shown that it owns several trademarks registered, well before the date of registration of the disputed domain name. The registrations are for the words "TRADE ME" and variations thereof.

Next, the Complainant must show that the disputed domain name is identical or similar to the name or mark in respect of which it has rights. In the present case, the domain name "trademetender" is not identical to the trademark "Trade Me". The root words are identical. The word "tender" is a generic word attached to the root words, and the word is particularly apposite to the business of the Complainant. Tendering is a particular form of entering into a contractual relationship which is encouraged by the online activities of the Complainant.

Accordingly, in the Expert's view, it is clear that the disputed domain name is confusingly similar to a name in which the Complainant has trademark rights.

The next question is whether there is an “unfair registration” which is defined relevantly in the Policy as follows:

“a domain name which either:

- (1) was registered or otherwise acquired in a manner which at the time when the registration took place took unfair advantage of or was unfairly detrimental to the Complainant’s rights; or
- (2) 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.”

A non-exhaustive list of factors which may be evidence that a disputed domain name is an unfair registration is set out in paragraphs 5.1.1 to 5.1.5 of the Policy. The most relevant here is para. 5.1.2 viz:

- 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...”

A non-exhaustive list of factors which may be evidence that the Domain Name is not an unfair registration is set out in Paras 6.1.1 to 6.1.4 of the Policy. The possibly relevant provisions are:

- 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;
- 6.1.2 made legitimate non-commercial or fair use of the Domain Name”.

While there is no direct evidence that the Respondent’s use of this disputed domain name has confused, misled or deceived, it is a reasonable inference that a substantial proportion of the persons accessing the disputed domain name will do so through a confusion with the Complainant’s business. This is particularly so because the Respondent is directly competing with the Complainant for the facilitation of online sales of motor vehicles through the process of tendering.

The Respondent has clearly been aware of the Complainant's activities and pre-eminence in this field because he has opened an account himself with the Complainant and uses its website. He has referred persons using the Complainant's website to his own website. That in itself would clearly confuse internet users into thinking that the Respondent was connected with the Complainant.

Consequently, the registration is unfair unless the Respondent is able to come within one of the exceptions set out above. This really depends on whether the Respondent has proved that he obtained the consent of the Complainant to his use of the disputed domain name.

There is a bald statement by the Respondent that he obtained the Complainant's consent. This is not supported by any documentary evidence. In light of the denial by the Complainant that there was ever any such conversation or application, as alleged by the Respondent, the Expert cannot hold that this allegation by the Respondent has been proved.

The onus is on the Respondent to show that he came within one of the exceptions to show that the domain name registration is not unfair once the Complainant had established a *prima facie* case of unfair registration. In the view of the Expert, he has failed to discharge this onus of proof. Consequently, the Expert holds that there has been an unfair registration.

7. Decision

The Complainant is upheld and the Expert directs that the disputed domain name "trademetender.co.nz" be transferred to the Complainant or its nominee.

Place of decision **Auckland**

Date **23 January 2009**

Expert Name **Hon Sir Ian Barker QC**

Signature