

## **.nz Dispute Resolution Service**

**DRS Reference: 548**

### **Nike New Zealand Company v Yi Fang**

Key words – Registered mark – similar – unfair registration – likely to confuse, mislead or deceive.

#### **1. Parties**

Complainant:

Nike New Zealand Company

28 Victoria Crescent

Abbotsford

Australia

Represented by Mr Matthew Layton

Respondent:

Yi Fang

N.A.Y.

N.A.Y.

ZW (ZIMBABWE)

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

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

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

The Complaint was lodged on 24/09/2010 and Domain Name Commission (DNC), notified the Respondent of the validated Complaint on 29/09/2010. The domain/s were locked on 24/09/2010, preventing any changes to the record until the conclusion of these proceedings.

There was no response filed by the Respondent.

The Complainant paid Domain Name Commission Limited the appropriate fee on 22/10/2010 for a decision of an Expert, pursuant to Paragraph 9 of the .nz Dispute Resolution Service Policy ("the Policy").

Hon. Barry Paterson, QC, the undersigned, ("the Expert") confirmed to the DNC on 27/10/2010 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 is a New Zealand unlimited company registered on 23 September 1991. It is a wholly-owned subsidiary of Nike International Limited, the global owner of the NIKE brand.

Nike International Limited has two New Zealand registered trademarks: No. 113452 is for the mark NIKE. The Complainant is the registered user of that trademark. The classification of that trademark is for “athletic shoes and uniforms”. Nike International Limited, as proprietor and the Complainant as registered user also have trademark 113451 in what is commonly called the “swoosh” or “tick” device which appears on all Nike athletic shoes and uniforms. Trademark 113451 also applies to athletic shoes and uniforms.

The Domain Name was registered on 18 April 2008 by the Respondent. The Complainant suspects that a false address was given at the time of the registration. The Respondent’s current address is shown as Zimbabwe but the Complainant alleges that, despite its best endeavours, it has been unable to locate the Respondent in order to take action through the courts regarding the selling of counterfeit items. The website in July 2008 advertised Nike shoes for sale. The Complainant acquired some of these shoes and says that they are counterfeit and bare the Nike trademark. The shoes were manufactured in China.

More recently, the website has been redesigned to appear as an information website regarding Nike shoes. It is entitled “Nike Today, online sneaker magazine”. It says the shoes are available at the “WRITE THE FUTURE STORE in Tokyo”.

The Domain Name website is advertised on Google where it appears with websites of Nike International Limited and other websites associated with the Nike Group.

Although not directly relevant to the Domain Name, the Complainant refers to another website [www.blacknike.com](http://www.blacknike.com) which is identical to the website under the Domain Name and has the same text and graphic content. Much of the material on that website as well as on the Domain Name website was copied from another website, the owners of which have confirmed that it was copied without authority.

The Complainant suspects that both the Domain Name website and the [www.blacknike.com](http://www.blacknike.com) website are owned and operated by the same person or persons. In view of the common content, this suspicion is probably justified.

The trademark NIKE (113452) appears in the Domain Name without the permission of the Complainant. The “swoosh” or “tick” device (Trademark 113451) also appears on the face of the home page of the

website. It appears beside the internet address in the browser address bar. The Complainant has not given its approval to this.

Nike International Limited has various websites, an example being [www.nikesportswear.co.nz](http://www.nikesportswear.co.nz). When this name is entered into an internet browser address bar, the viewer is automatically redirected to [www.nike.com](http://www.nike.com) and this shows the viewers the relevant Nike products for the New Zealand market place. The legitimate Nike website displays the trademarked “swoosh” or “tick” device besides its internet addresses the same way that the Domain Name website does.

The Complainant distributes an extensive range of goods in New Zealand of the sports shoes and sports clothing type which contain the Nike trademarks. It sells its ware through 606 retail shops provided by 432 wholesale customers in this country. Well known suppliers are Rebel Sport, Foot Locker, The Athlete’s Foot, Shoe Clinic, Smiths Sports Shoes and Stirling Sports.

Nike engages in promotional activity in this country and says it has an extensive promotion programme. An example of a recent promotion was the launch of the New Zealand Football Team Kit in April 2010, held prior to the recent World Cup event. This launch received extensive coverage in the New Zealand media.

## **5. Parties’ contentions**

### **a. Complainant**

The Complainant’s Complaint is summarised by it in the following terms:

- that the Domain registration is unfair;
- that the registration and use of the Domain Name has been to the detriment of Nike’s legitimate rights;
- that the Respondent is engaged in a pattern of behaviour that takes unfair advantage of Nike’s legitimate rights;
- that the use of the Domain Name by the Respondent is illegitimate and not a fair use, as the website content has been copied without the permission of the original authors;
- that the Respondent is using the Domain Name in such a way that it 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 Nike when it is not.

It is the Complainant's position that the history referred to above establishes its Complaints and that the appropriate remedy is to direct a transfer of the Domain Name to it.

**b. Respondent**

The Respondent has not responded to the Complaint and has not made submissions.

**6. Discussion and findings**

The dispute is governed by the Policy issued by the Domain Name Commission on behalf of Internet NZ.

Under the Policy, the Complainant, to succeed, is required to satisfy the Expert that:

- (a) the Complainant has Rights in respect of a name or mark which is identical to the Domain Name; and
- (b) the Domain Name, in the hands of the Respondent, is an Unfair Registration.

Unfair Registration means a domain name which either:

- (a) 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
- (b) 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.

Rights is defined as including but not being limited to rights enforceable under New Zealand law. In this case, the Right relied upon is the trademark NIKE (113452). Trademark 113451, the "swoosh" or "tick" device trademark, can not be relied upon because the mark must be identical or similar to the Domain Name. The "swoosh" or "tick" device is not so. However, it is evidence which supports the Complainant's case.

The trademark NIKE is used by Nike International Limited and its affiliates and associated parties as a worldwide brand. Even if the Domain Name is not identical to the trade mark, it is similar. "Shoes" is a descriptive word added to "Nike" and does not distinguish the trade mark from the Domain Name. The trade mark is commonly associated in the public mind with the Complainant's shoes.

The Policy contains a non-exhaustive list of factors which may be evidence of Unfair Registration. The allegations made by the Complainant and summarised in Paragraph 5(a) above identify some of those factors.

The list includes the following factors.

- 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;...

The Complainant has made allegations which, if substantiated, could lead to the application of the factors referred to in paragraphs 5.1.3 and 5.1.4. However, to rely upon those factors it would be necessary to make inferences which may not be supportable on the evidence submitted and it is not necessary to rely on them in this complaint.

In my view, the matter clearly falls within the provisions of paragraph 5.1.2. 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. Not only has the Complainant received complaints from New Zealand consumers who have ordered from the website, and believed they were purchasing genuine Nike shoes, but it itself has received counterfeit shoes bearing the Nike trademarks which have arrived direct from China after it placed orders through the website. Nike is an international brand and the fact that consumers can purchase counterfeit articles bearing the marks of which the Complainant is a registered user is deceiving people as well as confusing and misleading them. Further, the website shows photos of shoes named as Nike shoes, some of which have the swoosh on them which mislead and deceive. The Registration is Unfair.

## **7. Decision**

The Complaint is upheld. I direct that the disputed Domain Name be transferred to the Complainant.

**Place of decision**

**Auckland, NZ**

**Date**

**5<sup>th</sup> November 2010**

**Expert Name**

**Hon. Barry Paterson QC**

**Signature**