

.nz Dispute Resolution Service

DRS Reference: 553

Green Acres Franchise Group Limited v Dilasa holdings

Similar trade mark

Registered mark - well-known mark - similar

Unfair registration

Unfair use – likely to confuse, mislead or deceive

Parties

Complainant:

Green Acres Franchise Group Limited
PO Box 41271
St Lukes
Auckland 1346
New Zealand

Respondent:

Dilasa holdings
PO Box 19614
Avondale
Auckland 1746
New Zealand

Domain Name

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

Procedural history

1. The Complaint was lodged on 29/09/2010 and Domain Name Commission (DNC), notified the Respondent of the validated Complaint on 4/10/2010. The Domain Name was locked on 29/09/2010, preventing any changes to the record until the conclusion of these proceedings.
2. There was no response filed by the Respondent.
3. The Complainant paid Domain Name Commission Limited the appropriate fee on 29/10/2010 for a decision of an Expert, pursuant to Paragraph 9 of the .nz Dispute Resolution Service Policy ("the Policy").
4. Mr Clive Elliott, the undersigned, ("the Expert") confirmed to the DNC on 1 November 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.

Factual background

5. The Complainant, Green Acres Franchise Group Ltd, is a franchise system operating within New Zealand. It has over 800 businesses using its system. It has traded since the early 1990s using the name "Green Acres" or "Greenacres" and owns registered trade marks in respect of both names. The "Greenacres" trade mark relates, among other things, to painting services and was registered on 10 December 2003. The Complainant's website is www.greenacres.co.nz
6. The Respondent is presently the registrant of the Domain Name. It was registered on 1 June 2004.

Parties' contentions

Complainant

7. The Complainant contends that it is the largest and most recognisable franchise system in New Zealand and as well as being a current and long standing member of the Franchise Association of New Zealand Incorporated, has an award winning franchise system.
8. It asserts that it has established substantial goodwill and reputation in the marketplace in respect of its trading name and trade marks, to the extent that the public makes a connection between its trading name and trade marks and its services.
9. The Complainant asserts that the Respondent has no right to use the Complainant's trade marks or trading name and that the use of the word "Greenacres" in the Domain Name in conjunction with the painting services offered by the Respondent is a breach of section 89 of the Trade Marks Act 2002 ("TMA"). Complainant contends that by the Respondent using the registered trade marks of the Complainant to market and promote its painting services it is likely to mislead or deceive the public into thinking that the Respondent is associated in some way with the Complainant.
10. The Complainant contends that by reason of the Respondent's use of the Complainant's trade marks, the references to "New Zealand's leading service company", "Green Acres Painting", "Green Acres Painting Franchisees", "your Green Acres Painting Contractor", "the best thing about Green Acres is", "all Green Acres people are" and "Green Acres owner-operator(s)", the Domain Name misleadingly implies that the Complainant has authorised the use of the Domain Name.
11. The Complainant states that the Domain Name has not been authorised by it and its continued registration by the Respondent is a breach of the

TMA. The Complainant relies on its intellectual property rights in its trading name to not only be protected by the TMA but also by the tort of passing off and the Fair Trading Act 1993 (sic '1986').

12. The Complainant asserts that the Respondent's use of the words "greenacres" in the Domain Name misappropriates the intellectual property rights and goodwill of the Complainant in its trading name and trade marks and is causing confusion in the market place and is misleading. This, the Complainant submits, amounts to the tort of passing off and a breach of the FTA.
13. The Complainant contends that the Respondent's continued registration of the Domain Name constitutes an unfair registration as it has been, or is likely to be, used in a manner that takes unfair advantage of, and is detrimental to, the Complainant's intellectual property rights and goodwill.

Respondent

14. No response was filed by the Respondent.

Discussion and findings

Decision

15. The dispute is governed by the Policy issued by the office of the Domain Name Commissioner on behalf of DNC. The relevant portions of the Policy for present purposes are as follows:

"3. Definitions ...

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.

4. Dispute Resolution Service

4.1 This Policy and Procedure applies to Respondents when a Complainant asserts to the DNC according to the Procedure 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

4.1.1 The Domain Name, in the hands of the Respondent, is an Unfair Registration.

5. Evidence of Unfair Registration

5.1 A non-exhaustive list of factors which may be evidence that the Domain Name is an Unfair Registration is set out in paragraphs 5.1.1 - 5.1.5:

5.1.1 Circumstances indicating 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;"

16. In order to support a complaint of this kind the Complainant must satisfy three elements:
 - a. Rights in respect of a name or mark (para 4.1.1);
 - b. Identity or similarity between that name or mark and the Domain Name (para 4.1.1); and
 - c. Unfair registration in the hands of the Respondent (para 4.1.2).

Procedural Issues

17. As noted above in paragraph 14, the Respondent has failed to file a response. Paragraph B15.1 of the Policy states that "The Expert will decide a Complaint on the basis of the Parties' submissions, the Policy and the Procedure". Paragraph B11.2 requires that "The Expert shall determine the admissibility, relevance, materiality and weight of the evidence." In the absence of any form of response from the Respondent the Expert accepts, at face value, the assertions made by the Complainant. Firstly because, on the basis of what is said, there is no reason to doubt them and secondly because they stand uncontradicted.

Rights in respect of a name or mark

18. In terms of assessing whether the Complainant has Rights in respect of a name or mark which is identical or similar to the Domain Name the Expert has to identify the name or mark and its meaning and then ascertain who is entitled to the rights , if any.
19. The expression "Rights" is referred to in the definition of "Unfair Registration" in paragraph 3 of the Policy. It is directed to a Domain Name which "took unfair advantage of or was unfairly detrimental to the

Complainant's Rights" in some way. The primary question is whether some disadvantage or detriment occurs vis-a-vis the Complainant's Rights.

20. Pursuant to paragraph 3 of the Policy the Complainant must establish the requisite Rights in order to establish that some form of disadvantage or detriment is likely to occur through the existence or use of the Domain Name by the Respondent.
21. The Complainant asserts that it is a large and well-established franchise operation. It has over 800 businesses in its franchise group. Its use of the name "Green Acres" or "Greenacres" extends back to the 1990's and it has registered trade marks in respect of both names. The "Greenacres" trade mark covers, inter-alia, painting services. It was registered on 10 December 2003 (hereinafter "the Trade Mark"). The Trade Mark registration predates the registration of the Domain Name.
22. The Expert accepts that the Complainant has established sufficient Rights, by virtue of its use and registration of the Trade Mark. The Complainant thus establishes that it has protectable Rights under the Policy

Identity or similarity

23. The Trade Mark is not highly descriptive, particularly for franchise type services unrelated to gardening. The Expert considers that in relation to franchise services such as home cleaning and laundry that the Trade Mark is non-descriptive and distinctive. The Domain Name contains the word "Greenacres" but appends the word "painting". This clearly implies that the Greenacres franchise has added painting services to its repertoire. The Expert has no difficulty concluding that the Domain Name is sufficiently similar to the Trade Mark so as to create a likelihood of confusion or deception amongst a substantial number of members of the public.
24. This ground is thus clearly established.

Unfair registration

25. As noted in paragraph 15 above, a number of factors may be taken into account as evidence that the Domain Name is an Unfair Registration. This requires the Expert to be satisfied that the Respondent has registered or used the Domain Name primarily for certain purposes. One such purpose is set out in paragraph 5.1.2 of the policy, as quoted in paragraph 15 above. That is, that the Domain Name is used in a way which is likely to confuse, mislead or deceive. In the present circumstances that requires the Expert to be satisfied that the Respondent is using the Domain Name in a way which is likely to confuse, mislead or deceive people into believing that the Domain Name is registered to, operated or authorised by, or otherwise connected with the Complainant.

26. In essence, the Complainant's complaint is that by the Respondent using the Domain Name to market and promote its painting services it is likely to mislead or deceive the public into thinking that the Respondent is associated in some way with the Complainant. This, it asserts, takes unfair advantage of, and is detrimental to, the Complainant's intellectual property rights and goodwill.
27. There is a sound basis for this submission. Details of the Respondent's website were provided and reviewed by the Expert. It appears from the Evidence before the Expert that the Respondent is using the Trade Mark along with other of the Complainant's trade marks. Further, by using terminology such as "New Zealand's leading service company", "Green Acres Painting", "Green Acres Painting Franchisees", etc the Respondent is clearly holding itself out as authorised by or associated in some way with the Complainant, contrary to the fact. Indeed, if anything, the website suggests that the Respondent is in fact the Complainant - namely the well-known franchisor operating under the Greenacres banner.
28. To the Expert's mind it is difficult to imagine a more clear-cut case of passing off and in the absence of any attempt to explain how this situation arose the reasonable inference is that it was deliberate and calculated.
29. That however is not the end of the matter. The Domain Name was registered on 1 June 2004. That of course is some six years ago. No explanation is given by the Complainant as to why it has waited six years before lodging its complaint. Further, no information is provided as to how long the Respondent has been using the Domain Name on its website or otherwise in the course of trade. This is unsatisfactory.
30. This issue could have a particular bearing on the outcome. Further, paragraph 5.4 of the Policy requires that in making a decision an expert shall not take into account any evidence of acts or omissions amounting to unfair registration or use which occurred more than three years before the date of the Complaint.
31. That effectively means that the Expert must disregard any conduct occurring before 2007. This would necessarily include the act of registering the Domain Name. Likewise, any use of the Domain Name by the Respondent before 2007 must be excluded from consideration.
32. Notwithstanding the clear effect of paragraph 5.4 of the Policy and the lack of information before the Expert (as referred to in paragraph 29 above) the Expert concludes that the Domain Name is an Unfair Registration in the hands of the Respondent. It reaches this view primarily for the reasons that:
 - a. The breach of the Complainant's rights appears to be particularly clear-cut;

- b. It appears to be recent and ongoing in nature; and
 - c. The Respondent has made no effort to explain the position which leaves the Expert with the impression that it has no basis to effectively counter what the Complainant has alleged.
33. The Complainant has thus established each part of paragraph 4.1 of the Policy and is entitled to the relief sought. In the result, the Expert orders that the Domain Name be transferred from the Respondent to the Complainant.

Place of decision Auckland

Date 11 November 2010

Expert Name Mr Clive Elliott

Signature _____