

# **.nz Dispute Resolution Service**

**DRS Reference: 601**

## **Springfree New Zealand Ltd v Heartlands Retail Limited**

Key words

*Domain name* – springfreetrampolines.co.nz

*Identical or similar trademark or name* – registered marks – identical

*Rights* – no legitimate or fair use

*Unfair registration* – likely to confuse, mislead or deceive – unfair advantage of or unfairly detrimental to Complainant's rights

*Procedure* – evidence – remedies – transfer

### **1. Parties**

Complainant:  
Springfree New Zealand Ltd  
125 Blenheim Rd  
Riccarton  
Christchurch  
New Zealand

Respondent:  
Heartlands Retail Limited  
133 Park Road  
Miramar  
Wellington  
New Zealand

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

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

### **3. Procedural history**

3.1 The Complaint was lodged on 8 November 2010. The domain was locked on 10 November 2010, preventing any changes to the record until the conclusion of this case. The .nz Domain Name Commission (DNC)<sup>1</sup> notified the Respondent of the validated complaint by letter dated 10 November 2010.

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<sup>1</sup> Domain Name Commission Limited is a company wholly-owned by InternetNZ (the Internet Society of New Zealand Inc) responsible for the day-to-day oversight of the .nz domain name registration and management system.

- 3.2 The letter from the DNC to the Respondent dated 10 November 2010 attached a copy of the Complaint and a copy of the InternetNZ Dispute Resolution Policy (“the Policy”)<sup>2</sup> and Procedure. The letter advised the Respondent as follows:

In accordance with the Procedure, you have 15 working days, **ie until Thursday, December 02, 2010** to respond to the complaint. In order to be valid, your response must comply with the Procedure, and must be received by the DNC in both hard copy and electronic form.

If you respond within the deadline, the Complainant will be given an opportunity to submit a written reply, and the matter will then be referred for mediation. The Domain Name Commission makes no charge for this service. If mediation is not successful, the matter may be referred to an independent expert for a decision.

**Please note that no decision has been made at this stage.**

**Do not ignore this letter. If you do not submit a response by the deadline, this matter may be referred to an independent expert for a decision without further reference to you, which may result in the transfer, suspension or cancellation of the domain name(s).**

- 3.3. The Respondent did not submit a Response to the Complaint in this case. By letter dated 7 December 2010, the DNC advised the Respondent that the Complaint would be referred to an independent expert for decision if the Complainant paid the appropriate fees by 21 December 2010. The Complainant paid the appropriate fees by that date.
- 3.4 Mr Terence Stapleton, the undersigned, confirmed to the DNC 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. Mr Stapleton was appointed to act as the independent expert in this case (“the Expert”) pursuant to Paragraph 9 of the Policy.
- 3.5 The Expert comments on the following aspects of the procedural history of this case:
- (a) the DNC Complaint form is a comprehensive document. It requires a Complainant to provide detailed information in relation to the Complaint, including a description of the Rights which the Complainant asserts in the Domain Name, a description of the types of mark in which the Complainant has Rights, and the provision of documentation in support of the Complaint. From time to time, Experts have noted in their decisions that the documentation provided in relation to certain Complaints was

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<sup>2</sup> Words beginning with uppercase letters in this decision include terms defined in Paragraph 3 of the Policy.

inadequate and, in particular, that key documentation was not provided;

- (b) this case was such a case. In the Complaint, the Complainant stated that *“one of our competitors, [the Respondent], who sell the Jumping brand of trampoline, have registered and are using our trademarked (TM713887 class 28, 760641 class 28) name in one of their registered domain names (www.springfreetrampolines.co.nz)”* (emphasis added). However, the single document attached to the Complaint was a schedule of trademarks held not by the Complainant, but by Board & Batten International Inc, for the springfree word and logo. While the schedule recorded that there were two registered trademarks in New Zealand (713877 in class 28 and 760641 in class 28), there was no reference in the schedule to the Complainant and thus no documentation submitted by the Complainant to substantiate the statement about its trademark rights in the Complaint. Trademarks 713877 and 760641 are for that part of class 28 relating to *“Games and playthings; trampolines and other gymnastic and sporting articles”*;
- (c) on Monday, 13 December 2010, in accordance with the Expert’s request pursuant to Paragraph B12 of the Policy, the DNC asked the Complainant to provide *“copies of all documents by which Board & Batten International Inc has licensed the Complainant to use trademarks 713877 and 760641 in New Zealand”*. At 6.10pm on Friday, 17 December 2010, the Complainant provided a copy of a license (sic) agreement dated 1 June 2008 between Board & Batten International Inc as licensor and the Complainant as licensee. Clause 1 of the licence agreement grants the Complainant *“the exclusive right and license to use the Intellectual Property to distribute and sell the SpringFree Trampoline and all accessories thereto in New Zealand”*. Clause 2 of the licence agreement gives the Complainant the right to bring the Complaint against the Respondent in this case. In future, where Complainants bring Complaints as licensees on the basis of alleged infringement of trademark rights, copies of the licence agreements should be submitted with the Complaint.

#### **4. Factual background**

- 4.1 The Complainant was incorporated under the Companies Act 1993 on 6 May 2008, approximately three weeks before the licence agreement dated 1 June 2008. Ralph Hill is the Complainant’s sole director. The Complainant’s 100 shares are held by Ralph Hill as to 90 shares and Anne Hill as to 10 shares.
- 4.2 The Complainant’s website is at [www.springfree.co.nz](http://www.springfree.co.nz). The about us page on that website describes the Complainant’s vision, the definition of safety in relation to trampolines, and the Springfree trampoline. The last description is as follows:

The Springfree™ Trampoline was designed by New Zealand engineer Dr Keith Alexander, at the Department of Mechanical Engineering, University of Canterbury. After 12 years of injury prevention research, the design was commercialised in 2003 and is now sold in 20 countries with new sales regions coming on stream on a regular basis.

Springfree™ Trampoline is distributed nationally in New Zealand by Springfree New Zealand Ltd, based in Christchurch.

The Springfree™ NZ team is based at 125 Blenheim Road, close to the Christchurch CBD. All of our engineering, product management, and R&D is done here, in addition to housing the New Zealand sales and customer support team.

The invented here page on the Complainant's website states that *"After a decade of research and development, Dr Alexander released his first prototypes in 2002"*.

- 4.3 The Respondent was incorporated under the Companies Act 1993 on 20 May 1993. Richard Lousley and Gina Lousley are the Respondent's directors. The Respondent's 1,000 shares appear to be held by two trusts (499 shares each) and by Richard Lousley and Gina Lousley personally (one share each).
- 4.4 As stated above, the Complainant's website is at [www.springfree.co.nz](http://www.springfree.co.nz). The Complainant's website can also be accessed at [www.springfreetrampoline.co.nz](http://www.springfreetrampoline.co.nz). The Complainant's website is a sophisticated website. The home page contains a video clip about the Springfree trampoline above the byline *"the world's safest trampoline"*. There is an abundance of information and material on the website about the Springfree trampoline. The website is endorsed "© 2009 SPRINGFREE NEW ZEALAND LTD ALL RIGHTS RESERVED".
- 4.5 While the Complainant's website can be accessed through the web addresses specified in paragraphs 4.2 and 4.4 above, it cannot be accessed through [www.springfreetrampolines.co.nz](http://www.springfreetrampolines.co.nz). That is because the Domain Name was registered by the Respondent on 17 August 2007. However, access to the Respondent's website is not through [www.springfreetrampolines.co.nz](http://www.springfreetrampolines.co.nz), but [www.heartlands.co.nz](http://www.heartlands.co.nz). The [heartlands.co.nz](http://www.heartlands.co.nz) domain name was registered by the Respondent on 20 February 2001, six and a half years before the registration of the Domain Name by the Respondent on 17 August 2007.
- 4.6 The home page of the Respondent's website depicts nine types of products sold by the Respondent, one of which is trampolines. The about us page on the Respondent's website informs visitors who the Respondent is and what the Respondent sells. The Respondent is *"a specialist in outdoor furniture and a range of associated products and accessories"*. The Respondent *"has a wide range of outdoor products,*

*including outdoor furniture, garden sheds, playhouses, barbeques, patio and electric heaters, and letterboxes”,* but there is no reference to trampolines on the about us page. Apart from the products depicted on the home page, there are two pages relating to trampolines on the Respondent’s website. The first of those relates to trampolines and depicts five types of trampolines. The second of those relates to trampoline accessories.

- 4.7 As the word springfree did not appear to the Expert to be used on the Respondent’s website at all for the purpose of informing visitors about the Respondent and the Respondent’s products, it was not apparent to the Expert why the Respondent had registered the Domain Name six and a half years after it registered the heartlands.co.nz domain name, but less than a year before the incorporation of the Complainant on 6 May 2008 and the licence agreement dated 1 June 2008, and what business use the Respondent had for the Domain Name.
- 4.8 As noted, www.springfreetrampolines.co.nz does not permit access to either the Complainant’s website or the Respondent’s website. That web address took the Expert to a blank holding page (devoid of any text or graphics at all) on both 23 and 24 December 2010. Finally, the Expert notes that he visited the websites specified above at the invitation of the Complainant in the Complaint.

## **5. The Complainant’s contentions**

- 5.1 The Complainant contends that the registration of the Domain Name is an Unfair Registration as follows:
- (a) as the Respondent does not sell the Springfree brand of trampolines or any trampolines that do not use springs, all the trampolines they sell must be spring trampolines;
  - (b) any use by the Respondent of a Springfree name is a breach of the Complainant’s rights as licensee in trademarks 713877 and 760641 and is grossly misleading;
  - (c) the Respondent is using the Springfree trademark to *“trick unwary consumers and direct them to [the Respondent’s] website through www.springfreetrampolines.co.nz”*;
  - (d) the Domain Name has been, is, or is likely to be, used in a manner which takes unfair advantage of or is unfairly detrimental to the Complainant’s Rights or 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.

## 6. The Respondent's contentions

6.1 As noted, the Respondent did not submit a Response to the Complaint.

## 7. Relevant provisions of Policy and elements of Complaint

7.1 The determination of the Complaint is governed by the Policy. Relevant provisions of the Policy in this case are as follows:

### 3. Definitions

**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;

**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;

### *Part A – Policy*

### 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

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

4.2 The Complainant is required to prove to the Expert that both elements are present on the balance of probabilities.

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### 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;

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## **6. How the Respondent may demonstrate in its Response that the Domain Name is not an Unfair Registration**

6.1 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:

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;

7.2 For an Expert to uphold a Complaint, the Expert must be satisfied that the Complainant has proved the following elements on the balance of probabilities:

- (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);
- (c) Unfair Registration in the hands of the Respondent (para 4.1.2).

## **8. Rights in respect of a name or mark**

8.1 It is well-established that:

- (a) the requirement for a Complainant to prove Rights in respect of a name or mark is not a particularly high threshold test;

- (b) it is not necessary for a Complainant to prove that it holds a registered trademark or service mark; rather, it is sufficient for a Complainant to prove that its Rights in respect of the name or mark are capable of protection, such as under s 22 of the Companies Act 1993 and by proceedings for passing off or for misleading or deceptive conduct under the Fair Trading Act 1986;
- (c) while a Complainant is unable to rely on rights in a name or term which is wholly descriptive of the Complainant's business, an otherwise descriptive name or term is not wholly descriptive of the Complainant's business if the Complainant proves that the name or term has acquired a secondary meaning designating the Complainant's business and distinguishing the Complainant's business from other businesses of the same general kind. The Complainant must prove that the name or term is distinctive of the Complainant's business.

8.2 In view of the facts set out in part 4 and elsewhere in this decision, the Expert is satisfied on the balance of probabilities that the Complainant has Rights in respect of a relevant name or mark, namely:

- (a) rights in respect of the springfree word and logo in trademarks 713877 and 760641 as licensee under the licence agreement with Board & Batten International Inc dated 1 June 2008;
- (b) statutory rights in relation to the springfree name such as under s 22 of the Companies Act 1993 and for misleading or deceptive conduct under the Fair Trading Act 1986;
- (c) common law rights in relation to the springfree name capable of protection by proceedings for passing off.

8.3 The Expert is satisfied on the balance of probabilities that:

- (a) the Rights set out in paragraph 8.2(a) of this decision existed before the registration of the Domain Name on 17 August 2007 because trademark 713877 was registered on 16 December 2004 and trademark 760641 was registered on 14 June 2007;
- (b) the Rights set out in paragraphs 8.2(b) and (c) have accrued to the Complainant since the licence agreement dated 1 June 2008.

8.4 In view of the facts set out in part 4 and elsewhere in this decision, the Expert is satisfied on the balance of probabilities that:

- (a) the springfree name is not a name or term which is wholly descriptive of the Complainant's business;
- (b) in any event, the springfree name has acquired a secondary meaning designating the Complainant's business and

distinguishing the Complainant's business from other businesses of the same general kind. The springfree name is distinctive of the Complainant's business. That conclusion is strengthened by the fact that, although the Respondent has registered the Domain Name, there is no evidence before the Expert to support the Complainant's assertions that the Respondent has actually used the Domain Name for business purposes, probably because the springfree name is distinctive of the Complainant's business and any use by any other party would be 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.

## **9. Identity or similarity between the relevant name or mark and the Domain Name**

- 9.1 It is well-established that Rights in a name cover all conceivable forms<sup>3</sup> in which the name might be used.
- 9.2 The Expert is satisfied on the balance of probabilities that the facts set out in part 4 and elsewhere in this decision demonstrate that the springfree name in all its conceivable forms is identical or similar to the Domain Name.

## **10. Unfair Registration**

- 10.1 The Expert is satisfied on the balance of probabilities that, in all the circumstances, the Domain Name is an Unfair Registration because the facts set out in part 4 and elsewhere in this decision demonstrate that:
- (a) any use by the Respondent of the Domain Name will take unfair advantage of, and be unfairly detrimental to, the Complainant's Rights (para 3); and/or
  - (b) any use by the Respondent of the Domain Name 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 (para 5.1.2); and/or
  - (c) there is no evidence before the Expert that demonstrates that the Domain Name is not an Unfair Registration as set out in paragraphs 6.1.1 and 6.1.2 of the Policy.

## **11. Decision**

- 11.1 In view of the findings made in this decision, the Expert directs that the Domain Name springfreetrampolines.co.nz be transferred to the Complainant.

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<sup>3</sup> Including upper and lower cases and singular and plural.

**Place of decision** Wellington

**Date** 24 December 2010

**Expert Name** Mr Terence Stapleton

**Signature**

A handwritten signature in black ink, appearing to read 'T. Stapleton', written in a cursive style. The signature is enclosed within a large, loopy circular flourish.