

.nz Dispute Resolution Service

DRS Reference: 607

Woolaway Construction Limited v Te Pari Products Ltd

Key words – Rights – Unfair Registration

1. Parties

Complainant:

Woolaway Construction Limited
C/- Gifford Devine
PO Box 148
Hastings 4156
New Zealand
Represented by: Kate Trusler

Respondent:

Te Pari Products Limited
PO Box 25
Oamaru
NZ
Represented by: Kelvin Campbell

2. Domain Name/s

farmquip.co.nz ("the **Domain Name**")

3. Procedural history

The Complaint was lodged on 10/12/2010 and Domain Name Commission (DNC), notified the Respondent of the validated Complaint on 15/12/2010. The domain/s were locked on 16/12/2010, preventing any changes to the record until the conclusion of these proceedings.

The Respondent filed a Response to the Complaint on 21/01/2011 and the DNC so informed the Complainant on 26/01/2011. The Complainant filed a Reply to the Response on 07/02/2011. The DNC informed the parties on 21/02/2011 that informal mediation had failed to achieve a resolution to the dispute.

The Complainant paid Domain Name Commission Limited the appropriate fee on 28/02/2011 for a decision of an Expert, pursuant to Paragraph 9 of the .nz Dispute Resolution Service Policy ("the Policy").

4. Factual background

This factual background is taken from the submissions of the parties. Both parties were economical in respect to the information provided and could have, and should have, provided further factual information relating to this dispute. It is, however, possible to resolve this Complaint without requesting further factual information.

The Complainant

The Complaint is made in the name of Woolaway Construction Limited but states that it "is on behalf of Farmquip Limited (FL), as well as Woolaway Construction Limited (WCL)".

The Complaint states that WCL "has given FL rights to use the trademark". No documentary evidence was produced as to the nature of this right. However, it will be assumed for the purposes of this decision that FL will obtain rights to use the trademark referred to below if and when it is registered.

The Complaint states that both WCL and FL have been using the "farmquip" name in their businesses since May 2010. The Complaint gives no details of those businesses, although the Reply states that the Complainants "are not selling products that are similar to (or copies of) some of Te Pari's product designs. The 'Farmquip Crushing Yards' products sold by the Complainants have either been designed by the Complainants' design team, or are designs that the Complainants lawfully purchased from the previous owners of the designs."

The Respondent in its Response acknowledges that the parties are competitors and compete for the same customers.

FL was incorporated as a company on 14 May 2010.

On the 1st June 2010, WCL filed an application for the trademark FARMQUIP. The application was accepted by the Intellectual Property Office of New Zealand and WCL expects the trademark will be registered shortly as there have been no objections. The classification to which the trademark will apply, if registered, includes livestock, handling equipment including livestock crushers and restraining devices and other areas of equipment and buildings associated with livestock.

The Managing Director of WCL is Mr Brooker who was, until October 2009, a commission agent for the Respondent.

The Respondent

The Respondent belongs to the "Global Livestock Equipment Group", of which both the Australian company "Arrow Farmquip" and the Argentinian company

"Farmquip Argentina" belong. It says it has a continuing and very close relationship with these two overseas companies but has not provided particulars of what is the legal or contractual relationship with those companies.

The Respondent has product designs for equipment similar to those now being sold by WCL.

The Respondent registered the Domain Name on 20 May 2010, six days after FL was incorporated and 10 days before WCL made its application for registration of the trademark FARMQUIP.

5. Parties' contentions

a. Complainant

WCL complains that both WCL and FL have rights in the trademark FARMQUIP which is identical to the Domain Name.

WCL claims that both FL and itself have been using the "farmquip" name in their businesses since May 2010 and have spent considerable time and expense in advertising their businesses and products using the "farmquip" name. They claim to have built up much goodwill associated with the name.

It is noted that in its reply WCL says that the two companies commenced marketing using the "farmquip" name from about June 2010 and have used the name on signage, vehicles, business cards, promotions, at field days, as well as by preliminary work on website design.

WCL's position is that it understood that its web designers had secured the Domain Name for it and WCL only found out in September that this was not the case.

WCL relies upon having established a pre-existing use of the phrase "farmquip" in that FL was incorporated on 14 May 2010.

The Complainants say they are not selling products "that are similar to (or copies of) some of the Respondent's product designs". They also say that the inspiration for the name "farmquip" did not come about due to Mr Brooker's knowledge gained while contracted to the Respondent. Nor was it due to the Complainants being aware of overseas companies using a similar name.

b. Respondent

The Respondent's position is that the phrase "farmquip" is not unique to WCL as it has a pre-existing usage by other farm supply companies in other countries. It is noted it does not claim a pre-existing use in New Zealand and relies upon the relationship with the Australian and Argentinian companies who belong to the Global Livestock Equipment Group.

The Respondent says it had the foresight to register the Domain Name first, before the name could be registered by the Complainant. It does not state whether it was aware of the incorporation of FL and an inference is that it probably was so aware of WCL's and FL's intention to use the name "farmquip" in marketing their products.

The Respondent also states that a reason for registering the Domain Name was to preserve the possibility of future global branding for the Respondent as part of the Global Livestock Equipment Group. It also makes the point that the Complainant is trading as Woolaway Construction Limited and not Farmquip Limited.

6. Discussion and findings

This is a dispute between two competitors. It will be assumed that the Respondent was aware of the incorporation of FL. It is also probable that the Complainant, through its Managing Director, was aware of the use of "farmquip" by overseas companies in the Global Livestock Equipment Group. Neither of these factors is determinative of this Complaint.

Under the Policy, it is necessary for the Complainant to establish:

- (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.

Rights includes, but is not limited to, Rights enforceable under New Zealand law.

An 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.

The Domain Name was registered on 20 May 2010. The evidence establishes that on that date the Complainants were not trading. Although they said in the initial Complaint that they had been using the name since May 2010, the Reply states that they commenced marketing using the "farmquip" name from about June 2010. On the facts, the Complainants could not have built up a reputation or goodwill in the name by 20 May 2010. They can not rely upon a common law or unregistered mark. There was no unregistered trademark which had achieved reputation in fact.

The application for the trademark was not made until after the Domain Name was registered. They therefore did not have Rights under a trademark enforceable under New Zealand law at the date of registration of the Domain Name.

The only possible right which the Complainants could have had at 20 May 2010, on the evidence produced, was any right which would arise from the incorporation of FL. However, in the circumstances of this case, registration of a company name does not in itself give rise to a Right. In some circumstances, it may be a factor to be taken into account in establishing the existence of an unregistered common law mark or trade name but the incorporation of a company six days before the registration of the Domain Name can not in itself give a Right.

It follows that at the time of registration of the Domain Name, the Complainants did not have Rights in the name "farmquip".

The only remaining issue is whether this may have been an Unfair Registration under the second limb of the definition of Unfair Registration. If the Complainants had established Rights in the name "farmquip", then it would have been necessary to consider whether 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. There was a period during which the Respondent redirected from the Domain Name to its website www.tepari.com. This redirection has ceased.

If there had been Rights, there would have been grounds to consider whether there had been an Unfair Registration pursuant to the provisions of 5.1.2 of the Policy, namely whether the use of the Domain Name was likely to confuse, mislead or otherwise deceive people or businesses into believing that the Domain Name is registered to, operated or authorised by, or otherwise connected with the Complainants. The information provided by the Respondent may not have been sufficient to counter the suggestion that there was likely to be confusion in the marketplace. It produced no evidence that it had

any Rights in the name "farmquip". Its claim to Rights was based on some connection with overseas companies. On the information provided, these Rights would not have been enforceable under New Zealand law.

However, as the Complainants did not have Rights in the name "farmquip" at the date of the registration of the Domain Name, they can not rely on the second limb of the definition.

The Complainants in their Reply make an allegation that the Respondent offered to sell the Domain Name to the Complainants but there is no evidence to suggest that the Domain Name was acquired for the purposes of selling (Clause 5.1.1 of the Policy).

Further, Clause 5.1.1 could not apply because the Complainant did not have Rights at any relevant time.

7. Decision

For the reasons given above, the Expert has determined that this was not an Unfair Registration because at the relevant time the Complainants did not have Rights in the name "farmquip". The Complaint is therefore dismissed.

Place of decision: Auckland

Date: 17th March, 2011

Expert Name B J Paterson

Signature


