

## **.nz Dispute Resolution Service**

**DRS Reference: 624**

### **Ag-Recruit 2008 Limited v Rimfire Resources Pty Limited**

Key words – Similar Domain Name

Complainant had rights in similar domain name – whether Complainant's domain wholly descriptive of Complainant's business

Rights

Generic term which had acquired secondary meaning

Unfair Registration

Unfair use of almost identical domain name by competitor

Procedure

Complainant a struck-off company whether it had right to bring complaint – Respondent inadequately described in registration of domain name.

#### **1. Parties**

Complainant:

Ag-Recruit 2008 Limited

P O Box 5171

Papanui

Christchurch 8542

New Zealand

Represented by: Mr Alwyn Coll (a director)

Respondent:

Rimfire Resources Pty Limited

Level 4

80 Stamford Road

Indooroopilly

(AUSTRALIA)

Represented by: Mr Mick Hay (a director)

#### **2. Domain Name**

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

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

The Complaint was lodged on 10 January 2011 and Domain Name Commission (DNC), notified the Respondent of the validated Complaint on 13 January 2011. The domain was locked on 12 January 2011, preventing any changes to the record until the conclusion of these proceedings.

The Respondent filed a Response to the Complaint on 7 February 2011 and the DNC so informed the Complainant on 7 February 2011. The Complainant filed a Reply to the Response on 14 February 2011. The DNC informed the parties on 7 March 2011 that informal mediation had failed to achieve a resolution to the dispute.

The Complainant paid Domain Name Commission Limited the appropriate fee on 16 March 2011 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 22 March 2011 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.

## **Procedural Issues**

### **4. Proper Identities of the Parties**

#### **a. Complainant**

- 4.1 The Complainant’s case is founded on the assertion that it has ‘rights’ in respect of a name which is identical or similar to the disputed domain name. The Complainant asserted ownership of the domain name <ag-recruit.co.nz>.
- 4.2 An identity check by DNC made at the Panel’s request shows that <ag-recruit.co.nz> was registered on 6 December 2007 to Ag-Recruit Limited (the struck-off company), a company incorporated on 3 December 2007.
- 4.3 As a result of some reconstruction of shareholding, the struck-off company was struck-off the Companies’ Register and a new company, the present Complainant, Ag-Recruit (2008) Limited was registered on 27 August 2008.
- 4.4 The Complainant states that it has paid the ongoing registration fees for <ag-recruit.co.nz> and uses that domain name extensively in connection with its business.
- 4.5 Because, *prima facie*, it appeared to the Panel that the domain name <ag-recruit.co.nz> was owned by the struck-off company and not by the Complainant, the Panel issued a request on 29 March 2011 under Rule B12.1 of the Policy enquiring when the domain name <ag-recruit.co.nz> had been transferred from the struck-off company to the Complainant. If there had been no transfer, the parties were invited to comment within 3 working days. A later addendum requested the Complainant to provide any documentation relating to any such transfer.

- 4.6 Reason for concern was occasioned by the fact that the domain name <ag-recruit.co.nz.> appears to have been an asset of a struck-off company. Under Section 324(1) of the Companies Act 1993, the property of a struck-off company vests in the Crown subject to various powers of the High Court to vest property in an applicant and to restore the company to the register. Section 324(2) provides that the section does not apply to property held on trust by the struck-off company for any person.
- 4.7 The Complainant responded to DNC by email on 29 March 2011, saying essentially, that what had happened with the two companies had been done on accountancy and legal advice and had been necessitated by a change of directors. The accountants had managed the set-up of the new company and that the failure to effect registration of the change of ownership of the domain name had been an oversight. The Complainant has paid for and has actively used the disputed domain name since the Complainant was incorporated in August 2008. The relevant markets know the business as simply 'Ag-Recruit'. The Respondent offered no comment.
- 4.8 On 30 March 2011, in response to the Panel's request for any relevant documentation relating to the acquisition of the domain name <ag-recruit.co.nz> by the Complainant from the struck-off company, the Complainant provided a number of invoices relating to the incorporation of the new company in 2008. Those from its accountants and lawyers contained financial information and seemed to the Expert irrelevant to the point in issue. These invoices dealt with the sort of procedures that one would have expected to have occurred in the circumstances but omitted any mention of transferring the domain name. There was no general or omnibus transfer agreement. Because most of the documents disclosed personal financial information and were irrelevant to the point in issue, the Expert directed that these documents not be supplied to the Respondent and indicated that the Expert would not take these documents into account when reaching his decision.
- 4.9 However, one document supplied by the Complainant could be of relevance and it was supplied to the Respondent for comment. It was a GST invoice on 'Ag-Recruit' letterhead addressed to the new company (the Complainant) dated 29 August 2008 claiming a fee of \$50 plus GST for the transfer of ownership of the website address <ag-recruit.co.nz>, as well as for transferring ownership of various email addresses relating to that domain name. There is a notation on the invoice to the effect that it had been paid on 4 September 2009, although other notations such as 'Approved for payment 1/9/08' rather

indicate that payment was made in 2008 and not 2009. The Respondent did not comment on this document.

- 4.10 In *Intercity Group (NZ) Limited v Traction Group Ltd* (DRS 101), the reverse situation to the present applied in that the Respondent - the registrant of the disputed domain name - was a struck-off company. The Expert held that disputes under the Policy are proceedings *in rem* and that, even if there were no identifiable respondent, a transfer to a complainant of a disputed domain name could still be ordered without requiring the complainant to go to the trouble and expense of resurrecting a struck-off company through Court proceedings.
- 4.11 The position is somewhat different where a complainant is a struck-off company or a non-identifiable person because of the requirement under the Policy of proof of rights in a name or mark.
- 4.12 In the present case, the Complainant has shown that it took steps to procure the transfer to it of the domain name <ag-recruit.co.nz> but that for some reason, the transfer was never accomplished. The Complainant may be said to be the beneficial or equitable owner of that domain name. It might even be argued that the struck-off company held that domain name on trust for the new company under s 342(2) of the Companies Act 1993, although the Expert does not need to decide that point.
- 4.13 Accordingly, the Expert concludes that the Complainant has status to bring this Complaint which will now be considered on its merits.

**b. Respondent**

- 4.14 The Respondent is shown in the register by the Registrar of the disputed domain name merely as 'Rimfire Resources'. The Response, however, states that the Respondent is Rimfire Resources Pty Limited as trustee for the Agricultural Unit Trust trading as Rimfire Resources'.
- 4.15 The disputed domain name should not have been registered by the Registrar to 'Rimfire Resources'. Domain names must be registered to a legal person. The situation was clearly stated by the Expert in *Wicked Campers v Escape Rentals* (DRS 353) thus:

*4.1 On a strict view this matter came before me as a phantom dispute between non-existent parties. The complaint described the Complainant as "Wicked Campers". The Domain Name and response describe the registrant and Respondent*

*as “Escape Rentals”. Neither is a recognisable legal entity. The documents go on to reveal much confusion over who is involved.*

*4.2 Rights attaching to the use of a Domain Name must be ultimately traceable to a legal person. Legal persons include natural persons (a specifically identifiable man, woman or child) and other legal entities having the power to sue or be sued such as limited liability companies and incorporated societies.*

*4.3 Business names, trading names, brand names and organisational names do not of themselves denote a legal person. At best they are a mask behind which the inquirer may be able to find the actual legal person or persons involved. That is why public registers of property are invariably confined to legal persons. Land, personal property and trade marks are good examples. If Domain Names are to have the status of legally recognisable intellectual property the same principles must apply.*

4.16 Accordingly, the Register should have shown Rimfire Resources Pty Ltd as the registrant and the entitling of this decision will do likewise. Like other public registers, such as the Land Transfer Register, trusts should not be noted on the Register.

4.17 The name of the Respondent is changed to Rimfire Resources Pty Limited.

## **5. Factual background**

5.1 The background concerning the identity of the Complainant has already been covered.

5.2 The Complainant has been operating a business known as “Ag-Recruit” recruiting and placing agricultural workers at all levels since it was registered. It uses the domain name <ag-recruit.co.nz>.

5.3 The Respondent is an Australian-based recruitment and human resources organisation. It registered the disputed domain name on 2 March 2009. Both parties operate in the same market specialising in agricultural recruitment.

5.4 The Respondent registered a New Zealand subsidiary, Rimfire Resources (NZ) Pty Ltd on 7 March 2006 through which it claims it provides recruitment services in New Zealand. It also has a referral agreement in place with a company called Fegan & Co. Rural Recruitment.

- 5.5 Neither party owns a registered trade mark for the term “ag-recruit” or “agrecruit”.

## **6. Parties’ contentions**

### **a. Complainant**

- 6.1 “Ag-recruit”, in the Complainant’s domain name, is pronounced the same way as ‘agrecruit’ in the disputed domain name.
- 6.2 The Complainant’s agricultural recruitment business has hundreds of job-seekers sending in personal confidential details, both as applicants for positions advertised by the Complainant or as potential job-seekers wishing to be known as such. Up to 70 applications may be received for any one advertised position. If a job-seeker or applicant were inadvertently to type in an email to the Complainant, ‘agrecruit’ without the hyphen, the application would be sent to the Respondent unintentionally. Likewise, potential enquirers looking for the Complainant could be drawn inadvertently to the Respondent’s website which resolves as “Welcome to Rimfire Resources”.
- 6.3 The Complainant and its predecessor have developed a good reputation in the market over the last three years (including the short time when the business was owned by the eponymous struck-off company).

### **b. Respondent**

- 6.4 The Respondent contended that there was no unfair registration of the disputed domain name. The term ‘agrecruit’ is descriptive to describe recruitment services in the agricultural industry. The similarity of domain names is an “*unfortunate consequence*” of the Complainant having registered a generic industry term to identify itself.
- 6.5 In any event, the term was effectively authored by the Respondent.
- 6.6 Two of the Complainant’s directors, Ms Francis and Mr Coll, had previously been employed by or contracted to the Respondent for periods in 2006 and 2007. They were introduced to each other by Mr Hay of the Respondent.
- 6.7 At the date of incorporation of the struck-off company, Mr Coll was still invoicing the Respondent for his services. Ms Francis was appointed a director of that company ten days after concluding her employment with the Respondent. Neither had much experience of the industry before they began their

association with the Respondent from which they must have learned of the term 'agrecruit' during their association with the Respondent.

- 6.8 The Respondent was therefore justified in registering the disputed domain name since it was the author of the now generic term 'agrecruit'.
- 6.9 The Respondent has not withdrawn from the New Zealand marketplace. It continues to provide recruitment services through its subsidiary and it has a referral arrangement with the Fegan organisation.
- 6.10 Although 'agrecruit' has become a generic term, there is no authority on its correct spelling. It is unlikely that an interested party would misconstrue the two domain names because each would have to be written down to ensure that the correct domains had been accessed.
- 6.11 The Respondent was operating in the New Zealand agribusiness market prior to registration of the disputed domain name. The registration was effected to increase the chances of an interested party accessing the Respondent's website when searching for an "agrecruitment" provider in New Zealand. Most online search-engines in New Zealand restrict New Zealand searchers to a .nz site. Therefore, the Respondent needed to register a .nz domain name as a link to its main website.
- 6.12 There is no potential confusion of searchers because:
- (a) there is no authoritative spelling of the term 'agrecruit'/'ag-recruit';
  - (b) the Respondent does not use the disputed domain name for email purposes so there would be no chance of emails intended for the Complainant coming to the Respondent; and
  - (c) the website linked to the disputed domain name is the Respondent's Australian website.
- 6.13 Any perceived unfairness to the Complainant is merely a consequence of the Complainant marketing by means of a generic phrase by which to identify itself.

**c. Complainant's Reply**

- 6.14 There is no generic or descriptive term such as "agrecruit". Expressions such as 'Ag recruitment', 'Agri-business

recruitment' and "agriculture recruitment" have been used for many years. "Ag-recruit" is not generic. It is a brand.

- 6.15 When it registered the disputed domain name, the Respondent must have been aware of the Complainant and its domain name and must have been aware that its business could thereby be enhanced at the Complainant's expense.
- 6.16 There is no evidence that the Respondent authored the term "agrecruit". The word does not feature at all on the Respondent's website and the Respondent does not commonly use it in correspondence. The "ag-recruit" brand was developed by Suzanne Coll, a director of the Complainant in December 2007.
- 6.17 Ms Francis was not aware of "agrecruit" as an "industry term" either when she was employed by the Respondent or earlier when she was involved in agricultural businesses. She did not first meet Mr Coll when she was employed by the Respondent but earlier, in February 2006 elsewhere. There was no restraint of trade clause in her employment contract with the Respondent.
- 6.18 Mr Coll worked purely as a contractor for the Respondent. Both he and Ms Francis have had extensive backgrounds in various aspects of agriculture, including the recruitment of staff. Both state emphatically that there is no generic term as alleged by the Respondent.
- 6.19 The Respondent closed its New Zealand office in August 2008 and has provided recruitment services in New Zealand only once since then. The Respondent's New Zealand telephone number is routed to Australia. It is likely that the Respondent sources candidates from New Zealand for Australian clients.
- 6.20 Many of the Complainant's clients and job-seekers have mistakenly sent communications to the disputed domain name or searched that website. There is often no chance for the Complainant's domain name to be spelled out or written down. It is incorrect that most search engines restrict New Zealand searchers to .nz domains. Often sensitive personal information is contained in communications to the Complainant from potential job-seekers.
- 6.21 The Respondent had until January 2011 (and during the time when it operated in New Zealand) an active .nz domain name

<rimfireresources.co.nz>. The Respondent registered the disputed domain name about the same time as it withdrew from the New Zealand market.

## 7. Discussion and findings

- 7.1 The first matter which the Complainant has to prove is that it has rights in respect of a domain name or trade mark which is identical or similar to the Domain Names. 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”*.
- 7.2 The disputed domain name is very similar to the Complainant’s domain name under which it does business. The hyphen in the Complainant’s name is the only difference. Otherwise, the two names would be identical.
- 7.3 The Complainant has traded as “Ag-Recruit Ltd” since the company was formed in 2008. It has gained a reputation in New Zealand for agricultural recruitment. Consequently, the Complainant may have established a ‘Right’ under the Policy in respect of the disputed domain name, <ag-recruit.co.nz> unless the name or term is wholly descriptive of the Complainant’s business.
- 7.4 In many cases, a complainant need point only to a trade mark registered in New Zealand or possibly in a foreign jurisdiction to prove the necessary rights. If there is no registered trade mark, then an unregistered trade mark, if proved, can be dispositive.
- 7.5 In cases under the UDRP decided by WIPO and NAF Panellists, a fairly high threshold for establishing a common law trade mark is required. Far more extensive evidence than the generalisations supplied by the Complainant in the present case would be required. In fact, one of the criteria described in a WIPO case is *“would the plaintiff succeed in a common law claim under the tort of ‘passing off’?”*
- 7.6 However, decisions under the English Nominet Policy show that the requirement to demonstrate rights is not a particularly high threshold test – See DRS 00248, *Seiko-shop.co.uk* and DRS 00359, *parmaham.co.uk*. The English definition of “rights” is similar to that in the New Zealand Policy. Proof of an identical or similar domain name only is needed as a preliminary.
- 7.7 One must then consider whether the Complainant’s domain name <ag-recruit.co.nz> is “wholly descriptive” of the

Complainant's business. If it is, then the Complainant cannot succeed.

7.8 The Expert acknowledges with gratitude the analysis of this requirement of the Policy conducted by the Expert in DRS 108 *B.O.P. Memorials v Jones & Company Funeral Services*.

7.9 From that decision the following principles can be extracted:

- (a) The test for determining words are merely descriptive is "*whether the words are equally applicable to any business of the like kind*". There is a continuum with, at the extremes, purely descriptive names at one end and purely invented names at the other. The closer one moves towards a merely descriptive name, the more a complainant will need to show that the name has acquired a secondary meaning equating it with the products of the complainant and the easier it will be to see a small difference in names as adequate to avoid confusion.
- (b) The more apt a word is to describe the goods, the less inherently apt it is to distinguish them as the goods of a particular merchant.
- (c) If the Complainant's product had acquired a secondary meaning, it must go beyond merely describing the name of the Complainant's services or products.

7.10 In the Expert's view, the name 'ag-recruit' is at the descriptive end of the continuum referred to in 7.9(a) above. The question then is whether the Complainant has provided sufficient evidence to show that the name has been so associated in the minds of a significant number of consumers so that it has acquired a secondary meaning and is not therefore wholly descriptive of the goods and services provided by the Complainant.

7.11 The word "ag-recruit" is merely descriptive. That expression of the test "*equally applicable to any business of the like kind*" was adopted by the Expert in the *BOP Memorials* decision, and is based on a decision of the Federal Court of Australia in *Equity Access Pty Ltd v Westpac Banking Corporation & Anor* (1989) 161 1PR 431, 448.

7.12 However that is not the end of the matter. There remains the question under the "Rights" heading, of whether, notwithstanding the substantially descriptive nature of its name, the Complainant has provided sufficient evidence to establish that the name has become so associated with its business in the minds of a significant number of consumers, that the name has acquired a secondary meaning (as a reference to the particular

business operated by the Complainant) and is no therefore wholly descriptive of the goods and/or services provided in the conduct of that business.

- 7.13 The information about its business provided by the Complainant is quite spartan. It claims to have hundreds of applicants – either job-seekers or enquirers about advertised positions on its books. It has established its business since it was incorporated in August 2008.
- 7.14 The Expert has viewed the Complainant’s website which certainly is what one would expect of a functioning business in this specialised area.
- 7.15 In the Complainant’s favour, is the fact that the Respondent does not contest that the Complainant is operating in the agricultural recruitment market in New Zealand.
- 7.16 There was no evidence offered of expenditure on promoting the business name nor any evidence from members of the public or potential users of the Complainant’s services as to how the expression is perceived or understood.
- 7.17 The evidence of secondary meaning described above is not particularly strong. The decisions of the appeal panels in the United Kingdom have held that the requirement under the Policy to demonstrate “rights” is not a particularly high threshold test, as noted earlier.
- 7.18 The purpose of the Policy is primarily to provide a quick and relatively cheap means of obtaining redress in circumstances of abusive or otherwise unfair registration of a domain name. The level of proof required cannot reasonably be expected to be at the level which would be necessary to support a court claim for passing-off, or an application to register a trade mark based on distinctiveness acquired through years of use.
- 7.19 The Expert concludes that the Complainant has produced (just) sufficient evidence to show that, on the balance of probabilities, the name “ag-recruit” has become distinctive of the Complainant’s particular services in New Zealand and is not wholly descriptive of the general nature or characteristics of the service it provides. The Expert therefore concludes that the Complainant does have “Rights” in the domain name <ag-recruit>.

### *Unfair Registration*

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

*“a domain name which either:*

- (i) 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*
- (ii) 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.”*

7.21 It is important to note that unfair registration is not the same as “passing off” or trade mark infringement (see the *Seiko* and *Parmaham* cases).

7.22 A non-exhaustive list of facts 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 relevant one 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...*

7.23 Paragraph 6.1 of the Policy sets out a list of factors which may be evidence that the Domain Name is *not* an Unfair Registration. This list, which is non-exhaustive, contains the following:

*6.1.1 Before being aware of the Complainant’s cause for complaint (not necessarily the Complaint itself), the Respondent has:*

- (i) 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;*
- (ii) been commonly known by the name or legitimately connected with a mark which is identical or similar to the Domain Name:*
- (iii) 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.*

7.24 In the Expert’s view, the action of the Respondent in registering, after the Complainant had set up in business, a domain name that was almost identical with that under which the Complainant

had been operating in opposition to the Respondent was an Unfair Registration.

- 7.25 Instances in cases under both the Nominet Policy and the UDRP, where there have been variations between the disputed domain name and a complainant's domain which were as trifling as the presence or absence of a hyphen have been designated as 'typosquatting'. This is no exception. The term envisages the sort of typing error that can easily be made by an internet searcher.
- 7.26 The similarity between the two domain names is such that confusion by internet users is inevitable. Many would not bother to insert the hyphen if they had heard only the name of the Complainant.
- 7.27 The Respondent must have been aware of the name and style under which the Complainant carried on business. Yet, as a competitor, it chose to register a name that was almost identical with the Complainant's domain name. This cannot have been pure coincidence. Moreover, the timing of the registration of the disputed domain name came at around the time when the Respondent was – to say the least – scaling down its physical presence in New Zealand. Another factor is that the Respondent operated under another domain name until January 2011. That domain name reflected the Respondent's own trading name and not that of a competitor.
- 7.28 Nor does Paragraph 6.1 of the Policy assist the Respondent. The evidence of the history and currency of the term 'ag-recruit' is, to say the least, incomplete. The Expert cannot hold that the Respondent is commonly known by this name or that the Respondent had made demonstrable preparations to use the disputed domain name in connection with a genuine offering of goods and services before being aware of the Complainant's cause for complaint.
- 7.29 Paragraph 6.1.2 is not helpful to the Respondent, the Expert having held that the disputed domain name, to the extent to which it is generic or descriptive, has nevertheless become associated with the Complainant's business.
- 7.30 The Expert comments on the Respondent's contentions not addressed elsewhere as follows:
- (a) There is insufficient evidence that the term 'agrecruit' was authored by the Respondent. The Complainant's evidence suggests it was devised by Ms Coll. The Expert need not resolve this point.

- (b) Since neither Ms Coll nor Ms Francis had a contract with the Respondent which contained a restraint of trade clause, what they did after they ceased to have connection with Respondent is irrelevant.
- (c) There is no restriction on New Zealand search-engines restricting New Zealand users to a .nz site, in the Expert's experience.

## **8. Decision**

The Complainant has established that it is entitled to the relief sought. Consequently, the Expert orders that the domain name <agrecruit.co.nz> be transferred from the Respondent to the Complainant.

**Place of decision** Auckland

**Date** 5<sup>th</sup> April 2011

**Expert Name** Hon Sir Ian Barker QC

**Signature**