

.nz Dispute Resolution Service

DRS Reference: 632

Power Balance Australia Pty Limited v Wendick Ace

Identical or similar trade mark or name

Registered mark

Similar mark with generic word

Unfair registration

Unfair use; likely to confuse, mislead or deceive

1. Parties

1.1 Complainant:

Power Balance Australia Pty Limited
Unit 9
173 Salmon Street
Port Melbourne 3207 VIC
Australia
Melbourne, Australia

Represented by: Ms Catherine Fry

1.2 Respondent:

Mr Wendick Ace
Duxkes
Tianpu
351101
China

Represented by: Mr Wendick Ace

2. Domain Name/s

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

3. Procedural history

3.1 The Complaint was lodged on 27/01/2011 and Domain Name Commission (DNC), notified the Respondent of the validated Complaint on 01/02/2011. The Domain Name was locked on 31/01/2011, preventing any changes to the record until the conclusion of these proceedings.

3.2 There was no response filed by the Respondent.

3.3 The Complainant paid Domain Name Commission Limited the appropriate fee on 10/03/2011 for a decision of an Expert, pursuant to Paragraph 9 of the .nz Dispute Resolution Service Policy (“the Policy”).

3.4 Mr Clive Elliott, the undersigned, (“the Expert”) confirmed to the DNC on 16/03/2011 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.

4. Factual background

4.1 The Complainant is a company registered under the laws of Australia and is the owner of New Zealand trade mark registration number 822418 for POWER BALANCE PERFORMANCE TECHNOLOGY for wristbands of silicone. The Complainant is also the licensee and authorised distributor of Power Balance products in New Zealand and Australia, having been given exclusive distributorship in Australia and New Zealand by Power Balance LLC. Power Balance products include silicone wristbands, sold under and by reference to the following marks: POWER BALANCE; BALANCE-STRENGTH-FLEXIBILITY; and the POWER BALANCE logo; collectively referred to as the POWER BALANCE marks.

4.2 The Complainant has been selling Power Balance products in New Zealand from its website www.powerbalance.co.nz since at least February 2010.

4.3 The Respondent registered the Domain Name on October 8, 2010.

5. Parties’ contentions

5.1 Complainant

5.1.1 The Complainant contends that the Domain Name is similar to its POWER BALANCE trade mark and the POWER BALANCE marks as it contains the words POWER BALANCE followed by the descriptive term “wristband”. The Complainant submits that the Respondent is not authorised to use the POWER BALANCE trade mark.

5.1.2 The Complainant asserts that the registration is unfair as there are circumstances which demonstrate that the Respondent is using the Domain Name in a way which is likely to confuse or mislead or deceive people or businesses in to believing that the Domain Name is registered to, operated or authorised by or otherwise connected with the Complainant. The Complainant states that the Respondent

uses the Domain Name to host its website where it offers for sale and sells counterfeit “Power Balance” products. The Complainant claims that on October 25, 2010 a member of the New Zealand public emailed its New Zealand associate notifying it of the existence of the Domain Name website and claims further that it has received many other such similar emails.

5.1.3 The Complainant contends that on November 2, 2010 a representative of it purchased a “Power Balance” product from the Respondent’s website at the Domain Name and confirmed that the product purchased was found to be counterfeit.

5.1.4 The Complainant submits that the Respondent’s use of the words POWER BALANCE in the Domain Name is likely to mislead or deceive people into thinking that the Domain Name and website hosted at that Domain Name are either operated or authorised by the Complainant or connected with the Complainant and its powerbalance.co.nz domain name and website.

5.2 Respondent

5.2.1 There was no response filed by the Respondent.

6. Discussion and findings

6.1 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;"

6.2 In order to support a complaint of this kind the Complainant must satisfy three elements:

6.2.1 Rights in respect of a name or mark (para 4.1.1);

6.2.2 Identity or similarity between that name or mark and the Domain Name (para 4.1.1); and

6.2.3 Unfair registration in the hands of the Respondent (para 4.1.2).

7. Decision

7.1 Rights in respect of a name or mark

7.1.1 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.

7.1.2 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 central enquiry is whether the Complainant suffers some disadvantage or detriment to or in respect of their Rights.

7.1.3 In order to succeed the Complainant must first establish the requisite Rights and then establish that some form of disadvantage or detriment is likely to occur through the existence or use of the Domain Name by the Respondent.

- 7.1.4 The Complainant asserts that it is the owner of New Zealand trade mark registration number 822418 for POWER BALANCE PERFORMANCE TECHNOLOGY for wristbands of silicone. The Complainant is also the licensee and authorised distributor of Power Balance products in New Zealand and Australia, which products are sold under and by reference to the marks: POWER BALANCE; BALANCE-STRENGTH-FLEXIBILITY; and the POWER BALANCE logo; which for convenience are referred to as the “POWER BALANCE marks”.
- 7.1.5 It is a matter of public record that New Zealand trade mark registration number 822418 for POWER BALANCE PERFORMANCE TECHNOLOGY was applied for on April 13, 2010 and registered on October 14, 2010. The said trade mark registration was thus at least applied for before the registration of the Domain Name.
- 7.1.6 The Complainant asserts that it has been selling Power Balance products in New Zealand from its website www.powerbalance.co.nz since at least February 2010. The Complainant does not however provide details sufficient to support the existence of any goodwill or common law rights in the POWER BALANCE marks. It does however refer to the existence of a licensing arrangement and the importation and sale of allegedly counterfeit silicone wristbands. It is unclear whether such sales took place in New Zealand. However, the Complainant claims that on October 25, 2010 a member of the New Zealand public emailed its New Zealand associate notifying it of the existence of the Domain Name website and claims further that it has received many other such similar emails. This suggests that POWER BALANCE branded wristbands are sufficiently well known to justify licensing and sales in New Zealand and for third parties to be interested in manufacturing and selling counterfeit products by reference to the Domain Name.
- 7.1.7 Even though the complaint is silent as to the nature and extent of any goodwill or reputation in POWER BALANCE branded wristbands in New Zealand the Expert is prepared to draw the necessary inferences in this regard, particularly in the absence of any response from the Respondent or suggestion, whether formally or otherwise, that the complaint is unjustified for some reason.
- 7.1.8 The Expert accepts that the Complainant has established sufficient Rights, by virtue of its use and registration of the POWER BALANCE marks. The Complainant thus establishes that it has protectable Rights under the Policy.

7.2 **Identity or similarity**

- 7.2.1 The POWER BALANCE marks are to some extent descriptive. However, the marks are not entirely descriptive and the Complainant

has secured registration for the trade mark POWER BALANCE PERFORMANCE TECHNOLOGY. An important component of the aforesaid trade mark is POWER BALANCE.

7.2.2 The Domain Name contains the words POWER BALANCE accompanied by the descriptive term “wristband”. This implies that the wristband available through a website resolving to the Domain Name will be a POWER BALANCE branded product or a product somehow associated with the Complainant and its suppliers.

7.2.3 The Expert concludes that the Domain Name is sufficiently similar to the POWER BALANCE marks so as to create a likelihood of confusion or deception amongst a substantial number of members of the public.

7.2.4 This ground is established.

7.3 **Unfair registration**

7.3.1 As noted in paragraph 6 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 proscribed purposes. One such purpose is set out in paragraph 5.1.2 of the policy, as quoted in paragraph 6 above. That is, that the Domain Name is used in a way which is likely to confuse, mislead or deceive.

7.3.2 The Complainant is required to establish 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.

7.3.3 The Complainant contends that the Respondent uses the Domain Name to host its website and to sell counterfeit Power Balance products. In the absence of contradiction by the Respondent the Expert accepts that the Respondent has engaged in such conduct. The Complainant submits that the Respondent’s use of the words POWER BALANCE in the Domain Name is likely to mislead or deceive people into thinking that the Domain Name and website hosted at that Domain Name are either operated or authorised by the Complainant or connected with the Complainant and its powerbalance.co.nz domain name and website.

7.3.4 The Expert accepts that the Respondent is using the Domain Name to hold itself out as authorised by or associated in some way with the Complainant, contrary to the fact.

- 7.3.5 The Complainant has thus established each part of paragraph 4.1 of the Policy and is entitled to the relief sought.
- 7.3.6 The Expert orders that the Domain Name be transferred from the Respondent to the Complainant.

Place of decision Auckland

Date March 28, 2011

Expert Name Mr Clive Elliott

Signature