

.nz Dispute Resolution Service

DRS Reference: 1357

**Pure Breast care
Liz Brett**

v

**Medivex Health Care
Rich Brady**

Key words – Unfair registration – Fair registration – Likely to confuse, mislead or deceive – Prior relationships between the parties – Unfairly disrupting the business of the complainant – Blocking registration – Non-standard submission

Registrar: Freeparking

1. Parties

Complainant:

Pure Breast Care
Liz Brett
8 Weld St Feilding 4702
New Zealand

Respondent:

Medivex Health Care
Rich Brady
120 Symonds St
Royal Oak
Auckland
New Zealand

2. Domain Name

Purebreastcare.co.nz

3. Procedural history

- 3.1. The Complaint was lodged on 15 April 2019, and the Domain Name Commission (DNC) notified the Respondent of the validated Complaint on 16 April 2019. The domain was locked on 15 April 2019, preventing any changes to the record until the conclusion of these proceedings.
- 3.2. The Respondent filed a Response to the Complaint on 12 May 2019 and the DNC informed the Complainant of this on 15 May 2019. The Complainant filed a Reply to the Response on 20 May 2019.
- 3.3. The DNC informed the parties on 3 June 2019 that informal mediation had failed to achieve a resolution to the dispute.
- 3.4. The Complainant paid Domain Name Commission Limited the appropriate fee on 8 June 2019 for a decision of an Expert, pursuant to Paragraph 9 of the .nz Dispute Resolution Service Policy (“the Policy”).

- 3.5. Kevin Glover, the undersigned, (“the Expert”) confirmed to the DNC on 29 July 2019 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.
- 3.6. On 30 July 2019, the Complainant indicated that it wished to file a non-standard submission, and provided that submission with its request. The DNC advised on 1 August 2019 that the Expert would receive that non-standard submission, on the basis that the Respondent would have an opportunity to file a response which would also be considered.
- 3.7. The Respondent’s response to the non-standard submission was received on 15 August 2019. The Respondent did not object to the content of the non-standard submission, but submitted that the material was not relevant.
- 3.8. Both sets of non-standard submissions were provided to the Expert on 20 August 2019.

4. Factual background

The Complainant and its business

- 4.1. The Complainant was incorporated in September 2017. Its business was established in late 2017. It is a consultancy which supports patients following mastectomy procedures and other breast-related operations, through the supply of products such as breast prostheses and related services such as fitting and advice. The Complainant is accredited with the Ministry of Health.
- 4.2. The Complainant trades under the names “Pure Breast Care” and “Pure Breast Care NZ”. Its main website is located at www.purebreastcare.com. The domain name for that website was first registered in August 2017, being the month before the Complainant was incorporated. It is not clear whether there has been an assignment of purebreastcare.com to the Complainant, or whether it uses that domain under a formal or informal licence by the person who registered the domain name). The Respondent nevertheless accepted that the Complainant’s business is conducted from that website.
- 4.3. The Complainant also owns the domains purebreastcare.nz (registered in June 2018), purebc.co.nz and purebc.nz (both registered in April 2019) and purebc.com (registered in June 2018).
- 4.4. In April 2019, the Complainant filed a New Zealand trade mark for “purebreastcare” as a word mark. That application was accepted by IPONZ and advertised in late April 2019. Although the three-month opposition period has now passed without an opposition apparently being filed, the mark has not been registered as at the date of this decision. This may be due to s 50(2) of the Trade Marks Act 2002, which provides that a mark may not be registered until 6 months after the date of application.

The Respondent and its business

- 4.5. The Respondent also offers services to post-mastectomy and breast operation patients, and so competes against the Complainant.

- 4.6. The principals of the parties who submitted the complaint and the response are known to each other: the Complainant's director, Ms Brett, previously worked for the Respondent as its consultant/representative for the lower North Island. The Respondent offers services around New Zealand, whereas the Complainant's focus is on the lower North Island.

The Domain Name and its use

- 4.7. The Respondent registered the Domain Name at issue, purebreastcare.co.nz, on 19 January 2018.
- 4.8. The Domain Name initially redirected to the Respondent's website, located at www.naturalwear.co.nz. This redirection was later replaced by a static landing page which stated "Exciting New Webshop Coming Soon", which was the position as at (at least) 4 April 2019.
- 4.9. The website hosted at the Domain Name is currently a single static page which states "Website Coming Soon – Post Surgery Breast Care Information and Education for All New Zealanders".
- 4.10. After becoming aware of the Respondent's registration of the Domain Name, the Complainant sent communications to the Respondent. The Respondent replied but no resolution was reached. The communications have not been provided to the Expert and it is unclear from the material whether or not they were without prejudice communications.

5. Parties' contentions

- 5.1. There are a number of disputed points.

a. Complainant

- 5.2. The Complainant's director Ms Brett says that she had an employment dispute with the Respondent company regarding unpaid salary and unpaid holiday pay when she left. It further says that she observed a restraint of trade period before commencing its business.
- 5.3. Ms Brett says that she has received feedback from customers intending to go to the Complainant's website but who entered ".co.nz" as the suffix instead of ".com" and who were then taken to the Respondent's Naturalwear website instead. No supporting material was included with the Complaint in this regard.

b. Respondent

- 5.4. Richard Brady on behalf of the Respondent contends that the Complainant's main website is in fact www.purebc.com, and that this should be treated as its name for the purposes of ascertaining its rights. By implication, the Respondent denies that the Complainant has rights in the name Pure Breast Care.
- 5.5. Mr Brady says that the Respondent intends to use the Domain Name as a sub-brand, for a site relating to consumer education and training purposes in relation to the breast care industry.

- 5.6. The Respondent says that its planning and development for its proposed website for the proposed Pure Breast Care sub-brand commenced while Ms Brett was employed by the Respondent. Mr Brady stated:

There is confusion over the timing of when the complainant came up with the name of her business – it appears that she possibly came up with this while she was employed by my company, at the same time that she was privy to our plans for Pure Breastcare. This looks to me to be more than a coincidence.

- 5.7. The Respondent contends that “planning file notes, and input from verifiable witnesses will likely prove the truth on this”, but did not provide such material or any other evidence.
- 5.8. Mr Brady says that the Respondent’s use of the Domain Name will not be confusing given the differences between what he says is the Complainant’s primary domain name (purebc.com) and the Domain Name, and what Mr Brady says is the Respondent’s intended use for the site. He says that it is incumbent on the Complainant to show that customers have been confused, and that it has not done so.

6. Discussion and findings

- 6.1. In terms of the Policy, a Complainant is entitled to the transfer of a domain name where:
- a. it has Rights in a name which is similar or identical to the domain name, and
 - b. the domain name was registered or has been used in circumstances which make it an Unfair Registration.
- 6.2. Whether the domain name is an “Unfair Registration” in the hands of the Respondent and be based on the position as at the date of registration or in light of subsequent events, regardless of whether or not the position continues to apply as at the date of the complaint or its determination by the Expert.

Rights

- 6.3. The first point to consider is whether the Complainant has rights in a name which is included in the Domain Name. The Complainant bears the onus of showing that it has Rights in the name.
- 6.4. In this case, the relevant mark is “purebreastcare”, which I treat as being interchangeable with “Pure Breast Care” for the purposes of determining rights.
- 6.5. The Policy contains the following definition of “Rights” in paragraph 3:
- 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.
- 6.6. I first consider the registered trade mark position. Although the Complainant has applied for registration of “purebreastcare” as a trade mark, this is not registered. In a number of DRS cases, Experts have held that a pending trade mark

application is not of itself sufficient: see, for example, DRS no. 1272 (simbasleep.co.nz) and DRS no. 1327 (wellington.ac.nz).

- 6.7. The next point to consider is whether through trading, promotion and other activities the Complainant has established rights which in relation to a name which is identical or similar to the Domain Name.
- 6.8. In this case the Complainant has been trading for nearly two years and is accredited by the Ministry of Health. I have been provided with examples of marketing collateral and have viewed the website located at www.purebreastcare.com. All of these matters show that the Complainant operates a consultancy business, and indeed the Respondent acknowledges the Complainant as a competitor in its field.
- 6.9. One issue which I must address when considering the Complainant's alleged rights is whether the Complainant uses the names "Pure Breast Care" and "Pure Breast Care NZ" (as alleged by the Complainant) or simply "Pure BC" (as contended by the Respondent).
- 6.10. All of the marketing material provided to me (a brochure, a business card, an advertisement/flyer and the material on the Complainant's website) uses the name "Pure Breast Care", with or without "NZ" at the end, rather than "Pure BC". Of lesser weight, but still relevant, is the fact that the Complainant's company name is Pure Breast Care Limited.
- 6.11. I find that the Complainant's main website is www.purebreastcare.com, for the following reasons:
 - a. That domain name is the one which is included on the Complainant's marketing material.
 - b. Purebreastcare.com was the first of the Complainant's domain names to be registered (set out in paragraph 4.2 above). The sequence suggests that was intended to be the main site, with the others registered subsequently as defensive registrations.
 - c. Visitors to purebc.co.nz are redirected to www.purebreastcare.com, rather than vice versa.
 - d. The Respondent has not provided any evidence to corroborate its allegation that purebc.co.nz is the Complainant's primary website.
- 6.12. I do not consider the name "Pure Breast Care" or any of the variant names to be wholly descriptive of the goods and services offered by the Complainant. There is a descriptive aspect to the name, but the addition of the word "Pure" (at the very least) means that the name does have some distinctive character.
- 6.13. IPONZ has apparently accepted "purebreastcare" for registration as a trade mark without raising an objection as to distinctiveness. Although I have not placed any weight on this point, I note that is consistent with the conclusion which I have reached that the mark is not wholly descriptive.
- 6.14. The material before me establishes that the Complainant has rights in www.purebreastcare.com, as well as "Pure Breast Care" and "Pure Breast Care

NZ". Those rights are sufficient to give the Complainant grounds for action in New Zealand in passing off and for breach of the Fair Trading Act 1986.

6.15. The next question is whether the Domain Name is identical or similar to the names in which the Complainant has rights.

6.16. I consider that the spaces in "Pure Breast Care" should be disregarded when comparing the name with the Domain Name, bearing in mind that spaces cannot be included in domain names. On this basis the name "Pure Breast Care" is identical to part of the domain name purebreastcare.co.nz.

6.17. In addition, I have already found that the Complainant has rights in the name "purebreastcare", which forms part of its primary domain name. This is identical to the Domain Name.

6.18. To summarise, I find that:

- a. the Complainant has used "Pure Breast Care", "Pure Breast Care NZ" and purebreastcare.com both for its business and as part of the domain name for its primary website;
- b. the Complainant has rights in the names "Pure Breast Care", "Pure Breast Care NZ" and purebreastcare.com as a result, which names are not wholly descriptive of the Complainant's goods and services; and
- c. those names are identical and/or similar to the Domain Name; and
- d. the Complainant has Rights in those names for the purposes of the DRS Policy.

Unfair Registration

6.19. The next step is to consider whether the Domain Name, in the hands of the Respondent, is an Unfair Registration. The Complainant bears the onus of proving this, on the balance of probabilities.

6.20. I do so by reference to the non-exhaustive list of factors which may indicate that a registration is an Unfair Registration (as set out in paragraph 5.1 of the Policy), and also having regard to paragraph 6.1 of the Policy which contains a non-exhaustive list of factors indicating that a registration is not an Unfair Registration.

6.21. In this case neither party was legally represented in relation to the Complaint. Neither the Complainant nor the Respondent referred to particular provisions from the Policy. Nevertheless, based on the submissions and factual matters advanced in them, I consider the following provisions from paragraph 5.1 to be of most relevance:

5.1.1. Circumstances indicating that the Respondent has registered or otherwise acquired the Domain Name primarily:

(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;

6.22. In addition, although the Respondent did not expressly refer to paragraph 6.1 in its response, some of the matters raised in the response appear to have been included with that provision in mind:

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; ...

Blocking registration

6.23. The facts relevant to determining whether or not this was a blocking registration are:

- a. Ms Brett previously worked for the Respondent or an associated business.
- b. There was a dispute at the end of Ms Brett's employment, which included the Respondent withholding salary and holiday pay. The Respondent did not deny or explain this.
- c. It is fair to infer from this that the Respondent was not well-disposed towards Ms Brett as at late-2017/early-2018.
- d. The Complainant's company name could be determined by a Companies Office search for Ms Brett as a director or shareholder.

6.24. The precise timing of commencement of the Complainant's business, as compared with registration of the Domain Name, is not disclosed in the Complaint or the Response.

6.25. The circumstances indicate that this is likely a case where a business has become aware that its former employee has started a competing business, has been told or otherwise become aware of that name, and has sought to register a domain name which includes the new business's trading name in order to (at the very least) prevent the new business from registering it or alternatively to divert business.

6.26. I find that the main purpose of the Respondent in registering the Domain Name was to prevent the Complainant from registering and using the New Zealand equivalent of its primary domain name.

Registration was primarily for the purpose of unfairly disrupting the business of the Complainant

6.27. The parties have put forward competing arguments as to whether the registration of the Domain Name was to prevent the Complainant from being able to register

it and to send people searching for the Complainant to the Respondent's website (as contended by the Complainant), or for an independent purpose related to the business of the Respondent (as contended by the Respondent). I must decide which of these I find to be more likely.

6.28. The points relevant to that determination include the following:

- a. There has been no substantive use of the Domain Name in the 18 months since it was registered.
- b. Mr Brady stated that the Respondent decided in 2017 (on the basis that this was prior to Ms Brett leaving) that it would establish a web portal to make available information about breast care using "Pure Breast Care" as a sub-brand.

If a decision had been made in those terms at that point, however, I would have expected the Respondent to secure the Domain Name then. There was no reason to delay registration once a name had been chosen, as this could simply allow a third party to register the relevant domain instead.

Mr Brady did not explain why the Respondent delayed registration of the Domain Name until after Ms Brett had ceased employment and had started competing against the Respondent using the same name (including use of purebreastcare.com).

- c. Mr Brady surmised that Ms Brett might have had access to the Respondent's plans for establishing a website using the Domain Name, but was not categorical in this regard and did not provide any evidence about her access to the relevant information.

On the other hand, Ms Brett advised that she visited the Auckland office only rarely, and denied having been told that the Respondent intended to use the name "Pure Breast Care".

- d. There was a dispute between Ms Brett and the Respondent at the conclusion of Ms Brett's employment regarding unpaid salary and holiday pay. Ms Brett implied that this was rectified only after the intervention of lawyers. Despite this, there is nothing to suggest that the Respondent recorded its concerns about the Complainant's adoption of a name which it had chosen. I would have expected this if the Respondent had thought that Ms Brett had misused confidential information.
- e. The alleged consumer education aspect of the Domain Name's proposed use has only been raised recently. Previously a redirection was in place to the Naturalwear site (which competes against the Complainant) and, more recently, the page referred to a "webshop" rather than consumer information.

If the consumer education site had been planned since 2017, one would expect this to have been referred to on the site prior to April 2019. Mr Brady did not provide any explanation in relation to these matters.

6.29. Having considered the points raised by the parties, I prefer the Complainant's account. I do not accept Mr Brady's account of why and when he says that the Respondent chose the name "Pure Breast Care":

6.30. In my view the more likely explanation is that the Respondent became aware of the Complainant's name and sought to disrupt what was at the time, or would soon be, a competing business. It did so by redirecting users who were looking for the Complainant's site to the Respondent's competing site.

6.31. This means that the Domain Name is an Unfair Registration.

Use in a manner which is misleading or deceptive

6.32. I now consider whether the Respondent has used the Domain Name in a manner which is likely to mislead or deceive.

6.33. There is insufficient evidence before me to conclude that there has actually been actual confusion to date. The only basis for this was the Complainant's uncorroborated assertion about what her clients told her.

6.34. Evidence of actual confusion is always relevant to determination of a case such as this, and if it exists then direct evidence of it should be included as supporting material filed with the complaint, rather than being included as a hearsay statement by a party.

6.35. More generally, it is important that parties to DRS complaints provide material with their complaints and responses, rather than proceeding on the basis that further information can be produced if required. This applies equally to the Complainant and the Respondent in this case (see paragraphs 5.3 and 5.8 above).

6.36. Leaving aside whether or not there has been actual confusion, however, given the similarity between the Complainant's primary website (www.purebreastcare.com) and the Domain Name (purebreastcare.co.nz), and the fact that the Complainant and its customers are based in New Zealand with ".co.nz" being a common suffix, I find that the registration of the Domain Name is likely to mislead or deceive and is accordingly also an Unfair Registration based on paragraph 5.1.2 of the Policy.

Demonstrable preparations made by the Respondent prior to becoming aware of the Complainant's cause for complaint

6.37. In practical terms paragraph 6.1.1 operates as a defence, in that it is not an Unfair Registration if the Respondent shows that it made demonstrable preparations for using the site before becoming aware of the Complainant's cause for concern.

6.38. The paragraph refers to "cause for complaint" and expressly adds that this might be earlier than the complaint itself. This is to avoid a respondent from claiming impunity because of a delay in a complainant becoming aware of a registration.

6.39. I have not been provided with any evidence of the preparations which the Respondent is alleged to have undertaken. I also take into account Ms Brett's denial of having been told about the Respondent intending to adopt the name "Pure Breast Care", and the other matters set out above in my discussion of

whether the Domain Name is a blocking registration or was registered in order to disrupt the business of the Complainant.

6.40. I do not accept Mr Brady's contention that the Respondent prepared to use the name "Pure Breast Care" before becoming aware of the Complainant's intended use of that name.

Conclusion

6.41. The circumstances indicate that the Domain Name was registered to prevent the Complainant from registering the Domain Name and to disrupt the business of the Complainant, and has been used in a manner which is likely to deceive or confuse members of the public. The Respondent is not assisted by paragraph 6.1.1(a) of the DRS Policy.

6.42. I find the registration to be an Unfair Registration.

7. Decision

Complaint successful, transfer ordered.

Place of decision **Auckland**

Date **9 September 2019**

Expert Name **Kevin Glover**

Signature 