

.nz Dispute Resolution Service

DRS Reference: 344

Sabco Australia Pty Ltd v HARCO (Harkness & Young Ltd)

Key words -

Domain name – sabco.co.nz

Identical or similar trade mark or name

Unfair registration – unfair use – likely to confuse, mislead or deceive – blocking registration

1. Parties

Complainant:

Sabco Australia Pty Ltd
Mr Peter Stefanakis
22-26 Joseph Street
Blackburn North
Victoria
3130
Melbourne
Australia

Respondent:

HARCO (Harkness & Young Ltd)
Mr James Harkness
21 Saleyards Rd
Otahuhu
Auckland
New Zealand

2. Domain Name/s

2.1 sabco.co.nz ("the Domain Name")

3. Procedural history

3.1 The Complaint was lodged on 24/10/2008 and Domain Name Commission (DNC), notified the Respondent of the validated Complaint on 30/10/2008. The domain/s were locked on 24/10/2008, 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 24/11/2008 for a decision of an Expert, pursuant to Paragraph 9 of the .nz Dispute Resolution Service Policy (“the Policy”).

3.4 Mr Andrew Brown QC, the undersigned, (“the Expert”) confirmed to the DNC on 24/11/2008 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 information provided by the Complainant is relatively sparse. The Complainant has shown that it owns a number of registrations for the trade mark SABCO in New Zealand being the following:

| Mark | No. | Application Date | Class | Specification |
|------------------------|--------|--------------------------------|-------------|--|
| SABCO | 68372 | 29/3/61 | 16 | Paint brushes, artists' brushes, and all brushes in this class |
| SABCO | 68374 | 29/3/61 | 21 | Brooms and brushes in this class |
| SABCO | 108773 | 28/6/74 | 21 | Carpet sweepers (non-electric) carpet and furniture shampoo apparatus (non-electric), mops and squeeze mops |
| SABCO CLEAN AND FLUSH | 713351 | 3/6/04 (convention 28/5/04) | 3 21 | Cleaning, polishing, scouring and abrasive preparations, detergent and cleaning compositions, detergents for cleaning carpets and floor coverings, including the aforementioned products in replaceable cartridges (filled) Mops, squeeze mops and sponge pads for squeeze mops; brushes (except paint brushes), brush making materials, brooms; cleaning products including cleaning applicators using replaceable cleaning cloths, tissues and cartridges; articles for cleaning purposes including articles for cleaning surfaces and objects; cleaning cloths, hand cloths, cloths, dusters and dusting apparatus |
| SABCO POWER DISH BRUSH | 713368 | 3/6/04 (convention 28/5/04) | 3 | Cleaning, polishing, scouring and abrasive preparations, detergent and cleaning compositions, detergents for cleaning carpets and floor coverings, including the aforementioned products in replaceable cartridges (filled) |

| | | | | |
|--------------------|--------|-----------------------------------|----|---|
| | | | 21 | Mops, squeeze mops and sponge pads for squeeze mops; brushes (except paint brushes), brush making materials, brooms; cleaning products including cleaning applicators using replaceable cleaning cloths, tissues and cartridges; articles for cleaning purposes including articles for cleaning surfaces and objects; cleaning cloths, hand cloths, cloths, dusters and dusting apparatus |
| SABCO MOP IN A BOX | 713372 | 3/6/04 (convention 28/5/04) | 3 | Cleaning, polishing, scouring and abrasive preparations, detergent and cleaning compositions, detergents for cleaning carpets and floor coverings, including the aforementioned products in replaceable cartridges (filled) |
| | | | 21 | Mops, squeeze mops and sponge pads for squeeze mops; brushes (except paint brushes), brush making materials, brooms; cleaning products including cleaning applicators using replaceable cleaning cloths, tissues and cartridges; articles for cleaning purposes including articles for cleaning surfaces and objects; cleaning cloths, hand cloths, cloths, dusters and dusting apparatus |
| SABCO MOP IN A BOX | 713372 | 3/6/04 (convention 28/5/04) | 3 | Cleaning, polishing, scouring and abrasive preparations, detergent and cleaning compositions, detergents for cleaning carpets and floor coverings, including the aforementioned products in replaceable cartridges (filled) |
| | | | 21 | Mops, squeeze mops and sponge pads for squeeze mops; brushes (except paint brushes), brush making materials, brooms; cleaning products including cleaning applicators using replaceable cleaning cloths, tissues and cartridges; articles for cleaning purposes including articles for cleaning surfaces and objects; cleaning cloths, hand cloths, cloths, dusters and dusting apparatus |

4.2 It appears from the Complaint that the Respondent was the sole agent for distributing Sabco products in New Zealand until 2005. It is

assumed that the Sabco products being distributed by the Respondent were some or all of the products covered by the Complainant's registered trade marks.

- 4.3 The Complainant also has a substantial number of registered trade marks for SABCO in Australia in classes 9, 16, and 21.
- 4.4 The domain name "*sabco.co.nz*" was registered on 8 December 2003 and the Respondent is shown as the registrant with a Mr Jamie Teague as being the admin contact *jamie@harknessyoung.co.nz*.
- 4.5 The Complainant invited the Expert to view the domain name "*harknessyoung.co.nz*". This website promotes a range of hardware, houseware, bathroom and furniture products. Under the Houseware and Bathroom sections there are a number of brooms, mops, carpet sweepers, brushes and buckets advertised.

5. Parties' contentions

a. Complainant

- 5.1 The Complainant seeks the transfer of the domain name on the following bases.
- 5.2 First, the Complainant claims that it has rights in SABCO as a registered trade mark in New Zealand given the registrations noted earlier.
- 5.3 Secondly, the Complainant submits that the following grounds establish paragraph 4.1.2 of the Policy that the domain name, in the hands of the Respondent, is an unfair registration:
 - 5.1.1 Circumstances indicating that 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 the name or mark on which the Complainant has Rights; or
 - (c) for the purpose of unfairly disrupting the business of the Complainant.
- 5.4 The Complainant states that up until 2005, Harkness & Young were the sole agent for distributing SABCO products in New Zealand. Since 2005 "this partnership has been cancelled". The Domain Name was pointed to "*www.harknessyoung.co.nz*". However the Complainant

says that on 11 June 2008, it contacted James Harkness at the Respondent. Since making contact, the Domain Name has been parked and points to the New Zealand Domain Name Registrar, Domainz.

5.5 From 2005 until 11 June 2008, the Complainant states that people who visited the Domain Name were pointed to "*harknessyoung.co.nz*".

5.6 The Complainant also relies on paragraph 5.1.2 of the Policy namely:

"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."

5.7 The Complainant says that during the period 2005 – 11 June 2008, people who visited the domain name were likely to be confused and to be believe that "*www.harknessyoung.co.nz*" was affiliated with "*www.sabco.co.nz*" when it is not.

5.8 The Complainant also states that by operating a website using a domain name that contains someone else's trade mark, people who see or visit the Domain Name are likely to be confused and believe that the site is affiliated with Harkness & Young when it is not. People may also mistakenly go to this website thinking it is connected with the other company ("the Respondent"), only to find out that it is not. "Intentional misspellings of and similarities to trade marked names may also be considered trade mark infringements. Just because a company has not registered all variations of its name or trade mark as a domain name, does not mean that others can use those Domain Names. If the domain names are likely to confuse consumers, they are infringing on the use of the domain name."

5.9 The Complainant also relies on paragraph 5.1.3 of the Policy:

"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."

5.10 Although this is asserted, no other registrations by the Respondent were referred to which could form part of this alleged pattern.

5.11 Lastly the Complainant relies on paragraph 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."

5.12 Here the Complainant points to the fact that until 2005, the Respondent was the sole agent for distributing Sabco products in New Zealand.

But no other facts are relied on in support, other than those already mentioned.

b. Respondent

5.13 The Respondent did not file a Response.

6. Discussion and findings

Rights

6.1 The Expert finds that the Complainant clearly has rights in respect of the SABCO trade mark in New Zealand by virtue of its registered trade marks dating from the earliest registration in 1961. It also has registered trade marks for the same mark in Australia.

6.2 The Expert is satisfied that the trade mark rights were established and existed prior to registration of the Domain Name on 8 December 2003.

Identical or similar

6.3 The Respondent's domain name is identical to the Complainant's registered trade mark SABCO.

Unfair registration

6.4 Under Rule 4.1.2 of the Policy, the Complainant must show, on the balance of probabilities, that the Domain Name is an unfair registration in that it:

(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.

6.5 The Policy provides, at paragraph 5, a series of non-exhaustive factors which may provide evidence of an unfair registration. For the sake of completeness, the Expert notes that Rule 5.4 states:

"In making the decision, the Expert shall not take into account any of its acts of omissions amounting to unfair registration or use which occurred more than three (3) years before the date of Complaint."

6.6 The Expert does not propose to address every one of the separate paragraphs of the policy relied on by the Complainant as only one is specifically necessary in order for a Complaint to succeed.

Paragraph 5.1.2 – Likely to confuse, mislead or deceive

6.7 This paragraph is expressed in terms of the present tense:

“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.”

However the definition of Unfair Registration in paragraph 3 of the Policy makes it clear that an Unfair Registration can mean a Domain Name which “*has been* ... used in a manner which took unfair advantage of or was unfairly detrimental to the Complainant’s rights” – i.e. past tense.

6.8 It is apparent from the Complaint that the Respondent was in fact using the Domain Name to point to its own website for a three year period after its distributorship of SABCO products had been terminated in 2005 and until the Complainant contacted it about this practice on 11 June 2008.

6.9 The Expert finds that in the period 2005 to 2008, members of the public would have been misled or deceived into believing that the domain name was operated by or authorised by or otherwise connected with the Complainant. The actions of the Respondent in continuing to use the Domain Name (containing the Complainant’s registered trade mark) after its distributorship rights ceased, amounted to unfair registration. For a period of three years, the Respondent benefited from this use.

6.10 Although some of the three year period falls outside the permissible three years prior to the Complaint specified in paragraph 5.4, the bulk of that period is within the three year to 24 October 2005 – 24 October 2008.

6.11 Since 11 June 2008, the Domain Name has not been pointing to any website but is now parked with Domainz. So its *current use* will not be misleading or deceptive since the mere parking of the domain name does not amount to active use.

6.12 However the fact is that the Domain Name *was used* up until June 2008 in a manner which did take advantage of or was unfairly detrimental to the Complainant’s Rights within the definition of Unfair Registration. Further, it would be unjust to a legitimate Complainant who has shown Unfair Registration during part of the relevant period if the Respondent (when challenged but before the filing of a Complaint) could suddenly stop using the Domain Name so that the present tense wording of paragraph 5.1.2 were to defeat the Complaint.

6.13 In this regard the Expert notes that paragraph 5.1.2 of the Policy covers the situation where the Respondent registers the domain name

primarily, inter alia as a blocking registration against a name or mark in which the Complainant has Rights.

- 6.14 In this case there is no evidence that the Respondent *first registered* in the Domain Name in 2003 for this purpose. However the Expert notes that the factors in 5.1 are non-exhaustive. The Expert considers that the actions of the Respondent in parking the Domain Name, when challenged, are now acting as a means of blocking the Complainant's use of its SABCO trade mark as part of a New Zealand Domain Name. In that regard, the Expert finds that the Domain Name is an unfair registration as well (paragraph 4.1.2 of the Policy).
- 6.15 In summary, after reviewing the Complaint, the Expert is satisfied that the Complainant has demonstrated on the balance of probabilities that the Respondent's Domain Name is an unfair registration.

7. Decision

- 7.1 In view of the findings made in this Decision, the Expert directs the Domain Name "*sabco.co.nz*" be transferred to the Complainant.

Place of decision

Date 8 December 2008

Expert Name Mr Andrew Brown QC

A handwritten signature in black ink, appearing to read "Andrew Brown". The signature is written in a cursive, flowing style.

Signature