

.nz Dispute Resolution Service

DRS Reference: 1281

**New Zealand Bio-
Recording Network Trust**

v

Shane Orchard

Key words – Rights – identical – remedies – unfair registration

1. Parties

Complainant:

New Zealand Bio-Recording Network Trust
45 Landsdowne Terrace
Cashmere
Christchurch
New Zealand

Represented by Stephen Pawson

Respondent:

Shane Orchard
15 Kinross Street
Christchurch
New Zealand

2. Domain Name/s

naturewatch.org.nz
naturewatch.co.nz
naturewatch.nz

3. Procedural history

The Complaint was lodged on 07 February 2018 and Domain Name Commission (DNC), notified the Respondent of the validated Complaint on 08 February 2018. The domain/s were locked on 08 February 2018, preventing any changes to the record until the conclusion of these proceedings.

No response was received.

The Complainant paid Domain Name Commission Limited the appropriate fee on 9 March 2018 for a decision of an Expert, pursuant to Paragraph 9 of the .nz Dispute Resolution Service Policy (“the Policy”).

Sir Ian Barker QC, the undersigned, (“the Expert”) confirmed to the DNC on 21 March 2018 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 Complaint and its accompanying appendices are diffuse and lack orderly compilation. Much of what has been provided is unnecessary for the purposes of making a decision. The Complaint document would have benefited from a review from some person familiar with domain name disputes.

4.2. What follows is a statement of essential features of the Complainant’s case essential for the decision which needs to be made.

4.3. The Complainant was launched in 2006 as New Zealand’s first online repository of natural history observations. It received some government grants and was formally registered as a charity on 20 June 2012. The Respondent was one of its five trustees.

4.4. The purposes of the Trust are:

- *To increase knowledge, understanding, and appreciation of New Zealand’s natural history within local, regional and global contexts.*
- *To engage people in observing and recording biological information.*
- *To develop and support electronic and other tools to assist individuals and groups to record, view, share and utilize biological records as an ecological management and educational resource and for its intrinsic interest.*
- *To promote and provide secure, open, and ethical sources of biological information.*
- *To advance the purposes of the Trust through partnerships with a range of collaborators and community stakeholders interested in biological records, including environmental managers, data recorders, schools and other end users of biological information.”*

4.5. The Complainant has a website accessed via <naturewatch.org.nz>. It has used this website since 2012 in circumstances to be described later. It is extensively used by persons interested in nature including birds, fungi and plants, for example.

4.6. The Complainant does not have a registered trade mark and there is insufficient evidence of an unregistered trade mark.

4.7. On 21 May 2012, the Respondent who had been privy to discussions about suitable domain names, advised the Complainant’s trustees that he owned the Disputed Domain Names <naturewatch.org.nz> and <naturewatch.co.nz>. He offered to make them available to the Complainant in these words:

“By the way, I am actually owner the naturewatch.co.nz and org.nz names already, although they are expiring (check the WHOIS

details). I've had them saved for another project I was thinking of to do with community monitoring – but don't have to (sic) time to entertain now so welcome to use this name if needed (also I won't be renewing that so those urls will be on the open market soon)."

- 4.8. The Respondent is the registered owner of the Disputed Domain Names. There is no evidence of abusive behaviour of the sort linked in the Policy (cited supra).
- 4.9. On 9 June 2012, whilst the Respondent was out of New Zealand, Jon Sullivan, on behalf of the Complainant, emailed the Respondent as follows:

"Hi Shane,

I know you're out of the country but if you've got the info handy, it would be helpful if we could transfer the ownership of the naturewatch domain names to NZBRN before you get back in July. Or, if that's inconvenient, have you retain ownership for the current billing period but still get egressive to transfer our iNaturalist site across to www.naturewatch.org.nz, also with a pointer from www.naturewatch.co.nz.

Please let me know if that's a goer and I can have egressive email you to get the details. We'd like to make the beta of the site available to testers on its final URL if that's possible with you."

- 4.10. On 10 June 2012, the Respondent replied saying, inter alia:

"I hadn't renewed those urls so think they will be released for general purchase shortly. They have dropped off my account now so I can't repurchase. Just keep an eye on the urls though and will do the same".

- 4.11. On 13 June 2012, Mr Sullivan emailed the Respondent again thus:

"Hi Shane,

In case you're reading emails, it would be helpful to have a quick "Yes" or "No" to my previous email. That is, are you happy to pay for another year for those two naturewatch domain names? We will reimburse you when you get back and then formally transfer ownership. And when you can, please give us the DNS settings, etc., so we can set up the new NZBRN iNaturalist on those domain names.

We're about to start advertising the new system and its features under the NatureWatch NZ brand and it would be both useful to start using the domain names as soon as we can as well as embarrassing if we failed to secure them when they become public."

- 4.12. On 19 June 2012, the Respondent emailed Mr Sullivan with the query as to "whether there was any way around signing a form" – something he was not sure he could do until his return.
- 4.13. Mr Sullivan replied on 14 June 2012 saying that signing the form was the only way to change ownership and suggested the Complainant renew the Domain Names.

- 4.14. After correspondence with the Registrar of the Domain Names, the Respondent emailed Mr Sullivan on 22 June 2012 to the effect that he had requested the registration and “should be free to go ahead and organise the transfer form to NZBRN Trust.
- 4.15. On 3 August 2013, a Mr Dave Lane of Egressive, on behalf of the Complainant and Mr Sullivan corresponded by email, copying the Respondent. The Complainant wanted its website accessed by <naturewatch.org.nz> which duly happened. This website has been used by the Complainant ever since as its primary internet contact point. The email concluded with Mr Sullivan advising that “we are also going to transfer the ownership of the domain from Shane to NZBRN Trust but I don’t expect that will alter anything at your end”.
- 4.16. At a meeting of the Complainant’s trustees on 10 March 2014, it was agreed that the Complainant would reimburse the Respondent for his domain name costs to date and transfer ownership to the Complainant. All trustees, including the Respondent, approved the resolution. There is no evidence to show whether the money was ever paid. The Complainant claims that the Respondent has never supplied invoices but that the Complainant is still prepared to pay as per the resolution on 10 March 2014.
- 4.17. On 27 February 2015, the Respondent enquired of Mr Sullivan if Egressive (Mr Lane’s organisation) had transferred the Registrar’s billing for the domain names to the Complainant since they were showing in his account.
- 4.18. Nothing more seems to have happened until a meeting of the Complainant’s trustees on 30 June 2017, the Respondent questioned the policies and performance of the Trust and was concerned with the way various events had unfolded: The comprehensive minutes of that meeting (which the Respondent has not challenged by way of a Response) include the following narrative.

“The last item of business was Shane’s continued ownership of the naturewatch domain names (naturewatch.org.nz), naturewatch.co.nz, and naturewatch.nz). Shane agreed when NatureWatch NZ launched that he would transfer the ownership of the naturewatch domains to the Trust. This almost happened in 2015 when the domain names came up for renewal. However, Shane was overseas at the time and the transfer paperwork could not be completed.

Shane now lacks confidence in the direction and performance of the Trust (as discussed above and see AGM minutes) and would like assurances that things will improve before the domain names are transferred. He would otherwise want the option of doing something else with them. This made the other Trustees nervous and they see this as a potential risk to their work promoting the NatureWatch NZ brand and online community.

Shane repeated that he wants to get a better feeling for the direction of the Trust before releasing the domain names. He remains uncomfortable with the many “illegal” and “totally unethical” issues he sees within the Trust.

Shane: These issues need to be resolved before we discuss the Trust ‘commandeering’ the NatureWatch brand.”

- 4.19. The minutes show that there followed a fairly tense discussion with the Respondent objecting to various directions for which the Complainant was heading. The other trustees accused the Respondent of holding the Complainant “to ransom”, an accusation which the Respondent denied. He admitted that he did not have a “Plan B” “to do with the domain at the moment”. He continued to express disappointment with what the other trustees were planning for the Complainant.
- 4.20. On 25 October 2017, Mr Sullivan sent the following email to the Respondent:

“We are writing to outline our position following the meeting on 30 June. The details of that meeting are contained in Jon’s Minutes that were circulated after that meeting.

As you know, your proposal was to transfer the domain to the Trust once you were satisfied with the direction of the Trust. We have subsequently discussed this and unanimously agree that we cannot accept your proposal for the reasons that follow.

The NatureWatch NZ project started more than five years ago, when the (now) Trustees met to produce the first version of the NatureWatch NZ with Egressive. As part of that process we considered various names, and then asked our NZBRN users to vote on their favourites. ‘NatureWatch NZ’ was the preferred option.

While you owned that domain, you said you were willing to pass that domain to the Trust. We have reviewed the emails from the time, and it is clear that there were efforts to transfer the domain to the Trust at the time. For example, while you were overseas and the domain was expiring, you encouraged the Trust to pick up the domain when it became available. We agreed at the time that the domain should remain with you, to avoid the risk of it being acquired by someone else. Accordingly, the domain was reregistered in your name. Nevertheless, it has always been the Trust’s view that you were holding the domain on behalf of the Trust.

We do not wish to overlook your expenses incurred, for example, your annual registration of the domain is appreciated. The Trust is more than willing to pay you for those expenses, and any other expenses you have incurred in maintaining the domain on behalf of the Trust (as was previously offered at Trust meetings).

Therefore we respectfully request that you formally transfer the following domains (naturewatch.org.nz, naturewatch.nz, naturewatch.co.nz) to the NZ Bio-Recording Network Trust within the next 21 days (by 15 November). If not we plan to raise a motion to the Trust to initiate a formal independent mediation process to address this issue.”

- 4.21. There was a further meeting of the Complainant’s trustees which the Respondent attended on 18 December 2017. Mediation and/or expert decision were discussed as options about the domain names. A motion was passed (with the Respondent abstaining) that the Complainant proceed with a formal dispute resolution process.
- 4.22. On 19 December 2017, the Respondent emailed the other trustees and indicated that he would resign from the trust “and free up the NatureWatch brand for another entity”. He mentioned discussions with other potential

entities and if a suitable one were found, he would donate the domain names that to that entity. He said in his email:

“Jon,

That’s charming. Bullying won’t work sorry.

The only things that were established the last time we discussed this were:

- the trust is no financially sustainable for meeting its planned focus and budget commitments (that we discussed and all garred (sic) would be the ideal way to go). There appears to have been no action since. If this doesn’t change it will need to be dissolved.

- the only proposal to address this is the one I put forward (now ca. 3 years ago).

- the only other notable development is Steve’s suggestion of some kind of ‘Trust endorsement’ that people would pay for in return for using the brand name or logo. This is not only unconstitutional it is immoral and counterproductive to citizen science. It will certainly not be happening on my watch.”

5. Parties’ contentions

Complainant

- 5.1. The Complainant is the owner of the disputed domain names which have been associated with the Complainant’s brand (Naturewatch) since 2012. The Complainant launched and maintained an iPhone App via the Naturewatch click box option. The Complainant therefore has rights in the Disputed Domain Names.
- 5.2. The Complainant engaged Egressive to develop its website after all the trustees, including the Respondent, decided that Naturewatch was the best brand for the website. The Complainant made an agreement with the California Academy of Sciences for code development and hosting. It has built a community of more than 8,000 users.
- 5.3. The registration of the Disputed Domain Names in the hands of the Respondent is unfair essentially because the narrative shows that he offered to transfer the disputed domain name to the Complainant which agreed to pay registration fees to ensure continuity of registration in 2012 and thereafter. If the domains are not transferred, the Respondent may use the site to offer views divergent from the Complainant’s. He was a party to a resolution that the Complainant reimburse him for the registration fees. He now refuses to honour his part of the bargain.
- 5.4. Because the Respondent has now disagreements about how the other trustees are running the Trust, he now seeks to renege on his agreement to transfer the Disputed Domain names to the Complainant.
- 5.5. The Complainant has built a significant brand through its Website accessed by the Disputed Domain Names.

Respondent

5.6. The Respondent made no response.

6. Discussion and findings

6.1. The dispute is governed by the Policy, relevant provisions of which are as follows:

“3. *Definitions ...*

‘Rights’ includes but is not limited to rights enforceable under the New Zealand law. However, a complainant will be unable to rely on rights in the name or term which is wholly descriptive of the complainant’s business.

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*

4.1.2 *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 fake 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. Failure on the Respondent’s part to use the Domain Name for the purposes of email or web-site is not in itself evidence that the Domain Name is an Unfair Registration (see Paragraph 5.2).
- 6.3. In making their (sic) decision the Expert shall not take into account any evidence of acts or omissions amounting to Unfair Registration or Use which occurred more than three (3) years before the date of the Complaint (see Paragraph 5.4).
- 6.4. An authority which is helpful in deciding on both matters which have to be proved is a decision of the Appeal Tribunal under the Nominet domain name resolution regime in England. The New Zealand Policy is modelled on the English one. The decision is important because it deals with the situation where there has been no abusive behaviour of the sort listed in the Policy but there is a contractual dispute over ownership of the Disputed Domain Names.
- 6.5. That case is *David Munro v Celtic.com. Inc* (2007) (DRS 04632). The Chair of the Appeal Tribunal was Mr Tony Willoughby who is a recognised authority on domain name disputes. That decision has been followed in New Zealand in an erudite decision from the Expert, Mr W A Smith (now Associate Judge Smith) in *Khulusi v A & Net Co. NZ Limited* (DRS 646), 27 June 2011.
- 6.6. Is the dispute about rights in a name or about rights to a name? Dealing first with the questions of what are “rights” under the Policy, the Appeal Panel said:

“As indicated above, Rights are rights in respect of a name or mark which is identical or similar to the domain name being rights which include, but a not limited to rights enforceable under English law.

Two preliminary issues arise from a consideration of the Rights claimed by the Complainant in this case: first, are the rights to a domain name itself (as opposed to rights in a name or mark identical or similar to the domain name) sufficient to found Rights for the purposes of the Policy? Second, if so. Is a contractual right to use the domain name or to require the transfer of the domain name sufficient to constitute the necessary Rights?

The primary purpose of the Policy (and of similar dispute resolution policies in respect of other domains) is to deal with unfair or abusive registration or use of domain names that trespass on the rights of the owners of trade marks or of those who have acquired similar rights such as to give rise to a claim in passing off under English law. The definition of Rights in the Policy does not, however, exclude rights in respect in respect of the domain name itself or, indeed, contractual rights to the domain name.

Furthermore, the Policy itself clearly recognises that rights (including contractual rights) to a domain name may validly found a complaint under the Policy. Paragraph 3a sets out the following as one of the factors on the non-exhaustive list of those that may be evidence that a domain name is an Abusive Registration:

‘The Domain Name was registered as a result of a relationship between the Complainant and the Respondent, and the Complainant:

A. has been using the domain name registration exclusively; and

B. paid for the registration and/or for the renewal of the domain name registration.’

The underlying assumption is that such circumstances, reflecting a contractual or similar relationship between the parties, may well have given rise to relevant Rights in the first place.

The Panel has also had cited to it a number of DRS cases in which Experts have had to consider whether the relevant rights may include contractual rights. In the majority of those cases, Experts have concluded that contractual rights may suffice for this purpose.

The fundamental issue in this case, however, is the suitability of the DRS to determine contractual disputes. The Panel supports the view expressed by several Experts (including the Expert in this case) that as a general proposition contractual disputes are best left to the courts to resolve.

In addition, there remains the difficulty as to how the Nominet DRS might deal with overseeing the performance of the contract and what jurisdiction it has to do so.

The Scope of the Policy

The significant point to note about this case is that, almost uniquely in the experience of the Nominet DRS, the rights claimed by the

Complainant are purely contractual and nothing about the Respondent's continued use of the Domain Name is claimed to be in any sense abusive, save for the fact that the Domain Name should no longer be in the Respondent's hands.

The Nominet website features the following question and answer:

What is the purpose of the Dispute Resolution Service (DRS)?

Almost all of the tens of thousands of registrations and renewals we make each month are problem-free, but about 1 in 1,600 causes someone to make a complaint. Some examples of the most common types of complain are available.

For most people the court system is too expensive and difficult, so we provide the DRS as a cheap, fair and quick way of dealing with these disputes.

The examples provided on the website are primarily cases where the Complainant has trade mark rights (registered or unregistered). They are all cases where the Complainant has used and/or is recognised by the name or mark in which the rights are claimed."

- 6.7. Note that the UK paragraph 3a quoted is the same as clause 5.4 of the New Zealand Policy. As in the *David Munro* case, in the present case the Complainant has no trade mark rights. It has no registered trade mark and the information supplied falls short of establishing a common law trade mark. Nor are there any of the abusive situations mentioned in the Policy in paragraph 5. Moreover, events prior to 7 February 2015, cannot be considered when unfair registration falls to be decided.
- 6.8. The question is whether the Expert has jurisdiction to determine what is essentially a contractual dispute.
- 6.9. The *David Munro* Appeal Tribunal dismissed an appeal against an Expert's decision to reject the Complaint. Its findings were summarised thus in the *Khulusi* case, also a contractual dispute when the Expert rejected the complaint.

"The fact that the case was virtually unique and (as in the present case) outside the non-exhaustive list of examples of abusive registration set out in paragraph 3 of the Nominet Policy, was not regarded as fatal to the Complaint. However, it did raise the question as to whether this was a set of circumstances contemplated by the legislator (Nominet).

The Appeal Panel in David Munro concluded that, while they are not expressly excluded by the terms of the Nominet UK Policy, contractual disputes will not normally be suitable for determination under the Nominet Policy. Such disputes are generally best left to the Courts to resolve. The Panel noted in that context that Nominet experts were not appointed as experts in the laws of contract, and that a 'significant minority' of the body of Nominet experts were not lawyers at all.

The Appeal Panel in David Munro noted that it was faced with contested issues, including an issue of jurisdiction. What was the proper law of the contract, and what statutory provisions might govern its enforcement? The members of the Appeal Panel found that they were not in a position to come to a clear view on such contractual issues. Another difficulty highlighted by the Appeal Panel was how the Nominet DRS system could deal with overseeing the performance of the contract, and what jurisdiction it would have to do so.

Importantly, the Appeal Panel said:

'Moreover, the Complainant seems to assume that the natural consequence of a finding of breach of contract by a Court will lead inexorably to an order for transfer of the domain name in issue. That is not so. A Court might decide the fair result should be damages award. Yet, the only sanction available to the Panel is transfer (or cancellation). The Panel is not satisfied that in this case an order for transfer of the Domain Name would necessarily be the just result.'

The Appeal Panel concluded on the Rights issue:

'For all the foregoing reasons, the Panel is confident that pure contractual disputes of this kind are out with the scope of the Policy. In all the circumstances, not only is the Panel unable to satisfy itself on the balance of probabilities that the Complainant has Rights but in any event it declines to allow the appeal.'

- 6.10. Whilst the merits appear to lie with the Complainant in that the Respondent agreed to allow the use by the Complainant of the Disputed Domain Names and agreed to the Complainant paying him the renewal charges, the dispute is essentially a contractual one. It needs to be dealt with by the court system and not by a system which primarily deals with abusive or unfair registrations. No doubt a court will take note of the Respondent's apparent use of his ownership of the Disputed Domain Names as a weapon to be used in his disagreement with the Complainant and those who were his fellow trustees.

7. Decision

With reluctance, the Expert determines that this a contractual dispute which authority shows is not within the parameters of the Policy. Therefore, the Disputed Domain Names are to remain with the Respondent.

Place of decision	Auckland
Date	10 April 2018
Expert Name	Hon Sir Ian Barker QC

Signature:

Jan Barber