

.nz Dispute Resolution Service

DRS Reference: 1311

Mega Limited

v

Christian Altimari

Key words -

Identical or similar trade mark or name – Likely to mislead, deceive or confuse – Misspelling – Respondent having no connection with mark or name – Rights – Unfairly disrupting the business of the Complainant

1. Parties

Complainant:

Mega Limited

Represented by Rick Shera, Lowndes Jordan

Respondent:

Christian Altimari
Avenida 7n
132 La Plata
Argentina

2. Domain Name/s

RNEGA.NZ

3. Procedural history

- 3.1 The Complaint was lodged on 20 June 2018 and Domain Name Commission (DNC), notified the Respondent of the validated Complaint on 24 June 2018. The domain/s were locked on 25 June 2018, preventing any changes to the record until the conclusion of these proceedings.
- 3.2 No response was received.
- 3.3 The Complainant paid Domain Name Commission Limited the appropriate fee on 25 July 2018 for a decision of an Expert, pursuant to Paragraph 9 of the .nz Dispute Resolution Service Policy (“the Policy”).
- 3.4 Kevin Glover, the undersigned, (“the Expert”) confirmed to the DNC on 9 August 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 Complainant is Mega Limited, a New Zealand business which offers secure cloud storage services internationally. Its main website is hosted at mega.nz. It has operated for 5 years and has over 100 million registered users.
- 4.2 The Complainant is the owner of various registered New Zealand trade marks which include the word “Mega” in stylised form and/or in conjunction with other material, although it does not own a registration for the word “Mega” by itself. It holds a registration for the letter “M” in stylised form contained in a red circle.
- 4.3 It also claims rights in the word “Mega” at common law based on its trading activities and publicity associated with its business in New Zealand and overseas.

5. Parties' contentions

a. Complainant

- 5.1 The Complainant contends that the Domain Name comprises a word which is similar to the Complainant's business name and trade marks. The Complainant also contends that the Respondent has no right or interest to the words “RNEGA” or “MEGA” (in upper or lower case text), and has been unable to locate a business under that name or other use of “RNEGA” as a mark.
- 5.2 The Complainant further contends that the Domain Name is an Unfair Registration in the hands of the Respondent, in that it has been registered or otherwise acquired primarily for the purpose of unfairly disrupting the business of the Complainant, in terms of paragraph 5.1.1(c) of the Policy.
- 5.3 The Complainant also alleges the Domain Name is being used in 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, in terms of paragraph 5.1.2 of the Policy.
- 5.4 In particular, the Complainant's primary website is mega.nz. When written in lower case, the Domain Name rneganz appears very similar to mega.nz, such that consumers might be confused into thinking that the Domain Name relates to the Complainant's business. The potential for confusion is reinforced by the Respondent's use of imagery which is the same or similar to that used by the Complainant.
- 5.5 The use of the Domain Name is unfairly detrimental in that the website hosted at the Domain Name is an unsecured holding-type page. This might lead users to consider that the Complainant's website and business are unprofessional based on security, loading speed and the website appearing incomplete.

b. Respondent

5.5 The Respondent did not file a response, and had not responded to the correspondence sent by the Complainant's solicitors.

6. Discussion and findings

6.1 This complaint is governed by the Policy.

6.2 Under clause 4.1 of the Policy, the Complainant is required to prove on the balance of probabilities:

- That the Complainant has Rights in respect of a name or mark which is identical or similar to the Domain Name (paragraph 4.1.1); and
- That in each case the Domain Name, in the hands of the Respondent, is an Unfair Registration (4.1.2).

6.3 The term "Unfair Registration" is defined paragraph 3 of the Policy as meaning 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.

6.4 Paragraph 5 of the Policy sets out matters relevant to determination of whether a respondent's registration or use of a domain name amounts to an 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 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 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 trademarks 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.

A. Rights

- 6.5 The first step is to consider the Complainant's rights in relation to the word MEGA, which is similar to Domain Name.
- 6.6 The Complainant has rights in combination and device marks which include the word "Mega". It also has reputation in the mark which is protectable at common law under passing off and the Fair Trading Act, given the substantial number of users worldwide and the publicity undertaken within New Zealand specifically.
- 6.7 The Complainant has established that it has Rights in the word MEGA, and that the word MEGA is similar to the word RNEGA (when written in lower case) for the purposes of the Policy.

B. The domain names were registered primarily for the purpose of unfairly disrupting the business of the Complainant (para 5.1.1(c))

- 6.8 The Complainant's essential allegation is that this is a case of "typosquatting", given the similar appearance of "rneg" and "mega" when written in lower case.
- 6.9 There have been a number of DRS complaints which relate to misspellings. Such cases have involved errors which a user might make when entering a URL into a browser in two categories:
 - (a) the addition of www to the start of a domain name, which would redirect users who failed to enter a full stop after the www (DRS decision 113, wwwbarfoot.co.nz; DRS decision 206, wwwferrit.co.nz; DRS decision 908, wwwgenesisenergy.co.nz); or
 - (b) the misspelling of a word through a typographical error or a spelling error (DRS decision 206, tellecom.co.nz; DRS decision 208, yelllowpages.co.nz, witepages.co.nz, whitpages.co.nz; DRS decision 283, telstaclear.co.nz, telsraclear.co.nz, telstarclear.co.nz; DRS decision 909, genisisenergy.co.nz; DRS decision 1110, warehousestationary.co.nz).
- 6.10 In the present case, however, the risk is not so much that users will stumble across the Respondent's website when undertaking searches or mistakenly enter it when inputting a URL, but rather that the domain name could be used in phishing or other fraudulent activity. In particular, users could be directed to the Respondent's website through emails, thinking that they are in fact visiting the Complainant's website. Such conduct is clearly capable of unfairly disrupting the business of the Complainant.

- 6.11 The next issue to consider is whether the circumstances indicated that the domain name was registered or has been used primarily for the purpose of disrupting the Complainant's business.
- 6.12 In some cases a respondent may have an explanation for their choice of domain name, notwithstanding its similarity to a mark used by another trader. It then becomes a matter for the Expert to assess the credibility of that claimed intended use when considering whether or not the registration is "Unfair" in terms of the Policy.
- 6.13 In this case, however, no explanation has been offered for the Respondent's choice of domain name. In addition, the Complainant has annexed web searches which indicate that a company under that name. The top Google search result for "RNEGA" is the Domain Name, accompanied by the text "rnega provides free cloud storage with convenient and powerful always-on privacy".
- 6.14 The potential for disruption to the Complainant's business is reinforced by the fact that the Respondent uses similar branding to Mega on its website. It is distinctly possible that users might be directed to the Domain Name having been asked to update their credit card details or password, for example, as a means of acquiring that information.
- 6.15 For completeness, the Complainant also advanced arguments that the use of the Domain Name is unfairly detrimental in that the appearance and technical aspects of the website hosted at the Domain Name might lead users to consider that the Complainant's website and business are deficient in various technical respects (e.g. security, loading speed, website is incomplete and appears lacking in professionalism/competence).
- 6.16 It is not necessary to determine the complaint by reference to those matters, since the more fundamental point is that users visiting the Domain Name may well think that it is the Complainant's website. That is sufficient to make out an Unfair Registration in itself.

C. Using the domain names in a way which is likely to mislead consumers (para 5.1.2)

- 6.17 For the reasons set out above, the domain name is also being used in a way which is likely to mislead consumers once they have visited the site.

D. Relief

- 6.18 With the Complainant having proven that the Domain Name is an unfair registration in the hands of the respondent, the final issue is the relief to be granted. One option would be to cancel the Respondent's registration, although given the findings above this could simply leave the door open to other parties to register the domain in similar circumstances.
- 6.19 In order to protect the Complainant's rights, and bearing in mind the interest in ensuring that members of the public are not misled or deceived or defrauded, the Expert orders that the domain name be transferred to the Complainant.

7. Decision

7.1 Order for transfer.

Place of decision Auckland

Date 30 August 2018

Expert Name Kevin Glover

Signature

A handwritten signature in blue ink, appearing to read 'K. Glover', with a long horizontal flourish extending to the right.