

LEADR Matter number **auDRP_14_05**

Domain Name Administrative Panel ACN 003 890 444

LJ Hooker Corporation Ltd Complainant ACN 003 890 444

and

ASHI Pty Ltd Respondent CAN 094 320 911

Single member panel

Determination re: ljhookercommercial.com.au

Procedural History

- 1.(a) The completed application was lodged with LEADR by the complainant on 13 May 2014, for decision in accordance with the .au Domain Name Dispute Resolution Policy ("auDRP" or "the Policy"). The Policy was approved by auDA in 2001, commenced operation on 1 August 2002 and in its current form was published as Policy 2010-05 effective 13 August 2010. The Policy includes the Rules for auDRP ("the Rules") and, when LEADR is the panel provider, the LEADR Supplemental Rules for auDRP ("the Supplemental Rules").
- (b) On 15 May 2014, LEADR submitted a copy of the complaint and a request to clarify respondent details and lock the disputed domain name during proceedings to the registrar NetRegistry Pty Ltd.
- (c) On 19 May 2014, the registrar confirmed via email that the domain name in dispute had been locked. LEADR notified auDA of the complaint by email on 22 May 2014.
- (d) On 23 May 2014 LEADR sent by email and as a written notification a copy of the complaint to the respondent, with copies to the complainant. Acknowledgement of notification was received from the respondent on 29 May 2014.

(e) On 12 June 2014 James and Angelo Canceri on behalf of the respondent submitted a response to the complaint.

(f) Further material from the complainant, emailed also to the respondent, was received on 12 June 2014. LEADR by email of same date asked if the document submitted was the complete response. As at date of determination the panel has been advised of no response to that email.

(g) On 17 June 2014 LEADR approached Gregory Burton SC FCIArb MIAMA, a LEADR panellist, to be the single-member panel and provided the case materials on 19 June 2014. On 23 June 2014 the panel submitted the Statement of Impartiality and Independence, as required by LEADR to ensure compliance with the Rules, paragraph 7.

(h) The panel understands that the parties have been advised of the allocation and that as at 23 June 2014 no further response from the respondent had been received by LEADR. LEADR confirmed, in the panel's query in the circumstances, that on or before 30 June 2014 was an appropriate date for submission of the determination.

Outline of parties' contentions

Complainant

2. The complainant relies upon the following matters (summarised) in support of its application to have the domain name transferred to it:

2.1 In relation to para 4a(i) and Note 1 of the Policy: The complainant is commonly referred to as "LJ Hooker", opened its first office in 1928, listed on the ASX in 1947, by 1970 operated one of the largest residential and commercial real estate sales and management businesses in Australia, is currently one of the largest real estate franchise systems in Australia and advertises significantly and through multi-media, including the internet. The complainant's business has been conducted under the trade marks LJH Commercial and LJ Hooker Commercial, with LJ Hooker Commercial being a current registered trade mark (together with LJ Hooker and pictorial variants). The complainant is registrant of the domain name

ljhcommercial.com.au. The disputed domain name is confusingly similar to the foregoing. (It is in fact identical with the substantive part of one registered trade mark.)

2.2 In relation to para 4a(ii) and Note 2 of the Policy: The respondent operated as a franchisee in the complainant's system between 1 April 2005 and 30 June 2013. Under specified terms of the franchise agreement: (a) the respondent was prohibited during the period of the franchise agreement from trading under or otherwise using the name LJ Hooker Commercial because the franchisee was required to add the territory of the franchise as a suffix to any trading under or use of that name and unauthorised use of the complainant's trade marks or names was prohibited; (b) at the end of the franchise agreement the respondent was required to cease using LJ Hooker Commercial – Liverpool and the complainant's trade marks, trading name or corporate name; (c) after the period of the franchise agreement the respondent was prohibited from using any trade marks, trading name, corporate name, colour or logo which contained or was confusingly or deceptively similar to the trade marks or the business name or image of LJ Hooker; (d) the respondent was permitted only as authorised to use the complainant's Intellectual Property (broadly defined) during the period of the franchise agreement and only in relation to the services for which the IP was registered, and acquired no interest in the IP. On 29 November 2012 the respondent was notified that the franchise agreement would not be renewed for a further term – the fixed term had expired on 30 June 2012 but trading was permitted to continue on a month-to-month basis until no later than 31 May 2013 to enable orderly winding-up. On 11 February 2013 the respondent registered the disputed domain name. By email 10 December 2013 the respondent represented that it has simply registered the disputed domain name and there was no intended or actual use.

2.3 In relation to para 4(a)iii and (b) of the Policy: There is no legitimate explanation for the registration. In the above circumstances, which include no legitimate non-commercial or fair use of the disputed domain name, the inference is that the registration was to prevent the complainant reflecting its name and trade mark in a corresponding domain name. In discussions prior to 4 December 2013 the respondent demanded that the complainant purchase the disputed domain name. An invitation to purchase was repeated in subsequent communications together with

a claimed entitlement to receive and consider offers in the open market.

Respondent

3. The respondent makes the following answers (again in summary):

3.1 The respondent's formal response simply stated:

After careful consideration, and as a means of good faith, we would relinquish the domain name: ljhookercommercial.com.au in its current state, should the following condition be met: A one-off transfer fee of \$500.00 is paid to ASHI PTY LTD. This fee is indicative of the charges we would incur from our web development company as a direct result of transferring over the domain name promptly. Should LJ Hooker Corporation Limited accept the above term, we would relinquish any rights to the domain name and transfer ownership of the domain name to LJ Hooker Corporation Limited.

3.2 In an email sent on its behalf on 10 December 2013 (provided as part of the complainant's initial material), the respondent emphasised the separateness of the domain name registration system from the trade mark registration system (with no automatic rights in the former from the latter), said that mere registration without trading use of a domain name is not infringement of a trade mark and denied a breach of the franchise agreement because there was no express mention in it of domain names.

3.3 In its response email on 18 December 2013 (provided as part of the complainant's initial material), the complainant pointed to the broad definitions of Intellectual Property and Business Name in the franchise agreement and to the prohibition on unauthorised use of the names LJ Hooker and Hooker in any name, which was said to include a domain name.

Submission of further material from each party

4. The complainant submitted further material, emailed also to the respondent, dated 12 June 2014, as follows:

I refer to your email to Mr Frudd [LEADR's administrator in respect of the dispute] late on 11 June 2014. As I understand your letter, it is an offer to sell the domain

name ljhookecommercial.com.au to LJ Hooker Corporation Limited for \$500. The domain name was registered on 11 February 2013 with NetRegistry as registrar. The current normal retail price offered by NetRegistry for a .com.au domain name is \$17.48 per year and your total out of pocket expenses would be \$34.96 to date. The remaining \$465.04 you indicate is "indicative of the charges you would incur" without any further basis. Given that the transfer of the domain name can be effected simply by resolving this dispute, the \$465.04 would actually be your profit in the transaction. You again confirm that ASHI PTY LTD holds this domain name in bad faith and is willing only to sell the domain name for a monetary amount that far exceeds your documented out-of-pocket expenses. Simply put, you are looking to profit from a domain name you have no legitimate interest in. LJ Hooker does not accept your offer to sell the domain name to it for \$500.

5. The panel has clear power to permit either or both parties to put further material before it, in writing and/or in a hearing: auDRP Sch B paras 10, 12, 13. However, the usual course is that the complaint is determined on the material provided in the first instance by each party: auDRP Sch B para 15. The policy of administrative determination within tight time parameters and minimal cost, with the parties left to their curial rights if dissatisfied, would not be served by too easy a dispensation from the usual course which is known to the parties when they file their material.
6. In circumstances where the respondent in effect invites a response from the complainant, I have taken into account that response, in so far as it provides information but not argument.

The auDRP requirements to be proven by the complainant

9. The matters which the complainant is required to establish are set out in paragraph 4a of the Policy:
 - (i) [the] domain name is identical or confusingly similar to a name (Note 1), trademark or service mark in which the complainant has rights; and
 - (ii) [the respondent] has no rights or legitimate interests in respect of the domain name (Note 2); and
 - (iii) the domain name has been registered or subsequently used in bad faith.

Note 1

For the purposes of this policy, auDA has determined that a "name ... in which the complainant has rights" refers to:

- (a) the complainant's company, business or other legal or trading name, as registered with the relevant Australian government authority; or
- (b) the complainant's personal name.

Note 2

For the purposes of this policy, auDA has determined that "rights or legitimate interests in respect of the domain name" are not established merely by a registrar's determination that the respondent satisfied the relevant eligibility criteria for the domain name at the time of registration."

The complainant bears the onus.

10. Paragraph 4c of the Policy provides that "any of the following circumstances, in particular but without limitation, if found by the panel to be proved based on its evaluation of all evidence presented, is to be taken to demonstrate [the respondent's] rights or legitimate interests to the domain name for purposes of para 4a(ii):
 - (i) before any notice to [the respondent] of the subject matter of the dispute, [the respondent's] bona fide use of, or demonstrable preparations to use, the domain name or a name corresponding to the domain name in connection with an offering of goods or services (not being the offering of domain names that [the respondent] has acquired for the purpose of selling, renting or otherwise transferring); or
 - (ii) [the respondent] (as an individual, business, or other organisation) ha[s] been commonly known by the domain name, even if [the respondent] has acquired no trademark or service mark rights; or
 - (iii) [the respondent is] making a legitimate non-commercial or fair use of the domain name, without intent for commercial gain to misleadingly divert consumers or to tarnish the name, trademark or service mark at issue."

11. Paragraph 4b of the Policy provides that, for the purposes of para 4a(iii), the following circumstances, in particular but without limitation, shall be evidence of the registration and use of a domain name in bad faith:
 - "(i) circumstances indicating that [the respondent has] registered or [the respondent has] acquired the domain name primarily for the purpose of selling, renting, or otherwise transferring the domain name registration to another person for valuable consideration in excess of [the respondent's] documented out-of-pocket costs directly related to the domain name; or

(ii) [the respondent has] registered the domain name in order to prevent the owner of a name, trademark or service mark from reflecting that name or mark in a corresponding domain name; or

(iii) [the respondent has] registered the domain name primarily for the purpose of disrupting the business or activities of another person; or

(iv) by using the domain name, [the respondent has] intentionally attempted to attract, for commercial gain, Internet users to a web site or other online location, by creating a likelihood of confusion with the complainant's name or mark as to the source, sponsorship, affiliation, or endorsement of that web site or location or of a product or service on that web site or location.”.

Discussion and decision on each auDRP requirement

Identical or confusingly similar

12. As to the first auDRP requirement in para 4a(i) of the Policy, the complainant has current registration of a trade mark which is identical to the disputed domain name.
13. Accordingly, the first requirement is made out on this basis, although the material also discloses strong alternative bases supporting that conclusion.

Rights and Legitimate Interests

14. Turning to the second requirement in para 4a(ii) of the Policy, the onus is on the complainant to make out a *prima facie* case on that issue; the onus then moves to the respondent to rebut the *prima facie* case if it can, with the ultimate burden being on the complainant.
15. As Note 2 to para 4a(ii) makes clear, a decision by a registry that the disputed domain name meets the eligibility requirements for registration as a domain name does not of itself affect rights to challenge the use by that registrant (the respondent) of the domain name. The registration and use of the disputed domain name is subject to a distinct and more formal determination process pursuant to the Policy and by an independent panel. There is no evidence of a contest at time of registration.

16. Here, the respondent by its own admission has not used the disputed domain name.
17. Further, there is no evidence that the respondent has been commonly known by the disputed domain name. Even when the respondent was a franchisee, the name by which it was known had an additional territorial element. In any event, being known by that name was subject to contractual limitation.
18. The respondent advances no other basis for a claim of right or legitimate interest in the disputed domain name.
19. The panel finds the second requirement is made out.

Alleged registration or use in bad faith

20. Turning to the third in para 4a(iii) of the Policy, the respondent has admitted it has not used the disputed domain name and has offered to sell it to the complainant or others on the open market, which infers a return above the minimal amount of documented out-of-pocket costs directly related to the disputed domain name. The documented out-of-pocket costs are minimal.
21. Further, registration occurred when the respondent was in a period that it knew of the termination of its franchise relationship with the complainant and must be taken to have known that it was, at least strongly arguably, contractually prohibited from using the complainant's name.
22. In that last respect, the panel considers that the contractual prohibition, if properly interpreted according to the usual principles governing interpretation of commercial contracts, should not be read literally so as to relate *only* to literal use of the same words as the respondent's name and no others. Here the respondent's name was incorporated into the disputed domain name and the generic additional word commercial gained its significance only from its association with the complainant's name.
23. However, even if the contractual prohibition was given such a literal meaning, the

panel considers that there are sufficient circumstances to support an inference within the terms of paras 4b(i), (ii) and (iii) of the Policy or any one or more of them. A more commercially appropriate reading of the contractual prohibition simply reinforces that conclusion.

24. Accordingly, the panel finds the third requirement is made out.

Concluding matters

25. The panel does not consider that the complainant's offer to pay the respondent's reasonable registration expenses in return for a swift transfer of the disputed domain name should be a relevant consideration in determining relief. The offer was made during discussions and written communications prior to lodgement of the complaint and in an effort to resolve it without formal process, That was refused by the respondent and the complainant has been required to engage in the expense and delay of formal process, which it cannot by this administrative process recover from the respondent.

26. The complainant is unquestionably qualified to hold the disputed domain name.

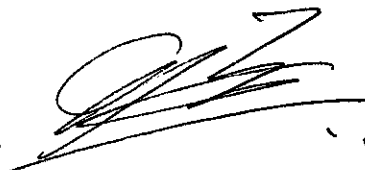
26. There is no reason to deny the complainant the relief it seeks of compulsory transfer to it of the disputed domain name.

Determination

36. The complaint is determined in favour of the complainant. The disputed domain is to be transferred to the complainant.

29 June 2014

Determining Panel
Gregory Burton SC, FCIArb, MIAMA



Liability limited by a scheme approved under Professional Standards Legislation in addition to under the auDRP.