

**Determination re: costumesdirect.com.au**

1. We received the complaint, response and procedural history on 6 April 2011.

**Outline of parties' contentions**

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

2.1 The only difference between the complainant's prior registered business name and domain name and the disputed domain is the letter "s" on "costume" which is insubstantial: the test in auDRP Sch A para 4a(i) is satisfied. *Regional Publishers LEADR auDRP\_10\_03* was referred to.

2.2 The complainant has gained a reputation in the costume hire industry since 2003 and that reputation has been associated with the complainant's registered business name and domain name since November 2008, giving the complainant common law rights in the name "costume direct". The disputed domain name does not reflect any business name, trade name or company name of the respondent, the respondent does not conduct any business under the disputed domain name, and there is otherwise no, or no substantial or close, connection between the respondent and the disputed domain name. The respondent has registered 27 other domain names; the sites have similar appearance with the disputed domain name site and similar use of Google AdSense. The number and diversity of the names and sites infers that the respondent is not conducting business under each of them, as at 3 Feb 11 the respondent admitted on a blog that he did not presently stock any costumes, and the respondent modified his site after receiving the complainant's solicitors' letter of demand. One cannot hire a costume direct from the respondent's website, contrary to statements on the website which are

accordingly misleading or false; one is referred by links or AdSense to other sites; this infers that the respondent is not operating a costume hire business but, rather, has registered a monetised website. The test in auDRP Sch A para 4a(ii) is satisfied.

2.3 Substantially the same matters as in 2.2 are relied upon to satisfy the test in auDRP Sch A para 4a(iii).

3. The respondent makes the following answers (again in summary and with some interpolated comment and qualification):

3.1 There is no confusion with “costume direct” – a google search reveals the complainant has the first four listings.

3.2 There are many business names, trade names and domain names using “costumes direct” as part of the name. Both terms are generic and such generic terms are frequently used in domain names. The respondent referred to *Opinion Surveys* WIPO D2000-1630 [see esp at para 6].

3.3 Internet users searching for costumes or similar generic terms relating to costumes are searching for general information and product, not the complainant’s business. On a search under “costumes” the respondent’s site is listed number 4 and the complainant’s is not on the first page, so there could be no confusion.

3.4 The complainant has no visible web presence for anything other than her business name.

3.5 The complainant’s website with the domain name “costume direct” links to the complainant’s other website “all costumes great and small” and her Facebook page has that latter name.

3.6 The complainant has engaged in reverse name hijacking by registering since the dispute was initiated the domain name costumesdirect.net.au.

3.7 The respondent conducts an online costume hire business presently with manual ordering. Online ordering, and physical business sites, are being implemented. The respondent has affiliation agreements with businesses whose websites are linked to the disputed domain name site.

3.8 The diversity of domain name registration by the respondent infers his entrepreneurial approach, not the inference alleged by the complainant. The site was modified two weeks after receiving the letter of demand.

3.9 Google AdSense is an additional, not the only, stream of revenue from the site.

3.10 The respondent undertook due diligence, including relevant name searches, before applying for registration of the disputed domain name. As at 20 Mar 11 there was still no name the same as the disputed domain name registered as a business name or trade mark. The respondent looked for a generic suffix "direct" after being told that costumes.com.au was already registered.

3.11 The complainant offers no evidence to substantiate the claims of bad faith registration for on-sale or to prevent the complainant registering the name or to disrupt the complainant's business, all of which intents are denied. The complainant did not register the disputed domain name for over a year after registering its business name and domain name; one can infer that was a deliberate choice.

## **Complainant's application to submit further material**

4. The complainant by letter dated 28 Mar 11 sought the opportunity to put before us further material in reply to the matters raised by the respondent but did not indicate on which matters the complainant wished to submit such further material. The respondent by email of same date resisted that application being granted.
5. We have clear power to permit either or both parties to put further material before us, in writing and/or in a hearing: auDRP 2010-05 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 our view there was nothing surprising in the material put forward by the respondent, apart from the claim of reverse domain name hijacking to which the complainant did not specifically seek to respond and on which in any event we have found there is insufficient material before us from the respondent to make out the allegation. It was the type of material central to the issues in the complaint which could reasonably have been anticipated by the complainant to have been advanced in a contest. In a situation where it is known to the parties that the usual position is that a party has one turn to put material forward on the determination, a complainant needs to put forward all relevant material on the central issues and anticipate what may reasonably be said by the respondent in a contest. It is also relevant to the decision to decline to exercise our discretion that the complainant failed in the first instance (for the reasons we set out below), before considering any material filed by the respondent, to discharge her onus of proof in relation to all the necessary elements for her complaint to be successful.

7. We accordingly refuse the complainant's application to put forward further material.

### **The auDRP requirements to be proven by the complainant**

8. The matters which the complainant is required to establish are set out in para 4a of Sch A to the auDRP 2010-05:

“(i) the domain names are 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 names (Note 2); and

(iii) the domain names have 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.”

We deal with each of those requirements in turn. On each of them, and overall, the complainant bears the onus.

Further the complainant must overcome the requirement set out in auDRP

2010-05 Sch A paragraph 4c which 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 rights or legitimate interests to the domain name for purposes of para 4(a)(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 he has acquired for the purpose of selling, renting or otherwise transferring); or

(ii) the respondent (as an individual, business, or other organisation) has 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.

### **Discussion and decisions on each auDRP requirement**

9. As to the first auDRP requirement, the complainant does not have a registered trade mark to which the disputed domain name she claims is identical or similar. There is no direct evidence before us that the complainant's domain name, apparently registered in November 2008 for two years, has had its registration renewed, although that appears to be the case from consulting the register itself and from the acceptance of the complaint for determination. There is no material which shows what use the complainant makes of the domain name, although going to the website with that domain name discloses an online ordering facility for costumes from that website in addition to links to the complainant's other website and similarly named physical business "All Costumes Great and Small".
10. However, the complainant has current registration of a business name "Costume Direct". That is sufficient to establish that the complainant has

rights in the name: auDRP 2010-05 Sch A para 4a(i) and Note 1.

11. Although the names “Costume Direct” and “Costumes Direct” are not identical, they are the same apart from one letter. That letter does not change the nature of what is direct and is otherwise insubstantial: *Tigers Direct* WIPO DAU 2010-005 at section 6A (although in that case the complainant had a registered trade mark). There is no other distinguishing part of the name such as in the examples raised by the respondent, for instance, “Cute Costumes Direct”.
12. Even if the words are generic or descriptive, matters relevant to the general law and to the dispute resolution policy in its earlier versions or in its form in other jurisdictions, that is not the test under auDRP 2010-05 Sch A para 4a. One simply compares the words, in this case in the business name and in the disputed domain name. On that comparison, the domain name and the complainant’s business name are confusingly similar.
13. Primarily for the reasons in paras 10 to 12 above, we consider that the first requirement is made out by the complainant.
14. Turning to the second auDRP requirement, a decision that the 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: refer Note 2 to auDRP 2010-05 Sch A para 4a.
15. However, on the material before us, even if one looks only at the material provided by the complainant, the respondent has a website using the disputed domain name with substantial content about the sale of costumes. The site is not *simply* monetised and, even if a monetised website, comes within the requirements of para 4.3 of Domain Monetisation Policy 2008-10 as governed by paras 4.4 to 4.6 and the generic nature of the terms in the disputed domain name. The respondent’s descriptive use started after the registration of

the complainant's business name and domain name - although it is not in the material before us when the complainant started to use her domain name to sell costumes online, as opposed to linking to her costume hire business under the other name she uses; contrast *Cafedirect plc* WIPO D2011-035 at sections 6B-6D. Putting those last two matters at their highest for the complainant, they still don't establish that the respondent's descriptive use of the disputed domain name is such that the respondent has no right to or legitimate interest in the disputed domain name.

16. Responding to the complainant's sub-joined submissions on this topic, we do not consider, on the limited evidence put before us, that the complainant has established her asserted reputation in the descriptive terms, used together, "costume" and "direct". A secondary meaning based on reputation is required to establish common law rights in such descriptive terms. A business name does not of itself establish a reputation. The complainant did not attempt to distinguish between reputation arising from her two websites only one of which contains the relevant descriptive terms.
  
17. Further, an exact match with the respondent's name is not required, only a close and substantial connection. That is sufficiently established, in the absence of further evidence from the complainant, by the matters referred to in the first two sentences of 15 above. Registration of large number of domain names does not in itself indicate that the respondent has no interest in the disputed domain name. If that contention was correct then many large companies with large brand portfolios could be said to have no legitimate interest in those brands. The complainant did not suggest that any of the other domain names registered by the respondent was other than descriptive. The other matters raised by the complainant in themselves, or taken together but without sufficient to make out the central matters we have dealt with above, are insufficient to establish the second requirement. The position is very different from that in the case cited for the complainant, *Regional Publishers re southernhighlandnews.com.au* LEADR auDRP 03/10, where

there was evidence to establish common law rights in the relevant name, a trade mark application, the relevant name in any event was arguably not descriptive or generic when taken as a composite whole, and where the respondent (leaving aside failure to respond to the letter of demand, no active business and de-registration) had no active website with any content.

16. We accordingly find that the complainant has not made out the second requirement.
17. Turning to the third auDRP requirement, as we stated earlier, there is no material before us which shows what use the complainant made of her domain name at any particular point in time, including prior to and at the time of registration by the respondent of the disputed domain name. When this is coupled with the absence of material to challenge the respondent's apparent legitimate interest in the disputed domain name from the descriptive nature of the respondent's use of it and the other matters we have referred to in relation to the second auDRP requirement, the complainant has not laid the base for the necessary inference that the respondent had the complainant's business in mind when registering the disputed domain name or was even aware of the complainant's business before the complainant's solicitors' letter shortly prior to the complaint being initiated; this is the difficulty when there is an inherent descriptiveness in the name under consideration in which distinctive rights are claimed: *Hornsby Building Information Centre v Sydney Building Information Centre Ltd* (1978) 140 CLR 216 at 229. There is no other basis in the material before us to support bad faith in the respondent.
18. We accordingly find that the complainant has not established the third requirement.
19. In the result, we do not find the complaint made out on the material before us.
20. The respondent raised allegations in its response about reverse name

hijacking by the complainant. There is insufficient material before us to establish such an allegation.

## **Determination**

### **21. The complaint is determined against the complainant.**

21 April 2011

Determining Panel

Gregory Burton SC (chair nominated by LEADR), Alan Limbury, Steve White

### **Steve White, Panelist – additional comments**

22. I concur with the outcome and the decision of Mr Burton SC and Mr Limbury which I assisted, in part, in writing.
23. Unfortunately, notwithstanding that the Panel has worked hard in the allocated time we have not reached consensus on all issues. Given more time we may well have done so. It is important to note that 15 days for a three panel decision is not a long time to determine an important dispute such as this one.
24. It is also relevant to note that it is not often that a three member panel is convened under the auDRP and that this particular decision may be relevant for the issues of domain monetisation and whether or not conduct post registration is relevant in ascertaining the rights and legitimate interests of the Respondent to a domain name under the auDRP.
25. Accordingly, I set out my views where they slightly differ from the majority.
26. In relation to whether or not the Complainant should be permitted to file more material I agree with the majority decision save to say that to address any issues of procedural fairness I would be prepared to accept the Complainant's

submission that the Respondent was engaged in domain name monetisation (eg he is a domainer). In this regard I would accept these matters as collectively establishing that contention:

- a. that the Respondent has no business name, company name or trade mark application (or registration) for "costumesdirect";
- b. that the Respondent has Google AdSense advertisements on the site [www.costumesdirect.com.au](http://www.costumesdirect.com.au);
- c. that the Respondent has registered the following domain names. [postiebike.com.au](http://postiebike.com.au), [portablewifi.com](http://portablewifi.com), [ecorhythmsdesign.com.au](http://ecorhythmsdesign.com.au), [drivingschooldirectory.com.au](http://drivingschooldirectory.com.au), [petrolremotecontrolcar.com.au](http://petrolremotecontrolcar.com.au) and [abortionclinics.com.au](http://abortionclinics.com.au) each of which had a similar appearance and use the same Google AdSense setup.
- d. that the Respondent's website demonstrated that a consumer cannot hire or purchase a costume from the Respondent's website but must click on one of the AdSense advertisements which redirect the customer to different businesses.
- e. that the Respondent said on his website on 3 February 2011 "*I am monetising the domain through AdSense as I do on a lot of my websites but I also will be soon selling stock from this site in particular (via affiliate and my own stock). I'm inclined to tell them to just fuck off and complain to auDA (they're threatening they will do that anyway).*"

27. The Respondent denied none of those contentions. The Respondent further simply stated that he intended to trade under the name [constumesdirect.com.au](http://constumesdirect.com.au) on his own account and open shops in Melbourne and Sydney. In procedural fairness to the Complainant I do not propose to accept that further submission without the opportunity for the Complainant to

fully respond to same.

28. The issue of domain monetisation is one of considerable and long standing interest to the internet community in Australia. Indeed, it was a particular driver of policy even prior to .auDA's appointment as controller of the .com.au 2tld when Mr Elz controlled same.
29. .auDA accepted, in part, some of those principles in some unique policies which do not appear in the UDRP. Accordingly, in construing the auDRP UDRP decisions should be approached with caution.
30. Those important policies are (my emphasis):

*.au Dispute Resolution Policy (auDRP) (2010-05)*

**Schedule A**

**2. Your Representations.** *By applying to register a domain name, or by asking us to maintain or renew a domain name registration<sup>1</sup>, you hereby represent and warrant to us that (a) the statements that you made in your domain name application are complete and accurate, including those as to your eligibility for a domain name in the open 2LD; (b) to your knowledge, the registration of the domain name will not infringe upon or otherwise violate the rights of any third party; (c) you are not registering the domain name for an unlawful purpose; and (d) you will not knowingly use the domain name in violation of any applicable laws or regulations It is your responsibility to determine whether your domain name registration infringes or violates someone else's rights.*

...

*4c. How to Demonstrate Your Rights to and Legitimate Interests in the Domain Name in Responding to a Complaint. When you receive a complaint, you should refer to Paragraph 5 of the auDRP Rules in determining how your response should be prepared. 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 your rights or legitimate interests to the domain name for purposes of Paragraph 4(a)(ii):*  
*(i) before any notice to you of the subject matter of the dispute, your 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<sup>2</sup> (not being the offering of domain names that you have acquired for the purpose of selling, renting or otherwise transferring); or*  
*(ii) you (as an individual, business, or other organisation) have been commonly known by the domain name, even if you have acquired no trademark or service mark rights; or*  
*(iii) you are 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.*

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<sup>1</sup> This provision can be found in UDRP p2, <http://www.icann.org/en/udrp/udrp-policy-24oct99.htm>

<sup>2</sup> This provision can be found in UDRP p4, <http://www.icann.org/en/udrp/udrp-policy-24oct99.htm>

*Domain Name Eligibility and Allocation Policy Rules for the Open 2LDs (2008-05), Schedule C entitled ELIGIBILITY AND ALLOCATION RULES FOR COM.AU*

*2. Domain names in the com.au 2LD must be:*

- a) an exact match, abbreviation or acronym of the registrant's name; or*
- b) otherwise closely and substantially connected to the registrant.*

*Domain Monetisation Policy (2008-10) which provided in part:*

## **2. TERMINOLOGY**

*2.1 This policy uses the following terms:*

- a) "domain monetisation" means registering a domain name in order to earn revenue from a monetised website;*
- b) "monetised website" means a website or landing page that has been created for the purpose of earning revenue from advertising, including monetised domain parking pages;*
- c) "domainer" means a person who has registered a domain name under the close and substantial connection rule for the purpose of domain monetisation;*
- d) "entity name" means the name of an Australian registered company or incorporated association as listed with the Australian Securities and Investment Commission (ASIC), or the name of an Australian government body. It does not include a registered business name;*
- e) "personal name" means the given name(s) and/or last name of a person; and*
- f) "brand name" means the name of an identifiable and distinctive product or service, whether commercial or non-commercial.*

## **4. DOMAIN NAMES REGISTERED FOR PURPOSE OF DOMAIN MONETISATION**

*4.1 It is acceptable to register domain names under the close and substantial connection rule for the explicit purpose of domain monetisation within the category "a service that the registrant provides". The "service" being provided by a domainer is the service of providing users with information and advertising links about the subject matter of the domain name.*

*4.2 If a domain name resolves to a monetised website then auDA is entitled to regard the domain name as having been registered for the purpose of domain monetisation under this policy. auDA is also entitled to take into account a pattern of conduct on the part of the registrant in determining whether or not a domain name was registered for the purpose of domain monetisation under this policy.*

*4.3 In addition to their obligations under auDA Published Policies and the Registrant Agreement (domain name licence), domainers must comply with the following conditions of use:*

- a) the content on a monetised website must be related specifically and predominantly to the domain name; and*
- b) the domain name must not be, or incorporate, an entity name, personal name or brand name in existence at the time the domain name was registered.*

*4.4 The condition in paragraph 4.3a) is intended to ensure that the close and substantial connection between the domainer and the domain name is visible and meaningful to users. If the content of a monetised website does not relate to the domain name in any discernible way, then the domainer is not providing the service described in paragraph 4.1 and the close and substantial connection rule is not satisfied.*

*4.5 A "reasonableness test" is used to determine whether the content on a monetised website satisfies paragraph 4.3a), ie. would a reasonable person regard the content as related specifically and predominantly to the domain name? For example, a monetised website at [www.shoes.com.au](http://www.shoes.com.au) would need to contain information and advertising links about shoes and/or shoe manufacturers and suppliers. If the website contained information and advertising links about clothing in general including shoes, then it would not be acceptable under the close and substantial connection rule.*

*4.6 The condition in paragraph 4.3b) is intended to ensure that domain monetisation is not used as a cover for cybersquatting or other misleading or fraudulent activity. In determining whether a domainer is in breach of paragraph 4.3b), auDA will take into account whether the domain name is a generic word or may have an alternative meaning which is not related to a specific entity, person or brand.*

31. In this matter the Complainant submits that domain name is not an exact match, abbreviation or acronym of the registrant's name. I accept that submission. However, the Complainant also needs to establish on the balance of probabilities that the Respondent does not have a close and substantial connection with the domain name.
32. It is clear on the Complainant's own material (see Schedule 1 to these reasons) that the Respondent went to some lengths to promote various different genres of costumes and then refer consumers visiting his website to relevant websites offering those costumes. In my view that material satisfies (2010-05) Schedule A 4c(i) and (2008-10) 4.3(a) above.
33. I also note that (2008-10) 4.3(b) should be read subject to (2008-10) 4.6 which provides in effect that consideration should be had to whether or not the domain name is a generic word or may have an alternative meaning which is not related to a specific entity, person or brand. I have had regard to the generic nature of the domain name and or its secondary meaning of costumes being able to be purchased directly from vendors and find the Respondent has satisfied (2008-10) 4.3(b).

34. It follows therefore that Respondent has a legitimate interest in the domain name and the complaint must fail.
35. In my view it is clear that the Respondent is pushing the boundaries of Domain Monetisation Policy (2008-10). However, whilst he continues to continue to comply with the relevant policies he is entitled to do so.
36. In so finding it is apparent that in my view conduct post registration in auDRP disputes is relevant. It further follows that in my view the Complainant would be free to bring an another application *de novo* should the Respondent's post registration conduct change.

Liability limited for each panel member by schemes approved under Professional Standards Legislation in addition to under the auDRP