



DOMAIN NAME DISPUTE ADMINISTRATIVE PANEL

Case No .au DRP._16_09

Single Panellist: Alan L. Limbury

Axios IT Pty. Ltd. v. Strata Voting Pty. Ltd.

1. THE PARTIES

The Complainant is **Axios IT Pty. Ltd., (ABN 94 114 708 753)** of Adelaide, South Australia, represented by a director, Mr. Jason Goodridge.

The Respondent is **Strata Voting Pty. Ltd., (ABN 61 161 143 853)** of Narangba, Queensland, represented by Morgan Conley Solicitors Pty Ltd, of Brisbane, Queensland.

2. THE DOMAIN NAMES AND REGISTRAR

The domain names in dispute are <**stratavote.com.au**> and <**stratavote.net.au**> ("the Domain Names"), both registered with CrazyDomains ("the Registrar").

3. BASIS OF DETERMINATION

The Complaint was submitted for determination by a single Panellist under the provisions of the 2016-01 .au Dispute Resolution Policy ("the auDRP"), Schedule A ("the Policy") and the Rules for .au Dispute Resolution Policy ("the Rules"). The auDRP was approved by auDA in 2001, commenced operation on 1 August 2002 and was most recently approved by the auDA Board and published as Policy 2016-01 on 15 April 2016. The Policy includes the Rules and Resolution Institute's Supplemental Rules for .au Dispute Resolution Policy ("the Supplemental Rules"). Paragraph 4 of the Policy, which is incorporated into each domain name registration agreement, sets forth the type of disputes for which domain name registrants are required to submit to a mandatory administrative proceeding.

4. PROCEDURAL HISTORY

The complaint was submitted to Resolution Institute ("RI") on December 19, 2016 for decision in accordance with the Policy. Receipt was acknowledged that day. On December 20, 2016, RI transmitted by email to the Registrar a request for registrar verification and that the Domain Names be locked during these proceedings.

On December 22, 2016 the Registrar confirmed that the Respondent is the registrant and that the Domain Names have been locked. That day RI notified auDA of the complaint and sent the Respondent a copy of the complaint by email and post, confirming that the due date for response was January 11, 2017, with a copy to the Complainant. According to the Rules, paragraph 4(c), the Commencement Date of the proceeding was December 22, 2016.

A Response was received by RI on January 11, 2017. That day the procedure for nominating and appointing the Panellist commenced and was completed on January 12, 2017.

On January 12, 2017 RI forwarded the case file to the Panellist and notified the parties of his appointment. The Panel finds that it was properly constituted and has submitted the Statement of Acceptance and Declaration of Impartiality and Independence, as required by RI to ensure compliance with the Rules, paragraph 7.

Also on January 12, the Complainant submitted to RI, with a copy to the Respondent's representative, a supplementary submission. The Respondent objected to the admission of the supplementary submission, saying that if the Panel were disposed to consider it, the Respondent should be permitted to respond. The Complainant indicated that it was prepared to limit its supplementary submission to parts which it described as a summary of points already made.

Pursuant to the Rules, paragraph 12, in addition to the complaint and the response, the Panel may request or permit, in its sole discretion, further statements or documents from either of the Parties. In this case the Panel declines to take into account the Complainant's supplementary submission, while noting that it would not have led to a different outcome.

5. FACTUAL BACKGROUND

The following appears to be common ground between the parties.

In late 2012 Mrs. Dianne Pannell approached the Complainant to discuss the idea of jointly creating a software product to allow users to vote online in body corporate/strata meetings. The discussions led to the signing of a Memorandum of Understanding ("MOU") between the Complainant and Mrs. Pannell on January 10, 2013, which contemplated that, through two entities to be created, the Complainant would develop the product and Mrs. Pannell would market it.

Subsequently, on November 19, 2014, a lengthy agreement with a December 1, 2014 commencement date was entered into between the Complainant and the Respondent, signed by Mr. Goodridge as a director of the Complainant and by Mrs. Pannell as a director of the Respondent ("the Agreement"), under which (in very brief summary of what is material to this Administrative Proceeding) it was agreed that the Respondent would obtain and retain ownership of all intellectual property rights, including software, created by the Complainant, so long as the Respondent fulfilled certain "Minimum Performance Criteria" involving payments to the Complainant, failing which those rights would immediately revert to the Complainant upon its giving a notice under clause 9.5.

The Agreement contemplated, *inter alia*, the contemporaneous assignment from a company called Stratum IP Pty Ltd to the Respondent of Australian registered trademark STRATA VOTE, No. 1596171 registered in classes 9, 35 and 36 on September 18, 2014 with effect from its date of application, December 11, 2013 ("the Trade Mark"). The Trade Mark was duly assigned to the Respondent.

On November 9, 2016 a letter was sent to the Respondent by the Complainant's lawyers, asserting that the Respondent had failed to comply with the Agreement and that the letter constituted a Notice of Reversion of Rights pursuant to clause 9.5. That clause required the Respondent to execute all necessary documents to transfer the Trade Mark to the Complainant, failing which the Complainant was granted an irrevocable power of attorney to do so on the Respondent's behalf.

In reliance on that power of attorney, on December 13, 2016 the Complainant, through its trademark attorneys, lodged with IP Australia an Assignment Recordal Request, seeking transfer of the Trade Mark registration to the Complainant. That request was granted and the assignment was registered on December 20, 2016, after the filing of the Complaint in these proceedings but before the Commencement Date, December 22, 2016.

6. PARTIES' CONTENTIONS

Complainant

The Complainant says the Domain Names, which were registered in 2013 and are therefore subject to the Policy, are identical to the Trade Mark, in which the Complainant has all rights from the date of reversion; the fact that the assignment had not been processed at the date of the Complaint is irrelevant; and that the Respondent has no rights or legitimate interests in the Domain Names, which are being used in bad faith.

As to rights or legitimate interests, the Complainant says the <stratavote.com.au> domain name was registered during the initial setup of the Respondent and was used prior to December 3, 2016 only to market the Strata Vote software. That domain name is intrinsically bound up in the software as a result of the login button being on the website and emails sent from the software directing users back to that domain name. After the reversion of rights, the Respondent has no rights or legitimate interests in maintaining such a site. This is further evidenced by the fact that the Respondent allowed the site to be suspended over the weekend of December 3rd and 4th 2016 and the site has remained offline despite the Complainant's requests that Mrs. Pannell bring it back online. If there were another legitimate use, then surely the Respondent would not allow the site to remain suspended. Further, the <stratavote.com.au> domain name is required to be handed over since the intention of the Agreement is to extinguish any rights the Respondent had in using that domain name after any reversion of rights.

The <stratavote.net.au> domain name has never resolved to the <stratavote.com.au> website, as was the original intention, nor to any other website. Since this domain name has never been used, the Respondent clearly has no legitimate interest in it.

As to bad faith, the Complainant says the Respondent is not licensed to sell or deal with the software that is the subject of the content that was displayed on the <stratavote.com.au> website prior to its suspension. The Respondent had legitimate rights in the site when it was responsible for commercialising the software under the Agreement but from the moment of the Reversion of Rights any continued use of the site would likely confuse potential customers and/or divert enquiries away from the legitimate rights holder, the Complainant. Usage of the Trade Mark on the site in contravention of clause 9.5(b) of the Agreement and failure to hand over "all material...relevant to [the Respondent's] Commercialisation of the Software..." in contravention of clause 9.5(e) of the Agreement further demonstrates use in bad faith. Allowing the site to remain suspended will likely create damage to the Strata Vote brand and is preventing the Complainant from making use of the name that is identical to the registered trademark in the spirit of paragraph 4(b)(ii) of the Policy.

The <stratavote.net.au> domain name was registered merely to prevent any other parties from registering a domain name deceptively similar to <stratavote.com.au>. This is legitimate and not in bad faith so long as it is maintained by the same owners as <stratavote.com.au>, namely the Complainant, as argued above, and properly directed to <stratavote.com.au>.

Respondent

The Respondent says the Administrative Panel is an improper forum and does not have standing to determine the dispute between the parties, which raises critical questions of law, in particular the interpretation of contractual documents. The appropriate forum is a court of competent jurisdiction in Victoria.

The Agreement, not the MOU, is relevant to this dispute and should be interpreted by a court in Victoria. The Respondent objects to the Complainant's summary of the Agreement, particularly clause 9.5, and denies that the Complainant is entitled to the Domain Names pursuant to the Agreement. In any event, no relief can be effected by the Complainant without either the Respondent's consent or determination by a Court.

In addressing eligibility for transfer of the Domain Names under the Policy, the Respondent says the basis of the Complainant's argument is that it has applied for the Trade Mark to be transferred to it. The Respondent did not and does not consent to such transfer. The Respondent denies that the Agreement allows the Trade Mark to be transferred to the Complainant and any steps taken to do so pursuant to the Agreement have been done prematurely and without proper authority. This dispute as to the ability of the Complainant to obtain the Trade Mark is appropriately dealt with by the Courts. The Respondent intends to take steps to ensure the Trade Mark remains the property of the Respondent.¹

As to rights or legitimate interests, the Respondent says any rights the Complainant may have against the Respondent pursuant to the Agreement should be determined by a Court. The Complainant has taken no steps in this regard. As things presently stand the Respondent alone has rights and legitimate interests in the Domain Names until a court of competent jurisdiction determines otherwise.

As to bad faith, the Respondent says there can be no allegation that the Domain Names were initially registered or subsequently used in bad faith. None of the matters listed in paragraph 4(b) of the Policy have been contravened by the Respondent. Whilst arguably the Agreement could give the Complainant some rights, any such rights cannot be enforced until a Court has determined the matter. At this point in time no proceeding has been brought and the Respondent is entitled to use of the Domain Names. The Respondent has done nothing to suggest that the registration or use of the Domain Names has been done dishonestly or in bad faith.

Further, the Respondent says the Agreement does not provide for the Domain Names to be transferred to the Complainant and makes no reference, express or implied, to domain names; the Agreement's dispute resolution provisions have not been complied with; no jurisdiction is conferred on a Panel or on Resolution Institute; rather, jurisdiction is conferred on the courts in Victoria.

7. DISCUSSION AND FINDINGS

Jurisdiction

Paragraph 2.1 of the auDRP provides:

¹ The Panel notes that it appears the Respondent was unaware of the assignment recordal on December 22, 2016 when it filed its Response on January 11, 2017. Nothing turns on this however.

“All domain name licences issued in the open 2LDs from 1 August 2002 are subject to a mandatory administrative proceeding under the auDRP. At the time of publication, the open 2LDs are asn.au, com.au, id.au, net.au and org.au...”

The Domain Names are open 2LDs within the meaning of this provision. They were registered by the Respondent in 2013 and are therefore subject to the mandatory administrative proceeding prescribed by the Policy and incorporated into the registration agreements between the Respondent, as registrant, and the Registrar.

Under paragraph 4(a) of the Policy, a domain name registrant is required to submit to a mandatory administrative proceeding in the event that a complainant asserts to the applicable Provider, in compliance with the Rules, that :

- (i) the domain name is identical or confusingly similar to a name, trademark or service mark in which the complainant has rights; and
- (ii) the respondent to the complaint has no rights or legitimate interests in respect of the domain name; and
- (iii) the respondent’s domain name has been registered or subsequently used in bad faith.

This Panel has been duly appointed by RI, an independent auDA-approved Provider of dispute resolution services pursuant to paragraph 3.1 of the auDRP. Accordingly, contrary to the Respondent’s contentions, this Panel has jurisdiction to determine this proceeding.

Basis of decision

Paragraph 15(a) of the Rules provides:

“A Panel shall decide a complaint on the basis of the statements and documents submitted and in accordance with the Policy, these Rules and any rules and principles of law that it deems applicable.”

Identity or confusing similarity

A critical issue between the parties is whether the Complainant is entitled to the rights it claims in the Trade Mark, a claim strenuously denied by the Respondent and dependent upon the disputed issue whether the Complainant was entitled to exercise its rights under clause 9.5 of the Agreement. Although the Complainant asserts that the circumstances did entitle it to exercise those rights, it has provided no evidence to support the assertion and the issue is not one that this Panel is able to determine. In this respect the Panel accepts the Respondent’s submission that a court of competent jurisdiction is the appropriate forum to determine the proper interpretation of the Agreement; whether the Complainant was entitled to exercise those rights; and, if so, the consequences of the exercise of those rights.

However, the assignment of the Trade Mark to the Complainant has been recorded on the register of trademarks by IP Australia. Accordingly it is appropriate for the Panel to proceed on the basis that, unless and until a court determines otherwise, the Complainant does have rights in the Trade Mark.

The Domain Names are clearly identical to the Trade Mark, the ccTLDs “.com.au” and “.net.au” being inconsequential.

The Panel therefore finds that the Complainant has established that the Domain Names are identical to a trademark in which the Complainant has rights.

Rights or legitimate interests

Prior to November 9, 2016, when the Notice of Reversion of Rights was served upon the Respondent, the <stratavote.com.au> domain name was used by the Respondent to promote the software pursuant to the Agreement and the <stratavote.net.au> domain name was used (passively) by the Respondent to prevent others from registering a deceptively similar domain name. Hence, prior to that date the Respondent had rights and legitimate interests in the Domain Names.

Having regard to the Panel's findings in relation to bad faith, it is unnecessary to determine whether, as a consequence of the Notice of Reversion of Rights, those rights and legitimate interests have been lost.

Registered or subsequently used in bad faith

The Domain Names were registered by the Respondent in 2013 following the signing of the MOU which led to the Agreement of 2014 and the assignment to the Respondent of Australian registered trademark STRATA VOTE, No. 1596171. There is no suggestion that the Domain Names were registered in bad faith nor that, prior to November 9, 2016, when the Notice of Reversion of Rights was served upon the Respondent, the Domain Names have been used in bad faith.

Instead the Complainant says the Respondent is no longer licensed to use the software that was displayed on the <stratavote.com.au> website, so any such use would cause confusion and diversion; that the website's suspension is preventing the Complainant from making use of the name that is identical to the Trade Mark; and that failure to hand over "all material...relevant to [the Respondent's] Commercialisation of the Software..." in contravention of clause 9.5(e) of the Agreement further demonstrates use in bad faith.

As to these assertions, given the dispute between the parties as to whether the Complainant was entitled to deliver the Notice of Reversion of Rights and, if so, whether the Domain Names are required under the Agreement to be transferred to the Complainant, the Respondent cannot be expected to surrender the Domain Names until that dispute is resolved by a court.

Under these circumstances, the Respondent was placed in the situation in which continued use of the <stratavote.com.au> website might be regarded as likely to cause confusion and diversion, as claimed by the Complainant, while suspension of the website would not. The Panel considers that the suspension of the <stratavote.com.au> website is consistent with intent on the part of the Respondent to avoid causing confusion or diversion while the issues in dispute between the parties remain unresolved. This does not amount to bad faith use despite the fact that the website's suspension is preventing the Complainant from making use of a name that is identical to the Trade Mark.

The Complainant says that the <stratavote.net.au> domain name was registered to prevent others from registering a deceptively similar domain name. It has been used, albeit passively, by the Respondent for this purpose. The Complainant says this domain name is being used in bad faith because it has not been transferred to the Complainant, its rightful owner, and has not been directed to the <stratavote.com.au> website. Whether or not the

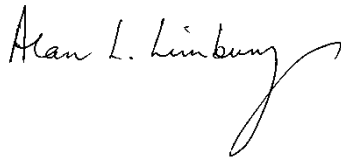
Complainant is its rightful owner depends upon the resolution of the issues mentioned earlier that are more appropriately determined by a court. The fact that the Respondent has not directed this domain name to the <stratavote.com.au> website does not, in the Panel's opinion, amount to bad faith use since the purpose of its registration is satisfied by its passive use.

Accordingly the Panel finds that the Complainant has failed to establish that the Domain Names were registered or have subsequently been used in bad faith.

8. DECISION

The Complainant having failed to satisfy all the elements of paragraph 4(a) of the Policy, it is ordered that the Domain Names <stratavote.com.au> and <stratavote.net.au> REMAIN WITH the Respondent.

Dated: January 15, 2017

A handwritten signature in black ink that reads "Alan L. Limbury". The signature is written in a cursive style with a long, sweeping tail on the letter 'y'.

ALAN L LIMBURY
SOLE PANELLIST