



ADMINISTRATIVE PANEL DECISION

Kinderplay Designs Inc.

v.

Swanshore Pty Ltd

auDRP_18_02

<waterplay.com.au>

1 The Parties

The Complainant is Kinderplay Designs Incorporated of Kelowna, British Columbia, Canada. It is represented in the proceedings by Sherrie Heather, Trade Marks Attorney, of Narembeen, Western Australia.

The Respondent is Swanshore Pty Ltd trading as Water Play Australia. It is represented by Megan Ryder of Madderns, Patent & Trade Mark Attorneys, of Adelaide, South Australia.

2 The Disputed Domain Name and Registrar

The Disputed Domain Name is <waterplay.com.au>. The registrar of the Disputed Domain Name is TPP Wholesale Pty Ltd.

3 Procedural History

This is an administrative proceeding pursuant to the .au Dispute Resolution Policy originally adopted by auDA on 13 August 2001, and subsequently amended on 1 March 2008 (“auDRP” or “Policy”); the auDA Rules for .au Dispute Resolution Policy (“Rules”) and the Resolution Institute Supplemental Rules for .au Domain Name Dispute Resolution Policy (“RI Supplemental Rules”).

A Domain Name Dispute Complaint Form was originally filed with Resolution Institute (**RI**) on 28 February 2018. On 5 March 2018 RI notified the Complainant’s attorney of a number of administrative deficiencies and sought a rectified complaint. A rectified complaint (hereafter the “Complaint”) was received by RI on 6 March 2018. The following day RI forwarded a copy of the Complaint to the Registrar using an email address no longer in use. On 14 March 2018 the Registrar confirmed the registration

particulars and confirmed that the Disputed Domain Name had been locked. auDA and the Respondent were notified by RI of the Complaint on 13 March 2018.

Under Rule 5(a) a Response was due 20 calendar days after the proceeding commenced. Under Rule 4(c) the proceeding is taken to have commenced on the date on which RI completed its responsibilities under Rule 2(a) in forwarding the Complaint to the Respondent. Under Rule 2(g) times are calculated from the date a communication was first made under Rule 2(f). Accordingly, the due date for a Response was Easter Monday 2 April 2018. In fact a Response was received on 28 March 2018. It indicated that the Respondent required a three-member Panel at least one member of which should be one of three people nominated by the Respondent.

On 5 April 2018, Easter having intervened, the Provider approached the Panellists. The Panellists confirmed their availability, informed RI that they had no conflict issues with the Parties and accepted the matter on Friday 6 April 2018. Philip N Argy was asked by RI to chair the Panel. The parties were notified of the Panel's appointment later that day.

All other procedural requirements in relation to the proceedings appear to have been satisfied.

4 Factual Background

The following non-contentious background facts are taken from the Complaint and the Response:

The Complainant is the proprietor of the registered trade mark WATERPLAY in various jurisdictions including the USA and Canada (since 1991) and Australia (since 2005) in respect of, inter alia, aquatic play equipment. It was also the registrant of the Disputed Domain Name continuously from 16 July 2005 until November 2017 when, due to a major administrative oversight, the Complainant failed to respond in a timely way to a standard registrant warranty check. Absent the Complainant's confirmation of its registration particulars the Disputed Domain Name was deleted. An organisation called Small Business Central Pty Ltd became the registrant on 19 December 2017, and on 22 January 2018 the Respondent acquired the Disputed Domain Name for \$5,000 from that entity, and is now the registrant.

The Wayback Machine¹ evidences the Complainant's continual use of the Disputed Domain Name from 2005 until November 2017 and duly records the Respondent's use after it became registrant of the Disputed Domain Name.

Parties' Contentions

Complainant

The Complainant makes the following contentions under paragraph 4(a) of the auDRP:

A. The Disputed Domain Name is identical to a trademark in which the Complainant has rights.

- The Complainant submits that by virtue of its ownership of various trademark registrations for WATERPLAY in Australia and elsewhere and the use by its

¹ www.archive.org

Waterplay Solutions affiliate of the WATERPLAY trademarks since 1991 it has substantial rights in the name and trademark “WATERPLAY”;

- The word “WATERPLAY” comprised in the Disputed Domain Name is identical to the Complainant’s WATERPLAY trademark registrations in which the Complainant owns exclusive rights, It has not licensed the Respondent to use its trademarks nor to trade by reference to that word.

B. The Respondent has no rights or legitimate interests in respect of the Disputed Domain Name.

The Complainant alleges that:

- the subject Domain Name was registered to the Respondent on 19 December 2017;
- the Respondent registered the business name WATER PLAY AUSTRALIA on 19 January 2018; and
- the Respondent has not been commonly known by the Disputed Domain Name or the trade mark WATERPLAY.

C. The Disputed Domain Name was registered or has been subsequently used in bad faith.

The Complainant alleges that:

- It used the Disputed Domain Name from 16 June 2005 until late 2017, when registration was deleted ... as a result of an administrative oversight (it failed to respond to a Registrant Warranty Check emailed on 7 November 2017, from an entity previously unknown to it);
- the Respondent was aware of the Complainant and its reputation in WATERPLAY at the time the Disputed Domain Name was registered;
- the Respondent sought to register an identical or confusingly similar domain name, for the purpose of confusing consumers;
- the Respondent has registered the Disputed Domain Name in order to prevent the Complainant, being the owner of the trade mark WATERPLAY, from reflecting that name in a corresponding domain name ... primarily for the purpose of disrupting the Complainant’s business; and
- the Respondent is using the Disputed Domain Name which has not historically reflected its own company or trading name, but which exactly reflects the Complainant’s registered Trade Mark.

Respondent’s Response

The Respondent concedes the first limb of the Policy but asserts that the Complainant’s mark is liable to be expunged for its failure to distinguish the Complainant’s products from those of other water play products.

The Respondent then asserts:

- the Respondent, trading as Imagination Play, provided recreational equipment throughout Australia, including ...water play equipment ... since 2005;

- the term ‘water play’ is a commonly used term in the recreational industry;
- the Respondent used the descriptive term ‘water play’ on its website at least as early as 11 May 2017, prior to the Respondent’s acquisition of the domain name; and
- Following the acquisition of the Disputed Domain Name, in early February 2018 the Respondent commenced building content for the website and began using the Disputed Domain Name to promote its water play series of playground equipment.

In relation to the third limb of the Policy, the Respondent says:

- it purchased the Disputed Domain Name on 22 January 2018 from Small Business Central Pty Ltd for the amount of \$5,000;
- it acquired the Disputed Domain Name for search engine optimisation purposes in relation to the promotion of its water play equipment;
- the Disputed Domain Name is being used by the Respondent to promote its water play range of equipment; and
- rejects any suggestion that it is using the Disputed Domain Name primarily for the purpose of disrupting the business activities of the Complainant.

Discussion and Findings [Majority – Mr Argy and Mr Brown]

Paragraph 4(a) of the auDRP requires the Complainant to prove that:

- (i) the Disputed Domain Name is identical or confusingly similar to a name, trade mark or service mark in which it has rights; and
- (ii) the Respondent has no rights or legitimate interests in respect of the Disputed Domain; and
- (iii) the Disputed Domain has been registered *or* subsequently used in bad faith.

The onus of proof is on the Complainant in relation to all three of these elements.

A preliminary matter is the circumstances in which the Respondent came to be the registrant of the Disputed Domain Name. The majority of the Panel is not aware of any other case of a complainant under the auDRP having been the registrant of the subject domain name for more than 12 years before losing it in the circumstances which the Complainant here claims to have occurred.

Nor does the Panel have before it any evidence of exactly what happened with the Disputed Domain Name between when the Complainant ceased to be the registrant and when the Respondent became registrant. The Panel has to decide the case based on the evidence before it, and the Complainant has to prove all of the elements of the Policy on the balance of probabilities.

Identical or confusingly similar to a name or trademark in which the Complainant has rights

In this case the Panel is entirely satisfied that the Complainant is the owner of the registered trade mark WATERPLAY which is relevantly identical to the Disputed Domain Name. Indeed the Respondent concedes as much, its submission that the trade mark is liable to be struck off being entirely irrelevant to the first limb of Paragraph 4(a)(i) of the Policy.

The Complainant has therefore made out the first limb of the auDRP to the Panel's satisfaction.

No Right or Legitimate Interest in respect of the Disputed Domain Name

The fact that the Respondent on 19 January 2018 registered the business name WATER PLAY AUSTRALIA does not assist it on this issue because a business name registration does not confer any right to use the name – the registration is simply a legal requirement where someone is carrying on a business under a name other than their own. That registration appears to be the basis on which the Respondent was able to become the transferee of the Disputed Domain Name from Small Business Central Pty Ltd.

The Respondent submits that the expression “water play” is a common descriptive expression used in its industry, that it wished to enhance its use of that expression in its business in the provision of its “water play series of playground equipment” and that this was the reason it bought the Disputed Domain Name. Along the same lines, the Respondent relies on paragraph 4(c)(i) of the Policy. To support its submissions, it adduces screenshots captured by the Wayback Machine on 11 May 2017 and 14 September 2017 respectively.



These screenshots show one instance of the phrase “Sand & Water Play” used as at 11 May 2017 in conjunction with the heading “SAND WATER play” and one instance of the phrase “Water Play” used in conjunction with the heading “WATER GAMES” as at 14 September 2017.

Despite the relative paucity of evidence, the screenshots establish that as early as 11 May 2017 the Respondent was using the phrase “water play” as an ordinary English expression descriptive of a product category offered by the Respondent. This was self-evidently long before there was any dispute about the Disputed Domain Name – indeed up until December 2017 the Complainant was still the registrant of the Disputed Domain Name.

On the balance of probabilities, the Panel accepts that evidence as bringing the Respondent within the protective provision of paragraph 4(c)(i) of the Policy and in any event within the wider principle that the use of an ordinary English expression may give rise to a right or legitimate interest in respect of a domain name, provided that the registrant does not target the trademark owner, use the expression to trade on the Complainant's trademark or engage in any other improper conduct (of which there is no evidence in the present case).

So far as the Panel is able to discern, the Respondent has confined its use of the Disputed Domain Name to the promotion of goods and services that come within the ordinary meaning of the expression "water play". The Panel therefore finds that the Complainant has failed to establish the second limb of the Policy because the Respondent has a legitimate interest in using the words "water play" to describe its range of products for aquatic leisure activities.

For good order the Panel notes that the instances of the Respondent's use of "Water Play" on which it has relied are not use as a trade mark. Should the Respondent transgress in that regard the Complainant may have other remedies.

Registered or subsequently used in bad faith

Paragraph 4(a)(iii) of the auDRP requires the Complainant to demonstrate that the Disputed Domain Name was registered *or* subsequently used in bad faith.

The Complainant's allegation that the Respondent registered the Disputed Domain Name in bad faith is plainly not supported by any evidence. Absent evidence that Small Business Central Pty Ltd was the Respondent's agent, or was otherwise acting in concert with the Respondent, the majority of the Panel rejects the Complainant's allegation.

Given the majority of the Panel's findings in relation to the second limb of the Policy, it is also impossible for them to find that the Respondent used the Disputed Domain Name in bad faith after becoming the registrant following its acquisition from Small Business Central Pty Ltd.

In the view of the majority, the Complainant has therefore failed to make out the third limb of the auDRP.

Discussion and Findings [Dissent – Mr Lieblich]

Is the subject domain name identical or confusingly similar to a name, trademark or service mark in which the complainant has rights?

The parties concur that the subject domain name is identical or confusingly similar to a name, trademark or service mark in which the complainant has rights.

Does the Respondent have no rights or legitimate interests in respect of the domain name?

A4c states (my emphasis added)

Any of the following circumstances ...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 (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.*

Complainant asserts that:

- the subject Domain Name was registered to the Respondent on 19 December 2017;
- the Respondent registered the business name WATER PLAY AUSTRALIA on 19 January 2018; and
- the Respondent has not been commonly known by the Disputed Domain Name or the trade mark WATERPLAY.

Respondent asserts that:

- the Respondent, trading as Imagination Play, provided recreational equipment throughout Australia, including ...water play equipment ... since 2005;
- the term ‘water play’ is a commonly used term in the recreational industry;
- the Respondent used the descriptive term ‘water play’ on its website in 12 May 2017 and 14 September 2017, prior to the Respondent’s acquisition of the domain name (refers to Annex 3); and
- Following acquisition of the Disputed Domain Name, in early February 2018 the Respondent commenced building content for the website and began using the Disputed Domain Name to promote its water play series of playground equipment (refers to Screenshots taken on 26 March 2018 in Annex).

While it is apparent that the term “*water play*” is used in the recreational industry, I found only scant evidence of the Respondent’s use of the term prior to its registration of the Disputed Domain Name.

Annex 1 of the Response shows a page on the Respondent’s web site prominently displaying the term, however the screenshot was apparently taken in late March 2018, being after the Resolution Institute advised the Respondent of the Complaint on 13 March 2018.

The Respondent submits that his use of the term is evident in the screenshots provided in Annex 4 to the Response, captured by the Wayback Machine on 11 May 2017 and 14 September 2017 respectively. These show two graphics in which include the text “SAND WATER play” and “WATER GAMES” respectively. I don’t consider these to be sufficient evidence of *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*, and so, on the balance of probability, that A4c(i) is demonstrated.

While it is apparent that the term “*water play*” is used in the recreational industry, I find no evidence that the Complainant was commonly known by that name. Thus A4c(ii) has also not been demonstrated.

For the reasons given below, I determine that the Respondent is apparently using the Disputed Domain Name in bad faith, and thus A4c(iii) is not demonstrated.

Was the Disputed Domain Name registered or subsequently used in bad faith by the Respondent?

A4b states that

...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 you have registered or you have 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 your documented out-of-pocket costs directly related to the domain name; or

(ii) you have 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) you have registered the domain name primarily for the purpose of disrupting the business or activities of another person; or

(iv) by using the domain name, you have intentionally attempted to attract, for commercial gain, Internet users to a website 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 website or location or of a product or service on that website or location; or

(v) if any of your representations or warranties as to eligibility or third party rights given on application or renewal are, or subsequently become, false or misleading in any manner.

Complainant asserts that:

- The Complainant used the Disputed Domain Name from 16 June 2005 until late 2017, when registration was deleted ...as a result of an administrative oversight (he failed to respond to a Registrant Warranty Check emailed on 7 November 2017, from an entity previously unknown to him);
- the Respondent was aware of the Complainant and its reputation in WATERPLAY at the time the Disputed Domain Name was registered;
- the Respondent sought to register an identical or confusingly similar domain name, for the purpose of confusing consumers;
- the Respondent has registered the Disputed Domain Name in order to prevent the Complainant, being the owner of the trade mark WATERPLAY from reflecting that name in a corresponding domain name... primarily for the purpose of disrupting the Complainant's business;
- the Respondent is using the Disputed Domain Name which has not historically reflected its own company or trading name, but which exactly reflects the Complainant's registered Trade Mark.

Respondent asserts that:

- he purchased the Disputed Domain Name on 22 January 2018 from Small Business Central Pty Ltd for the amount of \$5,000;
- the Disputed Domain Name was acquired by the Respondent for search engine optimization purposes in relation to the promotion of its water play equipment;

- the Disputed Domain Name is being used by the Respondent to promote its water play range of equipment; and
- rejects any suggestion that it is using the Disputed Domain Name primarily for the purpose of disrupting the business activities of the Complainant.

Apparently:

- the Disputed Domain name was registered by another party soon after the Complainant's registration lapsed, in mid-November 2017, being 7 days after the Registrant Warranty Check emailed on 7 November 2017;
- The Respondent subsequently purchased the Disputed Domain Name on 22 January 2018 from Small Business Central Pty Ltd for the amount of \$5,000; and
- the purchase price paid by the Respondent was likely to be a consideration in excess of your documented out-of-pocket costs directly related to the domain name.

Thus, a party (not the Respondent) apparently 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 out-of-pocket costs directly related to the domain name.

While it is apparent that the term "water play" is used in the recreational industry, I found scant evidence of the Respondent's use of the term prior to its registration of the Disputed Domain Name, as detailed above. Thus, despite the fact that there was nothing preventing the Respondent from using the generic term "water play" in its promotion and on its web site, it did so, effectively only after acquiring registration of the Disputed Domain Name (from a party that apparently acquired it primarily for the purpose of reselling it for substantial profit), and after being advised of the subject Complaint.

I therefore find, on the balance of probability, that the Respondent's registered and used the Disputed Domain Name in bad faith because he:

- registered the domain name in order to prevent the Complainant, being owner of the trademark *WATERPLAY* from reflecting that mark in a corresponding domain name (satisfying A4b(ii)); or
- registered the domain name primarily for the purpose of disrupting the business or activities of the Complainant (satisfying A4b(iii)); or
- by using the domain name, has intentionally attempted to attract, for commercial gain, Internet users to its website, by creating a likelihood of confusion with the complainant's trademark (satisfying A4b(iv)).

Thus I find, on the balance of probability, that:

- the subject domain name is identical or confusingly similar to a name, trademark or service mark in which the Complainant has rights;
- the Respondent has failed to establish that he has rights or legitimate interests in respect of the domain name; and
- on the balance of probability, the Respondent registered or subsequently used the Disputed Domain Name in bad faith.

8 Decision

The majority of the Panel having found that the Complainant has failed to make out the three grounds on which it needed to succeed, the Panel orders, pursuant to Paragraphs 4(i) of the Policy and 15 of the Rules, that the Complaint be dismissed and that the Registry lock on the domain name *waterplay.com.au* be removed.

Dated this 23rd day of April 2018

P Argy

Philip N Argy
Presiding Panellist

The Honourable Neil Anthony Brown, QC
Panellist

Steve Lieblich
Panellist