

ADMINISTRATIVE PANEL DECISION

Need Pty Ltd, Need Essentials IP Pty Ltd, Ryan Scanlon v. Steven Hay,
LooseLabel
Case No. D2024-1491

1. The Parties

The Complainants are Need Pty Ltd, Australia (the “First Complainant”), Need Essentials IP Pty Ltd, Australia (the “Second Complainant”), and Ryan Scanlon, Australia (the “Third Complainant”), represented by Arnold Bloch Leibler, Australia.

The Respondent is Steven Hay, LooseLabel, United Kingdom, represented by McCullough Robertson Lawyers, Australia.

2. The Domain Names and Registrar

The disputed domain names <needessentialsau.com> and <needessentialsuk.com> are registered with Mesh Digital Limited (the “Registrar”).

3. Procedural History

The Complaint was filed with the WIPO Arbitration and Mediation Center (the “Center”) on April 9, 2024. On April 11, 2024, the Center transmitted by email to the Registrar a request for registrar verification in connection with the disputed domain names. On April 15, 2024, the Registrar transmitted by email to the Center its verification response confirming that the Respondent is listed as the registrant and providing the contact details.

The Center verified that the Complaint satisfied the formal requirements of the Uniform Domain Name Dispute Resolution Policy (the “Policy” or “UDRP”), the Rules for Uniform Domain Name Dispute Resolution Policy (the “Rules”), and the WIPO Supplemental Rules for Uniform Domain Name Dispute Resolution Policy (the “Supplemental Rules”).

In accordance with the Rules, paragraphs 2 and 4, the Center formally notified the Respondent of the Complaint, and the proceedings commenced on April 17, 2024. In accordance with the Rules, paragraph 5, the due date for Response was May 7, 2024. The Response was filed with the Center on May 7, 2024.

The Center appointed Assen Alexiev, Andrew F. Christie, and David Stone as panelists in this matter on May 27, 2024. The Panel finds that it was properly constituted. Each member of the Panel has submitted the Statement of Acceptance and Declaration of Impartiality and Independence, as required by the Center to ensure compliance with the Rules, paragraph 7.

4. Factual Background

The First Complainant sells wetsuits and surfing products through its global e-commerce website at “www.needessentials.com” and in a retail outlet in Australia. The Second Complainant is a company affiliated to the First and Third Complainants. The Third Complainant is the founder, co-owner, and director of the First and Second Complainants.

The Second Complainant is the owner of a number of trademark registrations for NEEDESENTIALS, including:

- the Australian trademark NEEDESENTIALS with registration No. 1771921, registered on May 1, 2019 for goods in International Class 25; and
- the Australian trademark NEEDESENTIALS with registration No. 1969988, registered on April 29, 2020 for services in International Class 35.

The Third Complainant is the owner of the following trademark registrations for NEEDESENTIALS:

- the International trademark NEEDESENTIALS with registration No. 1314179, registered on July 8, 2016 for the European Union for goods in International Class 25; and
- the United Kingdom trademark NEEDESENTIALS with registration No. UK00801314179, registered on March 15, 2017 for goods in International Class 25.

The four trademark registrations above are jointly referred to in this decision as the “NEEDESENTIALS trademark”.

The Respondent’s company Looselabel Limited is incorporated in the United Kingdom. Until 2023, it distributed the First Complainant’s products in the United Kingdom and Europe through websites at the disputed domain names, which were registered on October 27, 2016.

On April 3, 2023, the First Complainant commenced legal proceedings against the Respondent in the County Court of Victoria, Australia, in case CI-23-01419 (the “Australian litigation”), which is currently pending. On February 12, 2024, the First Complainant obtained an interlocutory injunction in the Australian litigation to restrain the Respondent from using, inter alia, the NEEDESENTIALS trademark until the hearing and determination of the proceeding or further order. Following the issuance of the interlocutory injunction in the Australian litigation, the Respondent deactivated the websites at the disputed domain names.

5. Parties’ Contentions

A. Complainants

The Complainants state that the Second and the Third Complainants have authorized the First Complainant to use the NEEDESENTIALS trademark, and the First Complainant has continuously used it in the course of business since 2013. They submit that the disputed domain names are confusingly similar to the NEEDESENTIALS trademark, because they both contain it with the addition of “uk” or “eu”, which does not prevent them from being confusingly similar to the NEEDESENTIALS trademark.

According to the Complainants, the Respondent has no rights or legitimate interests in respect of the disputed domain names, because it is commonly known as “Looselabel” and has no trademark rights in “needessentials”. They explain that the Respondent was formerly a distributor of the First Complainant’s products in the United Kingdom and the European Union, and used the NEEDESENTIALS trademark under a licence that was part of the distribution agreement between the First Complainant and the Respondent and was limited to the territories of the United Kingdom and the European Union. The Complainants add that the distribution agreement was terminated by the First Complainant in 2023, and

maintain that following this termination, the Respondent's use of the NEEDESENTIALS trademark, including in the disputed domain names, was no longer authorised or bona fide.

The Complainants contend that the disputed domain names were registered and are being used in bad faith. They do not specifically address the issue of why the disputed domain names should be regarded as having been registered in bad faith. The Complainants note that, following the termination of the licence, the Respondent continued to use the disputed domain names to sell products by reference to the Complainants' NEEDESENTIALS trademark in the registered classes of the trademark without licence or authority, and add that, despite the First Complainant's requests to do so, the Respondent refused to cease using the disputed domain names and the NEEDESENTIALS trademark. According to the Complainants, the Respondent has therefore used, and is continuing to use, the disputed domain names in bad faith and damaging the First Complainant's business, in particular in the United Kingdom and the European Union, and causing the First Complainant to lose existing and prospective customers, by maintaining control of the disputed domain names despite not having any rights or legitimate interests in respect of them and not being the owner of any trademark registration for "needessentials". The Complainants add that the Respondent's use of the disputed domain names continued until the issuance of the interlocutory injunction in the Australian litigation, when the Respondent removed all content from the websites at the disputed domain names.

The Complainants state that on February 27, 2024, the First Complainant's solicitors wrote to the Respondent's solicitors and requested the Respondent to transfer the disputed domain names to the First Complainant on the basis that the First Complainant would pay the reasonable costs of the transfer. On March 8, 2024, the Respondent's solicitors responded with a refusal of the transfer request. According to the Complainants, the Respondent's refusal to transfer the disputed domain names to the First Complainant is further evidence of its bad faith, because it has no rights to use the NEEDESENTIALS trademark and any use of it would amount to trademark infringement and a breach of the orders of the Australian court.

The Complainants further state that, by continuing to control the disputed domain names whilst being unable to use them or to conduct any legitimate business through them, the Respondent wrongfully controls the First Complainant's brand voice and reputation in the markets in the European Union and the United Kingdom. When potential customers land on either of the disputed domain names, the blank page that they would see would give them the false impression that the First Complainant is in financial distress, has gone out of business, is no longer trading in the European Union and the United Kingdom, or has prolonged technical issues with its e-commerce website, which would damage the First Complainant's reputation.

B. Respondent

The Respondent states that it only sells products online to customers in the European Union and the United Kingdom and has no physical stores or retail outlets. It explains that in 2015 it was introduced to the First and Third Complainants, and that from late 2015 until mid-2022, the Respondent and the First Complainant engaged in a mutually-beneficial commercial relationship, where the First Complainant supplied the Respondent with its products, including wetsuits and surf accessories, and the Respondent sold them via the Respondent's websites, which were set up in October 2016, to customers located in the European Union and the United Kingdom. The Respondent points out that the Complainants were aware of and approved of the Respondent registering the disputed domain names and setting up its websites at them. The Respondent denies that the Parties had entered into a distribution agreement, and notes that they attempted to negotiate a formal agreement between 2015 and 2022, but no agreement was ever executed or reached. While the Parties negotiated the terms of a written contract, the Respondent placed orders with the First Complainant on an ad hoc sale-by-sale basis, and was supplied with the products which it then promoted online and sold.

It notes that in mid-2022 the relationship between the Complainants and the Respondent broke down, the Respondent did not purchase new products from the First Complainant, and continued to sell the products that it had already purchased from the First Complainant online via the websites at the disputed domain names to customers in the European Union and the United Kingdom.

The Respondent maintains that the Parties never agreed that the Respondent would be prevented from using the Complainants' NEEDESSENTIALS trademark after a particular date. According to the Respondent, by selling their NEEDESSENTIALS-branded products to the Respondent, the Complainants permitted the Respondent to use the Complainants' intellectual property, including their NEEDESSENTIALS trademark, for promoting and selling the same products.

The Respondent states that it has not made any attempt to use the disputed domain names to mislead or divert customer business away from the First Complainant, and notes that it has temporarily taken down the websites at the disputed domain names upon the issuance of the preliminary injunction in the Australian litigation. The Respondent maintains that, although the preliminary injunction means that it cannot currently use the NEEDESSENTIALS trademark, the Respondent's ownership of the disputed domain names does not comprise "use" of the trademark because the websites at those domain names do not display any content. It also states that the preliminary injunction issued in the Australian litigation does not definitively resolve the issue of whether the Respondent has rights to use the NEEDESSENTIALS trademark.

The Respondent denies that the disputed domain names have been registered or used in bad faith. It maintains that they were registered by the Respondent in connection with an arrangement between it and the First Complainant and that the Complainants expressly endorsed and assisted the Respondent in setting up the disputed domain names and the related websites. The Respondent points out in this regard to the Complainants' own evidence introduced in the Australian litigation in the relation to its application for interlocutory injunction.

The Respondent maintains that, regardless of whether a distribution agreement existed and has been terminated, the disputed domain names were registered and used in good faith by the Respondent until at least the purported termination of any distribution agreement. In the circumstances, it was appropriate for the Respondent to continue using the Complainants' NEEDESSENTIALS trademark to sell the Complainants' products purchased from the First Complainant on the websites at the disputed domain names until the interlocutory injunction was issued.

The Respondent adds that, if the Complainants considered that the Respondent was obliged to transfer the disputed domain names to them pursuant to the interlocutory injunction, it was open to them to approach the Australian court to enforce the interlocutory injunction, but they have not done so. The Respondent adds that the Complainants have not sought and have not been granted an order for the transfer of the disputed domain names. The Respondent notes that it offered to the Complainants to activate a landing webpage for each of the disputed domain names informing visitors that the Respondent was no longer distributing the Complainants' products and redirecting them to the First Complainant's Australian website, but this offer was not accepted by the Complainants.

The Respondent requests that the Panel make a finding that the Complaint was filed in bad faith as it is an attempt at Reverse Domain Name Hijacking and was brought to primarily harass the Respondent. According to the Respondent, the Complainants are aware that the Respondent registered the disputed domain names in order to sell the products supplied by the First Complainant to the Respondent on the websites at the disputed domain names, that the First Complainant directed the Respondent in respect of the content to be included on the websites at the disputed domain names, and that the Third Complainant expressly approved the content of these websites.

The Respondent submits that the Complainants have used the Policy to attempt to circumvent the pending Australian litigation, and points out that the Complainants have not sought or obtained an order from the Australian Court that the disputed domain names be transferred to them. The Respondent adds that it has incurred substantial legal costs responding to the Complaint, and that in the present circumstances where the Complaint has no prospect of success, its filing can serve no purpose other than to cause the Respondent to incur additional legal fees responding to an unmeritorious claim.

6. Discussion and Findings

6.1. Procedural issue – Consolidation of the Complainants

Under paragraph 10(e) of the Rules, a Panel shall decide a request by a Party to consolidate multiple domain name disputes in accordance with the Policy and the Rules. As discussed in section 4.11.1 of the WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Third Edition (“[WIPO Overview 3.0](#)”), a complaint may be brought by multiple complainants where (i) the complainants have a specific common grievance against the respondent, or the respondent has engaged in common conduct that has affected the complainants in a similar fashion; and (ii) it would be equitable and procedurally efficient to permit the consolidation.

In this proceeding, the Complaint has been submitted jointly by the three Complainants. They are affiliated to each other and appear to have a common interest in the NEEDESSENTIALS trademark. They also describe a common grievance against the Respondent where it has allegedly engaged in a conduct that has affected their rights. The Respondent has not expressed any views on the issue of consolidation, and it appears to the Panel that it would be procedurally efficient and equitable for the Complainants to be consolidated.

Taking the above into account, and on the basis of paragraph 10(e) of the Rules, the Panel allows the consolidation of the Complainants in this proceeding.

6.2. Substantive Issues

A. Identical or Confusingly Similar

It is well accepted that the first element functions primarily as a standing requirement. The standing (or threshold) test for confusing similarity involves a reasoned but relatively straightforward comparison between the Complainant’s trademark and the disputed domain name. [WIPO Overview 3.0](#), section 1.7.

The Complainants have shown that each of them has rights in respect of the NEEDESSENTIALS trademark for the purposes of the Policy. [WIPO Overview 3.0](#), section 1.2.1. The Second and Third Complainants hold various registrations of this trademark, and state in the Complaint that they have authorized the First Complainant, which is their affiliate, to use the trademark for its business. As noted in section 1.4 of the [WIPO Overview 3.0](#), a trademark owner’s affiliate such as a subsidiary of a parent or of a holding company is considered to have rights in a trademark under the UDRP for purposes of standing to file a complaint.

The Panel finds the NEEDESSENTIALS trademark is recognizable within the disputed domain names. Accordingly, the disputed domain names are confusingly similar to the NEEDESSENTIALS trademark for the purposes of the Policy. [WIPO Overview 3.0](#), section 1.7. Although the addition of other terms (here, “eu” and “uk”, which are commonly used as abbreviations for the “European Union” and for the “United Kingdom”) may bear on assessment of the second and third elements, the Panel finds the addition of such terms does not prevent a finding of confusing similarity between the disputed domain names and the NEEDESSENTIALS trademark for the purposes of the Policy. [WIPO Overview 3.0](#), section 1.8.

The Panel therefore finds the first element of the Policy has been established.

B. Rights or Legitimate Interests

Since the Complainant has failed to establish that the disputed domain names have been registered in bad faith, it is not necessary to examine whether the Respondent has rights or legitimate interests in the disputed domain names.

C. Registered and Used in Bad Faith

Paragraph 3(b)(ix)(3) of the Rules requires the Complainant to describe the grounds on which the Complaint is made, including why the disputed domain names should be considered as having been registered in bad faith. The Complaint however does not expressly address the issue of bad faith registration of the disputed domain names, and is focused on the issue of why the disputed domain names should be considered as being used in bad faith. The Complaint contains the following statement:

“The Respondent previously used the Complainants’ trade marks under a licence granted by the First Complainant in the Distribution Agreement allowing it to do so, limited to the territories of the United Kingdom and Europe. It is now common ground that the Distribution Agreement containing the licence was terminated by the First Complainant, at the latest, on 30 September 2023, some six months ago. The Respondent’s use of the marks since that date, including in the Disputed Domain Names, was no longer authorised or bona fide.”

This statement creates the impression that until the termination of the licence agreement in 2023, the Respondent’s use of the disputed domain names was authorized and bona fide.

The Respondent’s position is that the disputed domain names were registered and the associated websites were activated with the knowledge and approval of the Complainants. It cites in this regard the submissions of the Complainants in the Australian litigation, where they stated:

“Pursuant to the Distribution Agreement, Need Essentials provided Looselabel with the NEED Website Content and the expertise of our personnel, at no cost, to build the Need UK Website and the Need EU Website as the e-commerce platform for use by Looselabel in carrying on its activities as Need Essentials’s distributor in the United Kingdom and Europe.”

The Respondent also submits correspondence exchanged between the Parties in 2018, where in response to the Respondent’s statement “As we currently own needessentialeu.com web domain we would allocate this to our Shopify store to leverage any existing SEO and web search content that has been built”, the Third Complainant stated “Thats not a problem the USA runs the same way, you still own the domain and it would run under that url. It just so we can do the design side of it more efficiently”.

In the absence of any contrary arguments or evidence, the above statements of the Complainants support a conclusion that they have given their consent (whether explicitly, or in light of the distributorship) for the registration and ownership of the disputed domain names by the Respondent and for their use by the Respondent for the distribution of the Complainants’ products in the European Union and the United Kingdom. The situation changed after the termination in 2023 of the distributorship, when the Respondent’s continued use the disputed domain names to sell its remaining stocks of the Complainants’ products was objected to by the Complainants, but this does not necessarily mean that the registration in 2016 of the disputed domain names was made in bad faith.

Considering all the above, and that in the absence of any argument or evidence supporting a different conclusion, the Panel finds that the Complainants have failed to discharge their burden of establishing that the disputed domain names were registered in bad faith.

Since the Complainants have failed to establish bad faith registration, it is not necessary to examine whether the disputed domain names are being used in bad faith.

7. Reverse Domain Name Hijacking

The Respondent requests that the Panel make a finding that the Complaint was filed in bad faith as it is an attempt at Reverse Domain Name Hijacking (“RDNH”), and was brought to primarily harass the Respondent.

According to the Respondent, the Complainants are aware that the Respondent registered the disputed domain names – arguably in good faith with the knowledge and consent of the Complainants. The Respondent also submits that the Complainants have used the Policy to attempt to circumvent the pending Australian litigation and that the filing of the Complaint only caused the Respondent to incur significant legal fees.

Paragraph 15(e) of the UDRP Rules provides that, if “after considering the submissions the panel finds that the complaint was brought in bad faith, for example in an attempt at Reverse Domain Name Hijacking or was brought primarily to harass the domain-name holder, the panel shall declare in its decision that the complaint was brought in bad faith and constitutes an abuse of the administrative proceeding”. RDNH is furthermore defined under the UDRP Rules as “using the UDRP in bad faith to attempt to deprive a registered domain-name holder of a domain name”.

As discussed in section 4.16 of the [WIPO Overview 3.0](#), reasons articulated by panels for finding RDNH include: (i) facts which demonstrate that the complainant knew it could not succeed as to any of the required three elements – such as the complainant’s lack of relevant trademark rights, clear knowledge of respondent rights or legitimate interests, or clear knowledge of a lack of respondent bad faith (see generally section 3.8) such as registration of the disputed domain name well before the complainant acquired trademark rights, (ii) facts which demonstrate that the complainant clearly ought to have known it could not succeed under any fair interpretation of facts reasonably available prior to the filing of the complaint, including relevant facts on the website at the disputed domain name or readily available public sources such as the Whois database, (iii) unreasonably ignoring established Policy precedent notably as captured in this WIPO Overview – except in limited circumstances which prima facie justify advancing an alternative legal argument, (iv) the provision of false evidence, or otherwise attempting to mislead the panel, (v) the provision of intentionally incomplete material evidence – often clarified by the respondent, (vi) the complainant’s failure to disclose that a case is a UDRP re-filing, (vii) filing the complaint after an unsuccessful attempt to acquire the disputed domain name from the respondent without a plausible legal basis, (viii) basing a complaint on only the barest of allegations without any supporting evidence.

It is not evident that the Complainant had clear knowledge of a lack of the Respondent bad faith, given that it has extensively argued why the Respondent should be regarded as having used the disputed domain name in bad faith, or that the Complainant has unreasonably ignored established Policy precedent, given the complicated business relationship of the Parties and the consequences of its termination, including in respect of the use of the Complainants’ intellectual property, which may plausibly be interpreted in different ways. The Panel does not regard any of the other factors listed in section 4.16 of the [WIPO Overview 3.0](#) to be applicable in this case either, while the limited evidence before the Panel does not allow it conclude that the Complainants have used the Policy to attempt to circumvent the pending Australian litigation, since it is not entirely clear whether the issue of who should be the owner of the disputed domain names would be resolved in this litigation. While the Complainants fail to argue and provide evidence on an element of the Policy, this is not necessarily the same thing as acting in bad faith, and the mere lack of success of the Complaint is not in itself sufficient for a finding of RDNH.

In view of all the above, the Panel is not persuaded that the circumstances of this case justify a finding that the Complaint was brought in bad faith and constitutes an abuse of the administrative proceeding, and declines to make a finding of RDNH.

8. Decision

For the foregoing reasons, the Complaint is denied.

/Assen Alexiev/
Assen Alexiev
Presiding Panelist

/Andrew F. Christie/
Andrew F. Christie
Panelist

/David Stone/
David Stone
Panelist
Date: June 20, 2024