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BEFORE THE SOLE ARBITRATOR UNDER THE .IN DISPUTE RESOLUTION POLICY

IN THE MATTER OF: Neways, Inc., 2089 Neways Drive, Springville, Utah 84663, United States of America

Versus

(Complainant)

- Dale Gerke

 60, 7th Ave, St. Peters,
 South Australia, 5069, Australia
 Swiftpages.com Pty Ltd,
 PO Box 1129, Stirling, Adelaide,
 - South Australia 5152, Australia

(Respondent No.1)

(Respondent No. 2)

Statutory Alert:

THE PARTIES:

The Complainant in this proceeding is Neways Inc., internationally known for manufacturing and distributing personal care products, nutritional supplements, and household cleaning products.

The Complainant is represented through their authorized representative: AZB & Partners Advocates & Solicitors Express Towers, 23rd Floor, Nariman Point, Mumbai – 400 021, India Tel: +91 22 6639 6880 Fax: +91 22 6639 6888 E-mail: <u>nandan.pendsey@azbpartners.com</u> Attn: Mr. Nandan Pendsey

Respondent No.1 in this proceeding is Dale Gerke, 60, 7th Ave, St. Peters, South Australia, 5069, Australia, <u>gerke@internode.on.net</u>, <u>dgerke@bigpond.net.au</u>, <u>dale@neways.co.in</u>, <u>dale@drdalegerke.com</u>.Respondent No.2 is Swiftpages.com Pty Ltd, PO Box 1129, Stirling, Adelaide, South Australia 5152, Australia.

THE DOMAIN NAME AND REGISTRAR:

The domain name in dispute is <u>www.neways.co.in</u>. According to the Whois Search utility of .IN Registry, the Registrar of the disputed domain name <u>www.neways.co.in</u>, with whom the disputed domain name <u>www.neways.co.in</u> is registered is Swiftpages.com Pty Ltd, Australia.

PROCEDURAL HISTORY:

I was appointed as the Arbitrator by .IN Registry, to adjudicate upon the Complaint of the Complainant, regarding the dispute over the domain name <u>www.neways.co.in</u>. .IN Registry has supplied the copy of the Complaint to me.

On 21.11.2013, I sent an email to the parties informing them about my appointment as the Arbitrator, and also directing the Complainant to supply the copy of the Complaint with annexures to the Respondents, and in case if they have already served it, then to provide me with the details of service record.

In accordance with INDRP read with INDRP Rules of Procedure, notice of arbitration was sent to the Respondents on 21.11.2013 with the instructions to file his say latest by 07.12.2013.

On 21.11.2013, I received an email from Respondent No.1 stating that he will file his reply to the Complaint as soon as possible. However, the Complainant was marked in the said mail. Accordingly, both the parties were directed to copy each other as well as NIXI in all communications to the Arbitrator. On 21.11.2013 itself, I received the Complainants mail confirming the service of the soft copy of the Complaint along with the annexures to Respondent No.1 by email. The Complainant also provided record of service of the hard copy of the Complaint with annexures in the same mail dated 21.11.2013.

Vide mail dated 27.11.2013 Respondent No.1 sent out his reply to the Complaint. However, it was found that this response attached with the mail was regarding the domain name <u>www.newaysindia.co.in</u> with respect to which parallel proceedings are going on before NIXI,. Consequently, vide mail dated 30.11.2013 I informed Respondent No.1 that I am handling the dispute regarding the domain name <u>www.neways.co.in</u> and further directed him to comply with instructions mentioned in mail dated 21.11.2013 by me.

On 02.12.2013 Respondent No.1 asserted that he had sent out an official reply with attachments specifically in regards to the domain name <u>www.neways.co.in</u>. However, since the Tribunal was not in receipt of any such reply, Respondent No.1 was accordingly informed of the same vide mail dated 07.12.2013 and given a further time of seven (7) days to file his reply.

Respondent No.1 filed his say/ reply to the Complaint of the Complainant on 08.12.2013 via email of the same date.

The Complainant and Respondent No.1 have filed various documents as annexures in support of their contentions.

I have perused the record and annexure/ documents.

FACTUAL BACKGROUND:

The following information is derived from the Complaint and the Respondent No.1's reply along with the supporting evidence as submitted by both the parties.

The Complainant in this proceeding is Neways Inc., internationally known for manufacturing and distributing personal care products, nutritional supplements, and household cleaning products. It is also the registered proprietor of the trademark "NEWAYS" and its variations in all forms. The Complainant operates in various countries around the world through a network of independent distributors and subsidiaries/affiliates.

The Complainant states that it is the prior adopter of the mark "NEWAYS". The Complainant is well known all around the world by the name "NEWAYS", and has made profits under the said name. Additionally, the Complainant is the owner of more than hundreds of domain names containing the term "NEWAYS" which has helped the company in gaining international repute.

The Complainant's use of the well-known trademark has been extensive, exclusive and continuous all around the world. As a result of the Complainant's marketing and promotion of its goods and services under its trademark "NEWAYS", the mark has gained worldwide recognition and goodwill, and has become very well-known. Moreover, the Complainant's trade mark has firmly been associated with the Complainant, and the Complainant has spent huge sums of money for promoting, advertising and popularizing its trademark NEWAYS all over the world.

Respondent No.1 along with one Mr. Eric Pereira were appointed as the directors of the Complainants Indian operations, and were given the authority to use the Complainants trademark "NEWAYS" to apply for the registration of the Indian company with the Registrar of Companies, Mumbai, India. Consequently, the entity Neways Products India Private Ltd., was incorporated for and on behalf of the Complainant and under its trademark "NEWAYS" on September 30, 2009 in India.

Thereafter, negotiations broke down between Respondent No.1 and Mr. Eric Pereira and the Complainant, the Complainant decided not to pursue Indian operations. The Complainant, thus, vide letter dated 22.04.2010 (Annexure-9 of the Complaint) revoked all authorizations that it had previously granted to Respondent No.1. However, the Complainant later found out that Respondent No.1 had without any legitimate authority registered and is operating various

145

domain names (including the domain name in dispute in the present proceeding) using the Complainants trademark "NEWAYS".

The Complainant approached Respondent No.1 several times calling upon him to stop using the Complainants trademark "NEWAYS" including in the form or part of domain names. Since Respondent No.1 refused to comply with the Complainants requests, the Complainant served a cease and desist notice on Respondent No.1. Thereafter, various correspondences were exchanged between the parties. Though Respondent No.1 removed certain content from websites/domain names using the Complainants trademark, he denied that the use of the domain name in dispute infringed any rights of the Complainant and agreed to transfer the same in favour of the Complainant only on the payment of AUD 15, 000 to him. This settlement was not acceptable to the Complainant, and it rejected the same.

Respondent No.1 in this proceeding is Mr. Dale Gerke. Respondent No.1 in his reply has denied all allegations. He asserts that he himself and Mr. Eric Pereira were to set up the Complainants Indian Venture under the name and style "Neways India". As per Respondent No.1 at no point of time was Neways India considered to be the property of the Complainant, and according to the understanding between the parties, the Complainant was to eventually buy out Respondent No.1 and Mr. Pereira from their shareholding. It is further asserted that the Complainant had committed to reimburse Respondent No.1 \$10,000 towards essential costs. In fact with a view to ensure that the Complainant would pay the money as had been promised, Respondent No.1 got the domain name in dispute along with similar other domain names registered, and \$15 000/- would only be a small part of the expenses incurred by Respondent No.1 with regard to registration of domain names, legal fees, travel etc.

Respondent No.1 also points out that the information available on the domain name in dispute has been completely changed, and is now being used to advertise and promote the sale of Respondent No.1's book "New Ways to Succeed" in India. Thus, Respondent No.1 denies that Neways India was set up to do business "solely for and on behalf of" the Complainant or that the Complainant has any rights to the domain name in dispute under law or otherwise. He states that all times he had acted in good faith, and in fact negotiations between the Complainant and Respondent No.1 broke down due to lack of transparency and honesty from the Complainant.

PARTIES CONTENTIONS:

(a) Complainant

The Complainant contends as follows:

- The Disputed Domain Name is identical or confusingly similar to a trademark or service mark in which the Complainant has rights;
- The Respondents has no rights or legitimate interest in respect of the Disputed Domain Name;
- 3. The Disputed Domain Name was registered and is being used in bad faith.
- (b) Respondent No.1

Respondent No.1 contends the following in his reply to the Complaint:

- The registration of the domain name in dispute does not amount to passing off or infringement of the Complainants service/trademark;
- Respondent No1 has rights or legitimate interest in respect of the disputed domain name;
- The disputed domain name has not been registered or being used in bad faith.

DISCUSSIONS AND FINDINGS:

Rule 8 (b) of the INDRP Rules of Procedure provides that "In all cases, the Arbitrator shall ensure that the Parties are treated with equality and that each Party is given a fair opportunity to present its case".

As mentioned above fair opportunity has been given to both the Parties to file their contentions and after perusal, the following Arbitration proceedings have been conducted.

Rule 12 (a) of the INDRP Rules of Procedure provided that "An Arbitrator shall decide a Complaint on the basis of the statements and documents submitted to it and in accordance with the Arbitration and Conciliation Act, 1996, Dispute Resolution Policy, the Rules of Procedure and any bye-laws, rules and guidelines framed thereunder and any law that the Arbitrator deems to be applicable" In the present circumstances, the decision of the Arbitrator is based upon the contentions and evidence filed by both the parties respectively and conclusion is

drawn from the same.

A perusal of the submissions and evidences placed on record, the Complainant has proved that it has statutory and common law rights in the mark "NEWAYS" and assertion of Respondent No.1 that the Complainant has no rights to the domain name in dispute under law or otherwise does not hold ground. The Complainants' rights as a prior user of the mark "NEWAYS" have also been established beyond doubt.

Further, the Arbitrator is of the view that the Complainant has satisfied all the three conditions outlined in the paragraph 4 of .IN Domain Name Dispute Resolution Policy, viz.

(i) the Registrant's domain name is identical or confusingly similar to a name, trademark or service mark in which the Complainant has rights;

(ii) the Registrant has no rights or legitimate interests in respect of the domain name; and

(iii) the Registrant's domain name has been registered or is being used in bad faith.

The Domain name is identical or confusingly similar to a name, trade mark or service mark in which Complainant has rights - (Policy, para. 4 (i); Rules, paras. 3 (b) (vi) (1))

The Complainant's trademark "NEWAYS" was adopted in the year 1992 internationally. The Complainant is also the owner of more than hundreds of domain names containing the term "NEWAYS" list of which has been provided to me.

The disputed domain name is identical to the Complainant trademarks and domain name and a very distinctive feature of the disputed domain name is the incorporation of the Complainants trademark, as it is.

Further, at the time of registration of the disputed domain name <u>www.neways.co.in</u>, the Complainant had already been using the mark "NEWAYS" as its trademark and domain name with firmly established rights in the same. Also, at the time of registration, the Complainant trademark had already acquired the status of a well-known mark. It was under the Complainants authority that Respondent No.1 was to use the Complainants Indian

Company only, and not for any other purposes. However, this authority conferred by the Complainant on Respondent No.1 was revoked by the former vide letter dated 22.04.2010 (Annexure-9 of the Complaint). Notwithstanding this revocation, the Respondent No.1 without any legitimate authority registered and is operating various domain names (including the domain name in dispute in the present proceeding) using the Complainants trademark "NEWAYS".

Thus, Respondent No.1 has failed to show any rights superior to that of the Complainant in the trademark "NEWAYS". The only logic behind getting an identical mark registered in such a case is in the reason that Respondent No.1 got the disputed domain name registered with the intention to trade upon the fame of the Complainant mark in violation of para 4 (b) of the Policy. Internet users are highly likely to believe that the disputed domain name is related to, associated with or authorized by the Complainant.

The other aspect, which is asserted by Respondent No.1, is that the spheres of use of the domain name in dispute, and the manner in which it is used or sought to be used. Respondent No.1 has alleged that the disputed domain name is related to and will be used for a different purpose as compared to that of the Complainant. In this regard, the Tribunal concludes that the domain name and trademark, which may be used in a different manner and for different business purposes or field, or sphere, can still be confusingly similar or identical, and that Respondent stands to gain advantage by exploiting the goodwill of the Complainant by registering the same.

This proposition was also upheld in the following cases:

- J.D. Edwards & Co. vs. Nadeem Bedar, WIPO Case D-2000-0693, wherein it was held that its irrelevant that domain name or trademark carry on business in different fields, when they are similar phonetically or in appearance.
- 2. <u>M/s Satyam Infoway Ltd. vs. M/s Sifynet Solution (P) Ltd, [AIR 2004 SC 3540]</u>, it was held that in modern times domain name is accessible by all internet users and thus there is need to maintain it as an exclusive symbol. It is also held that it can lead to confusion of source or it may lead a *bonafide* user to a service, which he is not looking for.

It can thus be concluded that the registration of the disputed domain name in this case, is nothing but a blatant imitation with a *mala fide* intention of earning upon the name and fame of the Complainant.

The Registrant has no rights or legitimate interests in the respect of the domain name - (Policy, para. 4 (ii); Rules, paras. 3 (b) (vi) (2))

According to the paragraph 7 of the .IN Dispute Resolution Policy, the following circumstances show Registrants rights or legitimate interest in the domain name for the purpose of paragraph 4(ii)-

- before any notice to the Registrant of the dispute, the Registrant's use of, or demonstrable preparations to use, the domain name or a name corresponding to the domain name in connection with a bona fide offering of goods or services;
- *ii)* the Registrant (as an individual, business, or other organization) has been commonly known by the domain name, even if the Registrant has acquired no trademark or service mark rights; or
- iii) the Registrant 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 trademark or service mark at issue.

The Complainant had authorized Respondent No.1 to use its trademark "NEWAYS" solely for the purpose of registering its Indian Company, and not for any other purposes. However, vide letter dated 22.04.2010, the Complainant had revoked this authority. The Complainant's mark is well known and it has gained rights purely based upon prior use and registration of the mark, that there can be no legitimate use by Respondent No.1. Therefore, the use of the disputed domain name without any permission from the Complainant, in the given circumstances, is an act done in bad faith, in itself.

The Complainant has thus proved that the registration and use of the disputed domain name by Respondent No.1 was done in bad faith as per paragraph 6 (iii) of the policy, in the sense that its use by Respondent No.1 made it possible for him to intentionally attract, for commercial gain, internet users to their websites by creating a likelihood of confusion with the Complainant marks as to the source, sponsorship, affiliation or endorsement of those websites and the services offered thereon. The fact that domain name in dispute is being used for completely different purposes by Respondent No.1 is irrelevant as has been explained in the preceding paragraphs.

The Registrant domain name has been registered or is being used in bad faith - (Policy, para. 4 (iii), 6; Rules, paras. 3 (b) (vi) (3))

Respondent No.1 was aware of the Complainants fame and well being at the time of entering into negotiations with the Complainant. The activities of the Respondent to get registered the domain name in dispute rise to the level of a bad faith and usurpation of the Complainants mark to improperly benefit the Respondent in violation of applicable trademark and unfair competition laws.

Given the fame of the Complainant's trademark and domain name, it is not possible to conceive of a use of the same by the Respondent, which would not constitute an infringement of the Complainant' rights in the trademark. Thus, mere registration of a domain name similar to such a well-known trademark would be an evidence of the Respondent's bad faith.

The facts make it clear that the Respondent was taking advantage of the goodwill and fame of the Complainant' well-known trademark for its own substantial commercial profit and gain and the usage of the disputed domain name is in bad faith as defined under paragraph 6 (iii) of the policy.

Decision

In view of the above facts and circumstances, it is clear that the Complainant has succeeded in its complaint.

The Respondent has got registered and used the disputed domain name in bad faith .IN Registry is hereby directed to transfer the domain name of the Respondent i.e. <u>www.neways.co.in</u> to the Complainant. Parties are to bear their own costs. The Award is accordingly passed on this 9th day of January, 2014.

2005 Mr. A.K. Singh

Sole Arbitrator Date: 9th January, 2014