



सत्यमेव जयते

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e-Stamp

Certificate No. : IN-DL00750934440377L
Certificate Issued Date : 23-Dec-2013 10:36 AM
Account Reference : IMPACC (IV)/ dl775503/ DELHI/ DL-DLH
Unique Doc. Reference : SUBIN-DL77550399297037457961L
Purchased by : V K AGARWAL
Description of Document : Article 12 Award
Property Description : Not Applicable
Consideration Price (Rs.) : 0
(Zero)
First Party : V K AGARWAL
Second Party : Not Applicable
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Stamp Duty Amount(Rs.) : 100
(One Hundred only)



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NATIONAL INTERNET EXCHANGE OF INDIA

Flat No. 6 B, 6th Floor, Uppals M 6 Plaza,

6, Jasola District Centre,

NEW DELHI - 110 025

Neways, Inc., v. Mr. Dale Gerke

AWARD

V K Agarwal

Statutory Alert:

1. The authenticity of this Stamp Certificate should be verified at "www.echilestamp.com". Any discrepancy in the details on this Certificate and on

1. The Parties

The Complainant is Neways, Inc., 2089, Neways Drive, Springville, Utah 84663, United States of America .

The Respondent No. 1 is Mr. Dale Gerke, 60, 7th Avenue, St. Peters, South Australia 5069, Australia.

The Respondent No. 2 is swiftpages.com Pty. Ltd., PO Box 1129, stirling, Adelaide, South Australia 5152, Australia.

2. The Domain Name and Registrar

The disputed domain name is <www.newaysindia.in>.

The particulars of registration of the disputed domain name contained in the whois-search.com are as follows:

- | | |
|-----------------------------|--------------------------------|
| (a) Name of the Registrant | : Mr. Dale Gerke |
| (b) Registrant Organization | : Swiftpages.com |
| (c) Domain ID | : D3650770-AFIN |
| (d) Created on | : 06 th June 2009 |
| (e) Expiration date | : 06 th June 2014 |
| (f) Registrar | : GoDaddy.com, LLC (R101-AFIN) |

3. Procedural History

- (a) A Complaint dated October 29, 2013 has been filed with the National Internet Exchange of India, New Delhi. The Complainant has made the registrar verification in connection with the domain name at issue. The print out so received in respect of Respondent No. 1 is annexed as Annexure 2 with the Complaint. A print out of registrar verification of Respondent No. 2 is annexed as Annexure 3 with the Complaint. It is confirmed that the Respondents are listed as the Registrant of the disputed domain name and provided the contact details for the administrative, billing, and technical contact. The National Internet Exchange of India verified that the Complaint satisfied the formal requirements of the Indian Domain Name Dispute Resolution Policy (INDRP) (the "Policy") and the INDRP Rules of Procedure framed thereunder.

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- (b) The National Internet Exchange of India appointed Dr. Vinod K. Agarwal, Advocate and former Law Secretary to the Government of India as the sole arbitrator in this matter. The arbitrator finds that he was properly appointed. The Arbitrator has submitted the Statement of Acceptance and Declaration of Impartiality and Independence, as required by the Exchange.
- (c) In accordance with the Rules, the Sole Arbitrator formally notified the Registrant/Respondent of the Complaint through a registered letter dated 18th November 2013. The Registrant/Respondent was required to submit his defence within 15 days. The Respondent was informed that if his response was not received by that date, he would be considered in default and the matter will be proceeded ex-parte.
- (d) In response to the aforesaid communication, the Respondent has duly submitted his response dated 27.11.2013, in hard copy through post, to the Complaint.

4. Factual Background

From the Complaint and the various annexure to it, the Sole Arbitrator has found the following facts:

Complainant's activities

The Complainant Neways, Inc., 2089, Neways Drive, Springville, Utah 84663, United States of America is a corporation organized and existing under the laws of the State of Utah, U.S.A. and was incorporated in the year 1992. The Complainant has stated that it is a multi-level marketing company engaged in the business of manufacture and sale of dietary supplements and personal care products. The Complainant has independent distributors and operators in about 29 countries around the world. The Complainant also operates in various countries through subsidiaries/affiliates, such as, Neways Enterprises Inc., Neways International (Australia) Pty. Ltd., Neways Services Inc., etc.

The Complainant adopted the trademark NEWAYS in the year 1992. The Complainant contends that its trademark and brand name "NEWAYS" is an invented mark and is distinctive to the goods and services of the Complainant. The long and continuous use of the said trademark has led to the exclusive association of the mark with the Complainant. Any use of the trademark/trading style NEWAYS or any similar sounding and looking

mark whether in relation to the same goods or any other goods would invariably result in an association of such mark and its corresponding goods and services with the Complainant.

The Complainant has stated that the "Complainant and/or its subsidiaries/affiliates under authorization and permission from the Complainant, have filed applications and/or obtained registrations for the trademark NEWAYS, NEWAYS formative marks and the NEWAYS labels in about 36 different jurisdictions. An illustrative list of the countries where the trademark "NEWAYS" is registered or the applications are pending includes Australia, Bulgaria, Canada, China, CTM (Community Trademark), European Union, Hong Kong, Israel, Japan, Kazakhstan, Korea, Malaysia, Mexico, New Zealand, Nigeria, Pakistan, Russia, Singapore, Switzerland, Taiwan, Thailand, United Kingdom, United States of America, Vietnam, etc. The said trademark "NEWAYS" is also registered/likely to be registered in India.

In most of these countries, the said trademark "NEWAYS" is registered in various Classes, such as, 3, 5, 9, 16, 32, 35, 40 and 42. The registration of the said trademark in Class 3 covers the following products: "Bleaching preparations and other substances for laundry use; cleaning, polishing, scouring and abrasive preparations; soaps, perfumery, essential oils, cosmetics, hair lotions; preparations for the skin and the scalp all included in class 3". Class 5 includes Dermatological Pharmaceutical products."

The Complainant and/or its subsidiaries/affiliates (with the authorization, consent and permission of the Complainant) own 105 domain names with the word NEWAYS and various combination of the said word "NEWAYS". Only to illustrate, they are: <neways.asia>, <neways.at>, <neways.ca>, <neways.co.at>, <neways.co.uk>, <neways.com>, <neways.eu>, <neways.name>, <neways.pt>, <neways.tw>, <neways.us.com>, <neways-acai.com>, <newaysbusiness.jp>, <neways-eu.com>, <newaysinc.com>, <newaysinc.net>, <neways-international.be>, <newaysonline.uk>, <newaystruetouch.com>, etc. Thus, at the time Respondents registered the disputed domain name, the word "NEWAYS" was well known as trademark and as part of the domain names of the Complainant and/or its subsidiaries/affiliates.

Respondent's Identity and Activities

In the response to the Complaint submitted by the Respondent No. 1, no details about the activities have been mentioned.

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5. Parties Contentions

A. Complainant

The Complainant contends that sometimes in April 2009 the Complainant, with a view to exploring the possibility of launching their products in the Indian market, had commenced preliminary discussions and negotiations with the Respondent No. 1 and Mr. Eric Rosario Pereira. The Complainant had through letter dated June 4, 2009 (Annexure 7 to the Complaint) confirmed the appointment of both the Respondent No. 1 and Mr. Eric Pereira as Directors of the Complainant's operations in India and had granted a limited permission for use of the Complainant's trademark NEWAYS for the registration of a company with the Registrar of Companies, Mumbai, India.

The Complainant had also written a letter dated June 19, 2009 (Annexure 8 to the Complaint) to the Registrar of Companies, Maharashtra, India for the purpose of incorporating a company using the Complainant's trademark NEWAYS. Thereafter, on September 30, 2009 an entity by the name of "Neways Products India Private Limited" was incorporated in India.

The negotiations broke down between the Complainant, Respondent No. 1 and Mr. Eric Rosario Pereira and the Complainant decided not to pursue Indian operations. Consequently, the Complainant requested, verbally and through e mails, to the Respondent No. 1 to return confidential information supplied to him. On April 22, 2010 (Annexure 9 to the Complaint) the Complainant had also written a letter to the Respondent No. 1 severing all connections with him and revoking all authorizations granted to him including the use of the trademark NEWAYS. Further that, at no point of time the Complainant authorized or consented to the Respondent No. 1 registering any domain name incorporating the Complainant's trademark.

The Complainant has further state that the Respondent No. 1 had, in addition to the present disputed domain name, registered some other domain names also using the Complainant's trademark. However, all those domain names are not the subject matter of dispute in the present case. In the present case, the only disputed domain name involved is <www.newaysindia.in>.

It appears that in March 2013 some correspondence exchanged between the Complainant and the Respondent No. 1. On April 10, 2013 the Complainant had also given a legal notice (Annexure 11 to the Complaint) to (i) the Respondent No. 1, (ii) Respondent No. 2, (iii) Mr. Eric Pereira and (iv) the Indian company, expressly revoking all previous authorizations

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including any permission or consent given for use of the Complainant's trademark NEWAYS and called upon Respondent No. 2 to cease and desist from using other websites and also to transfer the disputed domain name to the Complainant.

The Complainant has further stated that the Respondent No. 1 had replied the said legal notice by e mail and letter dated April 24, 2013 (Annexure 12 to the Complaint) and asked for certain documents which were provided to him. Finally the Respondent No. 1 gave a reply by e mail dated May 8, 2013 (Annexure 14 to the Complaint) denied that the disputed domain name infringed the Complainant's trademark and refused to transfer the same to the Complainant. In the said e mail the Respondent had, in point 2 of the 'Settlement Proposal' asked for payment of AUD 15,000 for transfer of the disputed domain name to the Complainant. However, through its letter dated June 13 2013 the Complainant has 'rejected, refused and denied' the said 'Settlement Proposal'.

Therefore, in relation to element (1), the Complainant has contended that disputed domain name is identical or confusingly similar to the Complainant's trademark 'NEWAYS' and the Respondents/Registrants have registered the disputed domain name <newaysindia.in> with an intention to trade upon the immense goodwill and reputation enjoyed by the Complainant in the famous trademark and brand name "NEWAYS".

In support of its contentions, the Complainant has relied on the decisions in the following cases: *Rolls-Royce PLC v. Hallofpain*, (WIPO Case No. D2000-1709); *Amazon.com, Inc. v. A. R. Information & Publication Co. Ltd.*, (WIPO Case No. D2001-1392); *PepsiCo, Inc. v. Kieran McGarry*, (WIPO Case No. D2005-0629), and *Kabushiki Kaisha Toshiba dba Toshiba Corporation v. WUFACAI*, (WIPO Case No. D2006-0768). In addition, some decision in the cases of decided by National Internet Exchange of India have also been relied upon.

In relation to element (ii), the Complainant contends that the Respondent No. 1 has registered the disputed domain name without the Complainant's knowledge, authorization, consent and permission and with malafide intention. Further that, the Registrant/Respondent (as an individual, business, or other organization) has not been commonly known by the mark or name "NEWAYS". Also, the Registrant/Respondent is not making a legitimate non-commercial or fair use of the said domain name for offering goods and services. The Respondent registered the domain name for the sole purpose of creating confusion, sponsorship, affiliation and misleading the general public.

Regarding the element at (iii), the Complainant contends that the main

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object of registering the domain name <www.newyasindia.in> by the Respondent/Registrant is to mislead the general public and the customers of the Complainant. The use of a domain name that appropriates a well known name to promote competing or infringing products or for making profit by offering to sell it cannot be considered a "*bona fide offering of goods and services*". Further that, the registrant/Respondent registered the disputed domain name in bad faith and for making profit out of the same by selling it to the Complainant or his competitors.

In support of its contentions, the Complainant has relied on a number of cases decided by various arbitrators under World Intellectual Property Organisation, Arbitration and Mediation Centre, Geneva and the National Internet Exchange of India.

B. Registrant/Respondent

In his reply to the complaint, the Respondent No. 1 has denied most of the contentions of the Complainant. The Respondent No. 1 has contended that Respondent No. 1 and Mr. Eric Pereira of Mumbai became business "partners" in or about 2008 - 2009. This arrangement was never formalized.

Further that, a company "Neways India" was formed and registered in India. The Respondent No. 1 has paid all costs of setting up the said company "Neways India". The arrangement was that Respondent No. 1 would use his expertise and contacts throughout the world to set up an arrangement with the Complainant and Mr. Pereira would do all the local work. Initially Mr. Pereira was to pay 50% of costs but eventually due to the Complainant pulling out of its commitments, Mr. Pereira decided only to provide efforts to the venture (no money). Respondent No. 1 had no option but to continue with this arrangement. Respondent No. 1 was meant to have 50% shareholding in the newly incorporated company "Neways India" transferred to his name, but this never eventuated.

The Respondent No. 1 has further stated that Neways India was not an entity of the Complainant or owned or controlled in any way by the Complainant. The Complainant had known, committed and agreed to Neways India being formed and operating. By Annexure 7 the Complainant has appointed Respondent No. 1 and Mr. Pereira as "Directors" to the Indian operations of the Complainant. Respondent No. 1 and Mr. Pereira had an agreement with the Complainant to commence Neways India. Neways India was not set up to do business "solely for and on behalf of" the Complainant. Neways India was in the ownership of Respondent No. 1 and Mr. Pereira and the Complainant was simply going to act as a contractor/supplier of products for Neways India. Further that

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the Complainant had committed to reimburse Respondent No. 1 \$10,000 towards essential costs. This was never paid. Therefore, the substantial factor in the breakdown of negotiations was lack of transparency and honesty from the Complainant.

The Respondent No. 1 has contended that all the time he has acted properly and in good faith. The Complainant has never properly discussed the settlement with Respondent No. 1 and has constantly tried to bully Respondent No. 1. At all times the Respondent has asked to discuss this matter amicably. Each time there has been no response to this request and only legal threat have resulted. The Respondent No. 1 has requested for a sum of \$15,000 as it would have been a small part compensation for the Respondent's cost, in regard to domains, programming, websites, legal fees, communications, travel, etc.

6. Discussion and Findings

The Rules instruct this Arbitrator as to the principles to be used in rendering its decision. It says that, "a panel shall decide a complaint on the basis of the statements and documents submitted in accordance with the IN Domain Name Dispute Resolution Policy (INDRP), the Arbitration and Conciliation Act, 1996, the Rules of Procedure and any rules and principles of law that it deems applicable".

According to paragraph 4 of the said Policy, the Complainant must prove that:

- (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 that is the subject of Complaint; and
- (iii) The Registrant's domain name has been registered and is being used in bad faith;

A. Identical or Confusingly Similar

The Complainant is the registered owner of the trademark "NEWAYS" in many countries, as indicated above. The Complainant's application for the registration of the trademark "NEWAYS" is also pending in India. Further, the Complainant also owns a large number of domain names, as mentioned above, with the words "neways".

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The Respondent No. 1 has also used the same words, that is, “neways” in the disputed domain name. The Respondent No. 1 has not produced any evidence to establish the fact that he is the owner of the trademark “neways” in any country in the world. Further, the activities of the Respondent No. 1 are not material for the purpose of the present case. What is relevant is that the Respondent’s domain name is phonetically, visually and conceptually identical to the registered trademark of the Complainant. The addition of the word ‘india’ and ‘in’ in the disputed domain name is insignificant.

In the case relied upon by the Complainant it has been held that the domain name wholly incorporating a complainant’s registered mark may be sufficient to establish identity or confusing similarity, despite the addition or deletion of other words to such marks.

Therefore, I hold that the domain name <www.newyasindia.in> is confusingly similar to the Complainant’s trademark.

B. Rights or Legitimate Interests

According to paragraph 7 of the INDRP, the Registrant/Respondent may demonstrate its rights to or legitimate interest in the domain name by proving any of the following circumstances:

- (i) before any notice to the Registrant of the dispute, the Respondent’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.

In support of the respective contentions, the Complainant and the Respondent No. 1 have relied on the letter of the Complainant dated June 4, 2009 (Annexure 7 to the complaint) Therefore, it is necessary to reproduce the said letter dated June 4, 2009. It is as follows:

“NEWAYS WORLDWIDE INC. having a principal place of

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business at 2089, Neways Drive, Springville, Utah 84663, United States of America is pleased to confirm that Mr. Eric Rosario Pereira and Dr. Dale Gerke have been appointed as Directors of their Indian operations.

Mr. Eric Rosario Pereira is hereby authorized to apply for registration of the Indian company with the Registrar of Companies, Mumbai, India.

Neways Worldwide Inc., U.S.A. permits the use of the name "Neways" in the registration of the Indian company."

After the aforesaid letter, the Complainant has written a letter dated April 22, 2010 addressed to both Mr. Eric Rosario Pereira and Dr. Dale Gerke conveying the decision of the Complainant not to pursue Indian operations. Further, by the said letter the Complainant has severed all relations with the Respondent No. 1 and has revoked all authorisations granted to the Respondent No. 1.

The aforesaid letter dated June 4, 2009 clearly established the fact that the Complainant has only authorized the Respondent No. 1 and Mr. Pereira to register the company in India and to be the Directors of the Company and to use the name "neways" only for the purpose of registration of name of the company. These facts indicate that the company belonged to the Complainant. The said letter does not authorize the Respondent No.1 to use the Complainant's registered trademark and brand name "NEWAYS" in the registration of the domain name.

It may be true that the Respondent No. 1 while registering the disputed domain name has given his name as the owner of the domain. But the Respondent No. 1 had not produced any document to show authority to use the Complainant's trademark in the disputed domain name. Further, there is no evidence to suggest that the Respondents have become known by the disputed domain name anywhere in the world. There does not exist any relationship between the Respondents and the words "neways" used in the disputed domain name. Based on the evidence adduced by the Complainant, it is concluded that the above circumstances do not exist in this case and that the Respondents have no rights or legitimate interests in the disputed domain name.

I, therefore, find that the Respondent No. 1 and Respondent No. 2 have no rights or legitimate interests in the disputed domain name.

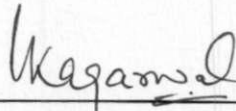
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Therefore, the said amount of AUD 15,000 cannot be said to be out of pocket costs directly related to the domain name. Further, before incurring any cost and expenses, the Respondent No. 1 should have obtained, in writing, the consent and permission of the Complainant. No such document has been produced by the Respondent No. 1 in these proceedings.

The foregoing circumstances lead to the presumption that the domain name in dispute was registered and used by the Respondent No. 1 unauthorisedly and therefore in bad faith. Hence, I conclude that the domain name was registered and used by the Respondent No. 1 in bad faith.

7. Decision

In light of the foregoing findings, namely, that the domain name is confusingly similar to the name in which the Complainant has rights, that the Respondent has no rights or legitimate interests in respect of the disputed domain name, and that the domain name was registered in bad faith and is being used in bad faith, in accordance with the Policy and the Rules, the Arbitrator orders that, as prayed by the Complainant, the disputed domain name <www.newaysindia.in> may be transferred to the Complainant.



Vinod K. Agarwal,
Date: January 7, 2014