



ADMINISTRATIVE PANEL DECISION

Pharmalink Pty Ltd
-v-
Ian Simpson McDermott

Case No. LEADR-auDRP 10/09

Domain Name: invida.com.au and invida.net.au
Complainant: Pharmalink Pty Ltd
Respondent: Ian Simpson McDermott
Provider: LEADR
Panelist: Sara Delpopolo

1. THE PARTIES

- 1.1 The complainant is Pharmalink Pty Ltd (ABN 62 116 935 758) of Level 8, 67 Albert Avenue, Chastwood NSW 2067 (**Complainant**).
- 1.2 The respondent is Ian Simpson McDermott (ABN 49 625 627 154) of Suite 291, 4 Young Street, Neutral Bay NSW 4560 (**Respondent**).

2. THE DOMAIN NAME AND REGISTRAR

The disputed domain names are <invida.com.au> and <invida.net.au> (**Domain Names**). The registrar is Smartyhost.

3. PROCEDURAL HISTORY

- (a) The complaint was submitted for decision in accordance with the (auDRP) Policy and Rules, which was approved by auDA in 2001 and commenced operation on 1 August 2002 and LEADR's Supplementary Rules (LEADR is the Provider).
- (b) The complete application was received from the Complainant by LEADR on 24 November 2009.
- (c) On 24 November 2009, LEADR express posted to the Respondent a dispute notification letter and a copy of the application.
- (d) A copy of the application and a copy of the dispute notification letter were also posted to the registrar Smartyhost on 25 November 2009. The Registrar confirmed that the website was locked on 27 November 2009.
- (e) LEADR advised auDA of the complaint on 25 November 2009 via email.

- (f) On 21 December 2009, the provider approached the Panellist. The panellist confirmed her availability, informed LEADR that they had no conflict issues with the parties and accepted the matter on 21 December 2009.
- (g) The response was due on 15 December 2009. No response was received by that date. The Respondent was contacted on the 21 December 2009 and was advised that no response was to be submitted.
- (h) The Panellist was informed on 21 December 2009 that the package was being sent for Adjudication.

4. FACTUAL BACKGROUND

4.1 Facts Alleged by Complainant

The Complainant is a wholly owned subsidiary of Invida Pharmaceutical Holdings Pte Ltd (**Parent Company**) which was incorporated in Singapore. The Parent Company was formerly known as Asia Pacific Pharmaceutical Holdings Pte Ltd and changed its name to the current one on 15 January 2008 in the course of its global re-branding strategy.

In July 2009, the Parent Company instructed the Complainant to register the domain names consisting of the new brand "invida" and to lodge trade mark application for the word "invida" in Australia.

On 30 July 2009, two trade mark applications, No. 1324454 "INVIDA" and No. 1324453 "INVIDA (logo)" for classes 5 and 35 were filed in the name of the Parent Company with the Trade Mark Office.

In October 2009, the recently appointed IT manager of the Complainant discovered that the Domain Names for the new brand "invida" had not been registered due to exiting staff.

On 26 October 2009, after attempting to register the Domain Names, the Complainant became aware that the Domain Names were already registered by the Respondent through *WHOIS* domain name search database. On verifying that neither Domain Names resolved to an actual website by conducting an internet search, the Complainant sent an email to the Respondent and asked if the Respondent would consider relinquishing the Domain Names.

On 28 October 2009, the Respondent replied:

"As discussed this afternoon, one of my businesses monitors the commercial press and speculatively leases domain names."

The Respondent also confirmed that the Domain Names were not in use but the cost to relinquishing them *"would be approximately \$1800 each not including GST. That covers our admin, leasing and contingencies."*

On the same date, the Complainant had an internal meeting to discuss the progress of its re-branding to "invida". During that meeting one employee of the Complainant recognised the Respondent's name and confirmed that the Respondent in fact had been providing on-going consulting services to the Complainant under the name

"IMC Consulting", which is a marketing advisory company. Moreover, the Complainant learnt that the Respondent was currently working on a business name proposal for the Complainant.

On 30 October 2009, the Complainant was able to conclude that the Respondent had both the means and opportunity to obtain the Complainant's Australian re-branding strategy because of the consulting work that the Respondent was doing for the Complainant.

The Complainant subsequently made an inquiry to auDA to obtain the Domain Names registration date. auDA advised the Domain Names were registered on 30 August 2009.

During the period 2 November 2009 and 12 November 2009, the Complaint and the Respondent exchanged several emails and phone calls about the sale of the Domain Names. The parties agreed to an amount of \$2,420 to transfer the Domain Names. The only outstanding issues to be resolved were how the transfer would occur and when payment would be made. The Complainant suggested that payment would be made once transfer had occurred but the Respondent replied that this was unsatisfactory as a previous payment under his contractual services had been delayed by the Complainant:

"Sorry mate, I've been paid late by you guys this year and I think it would be just too tempting for you to pull the plug on this after I release the names"

This email response was also an admission by the Respondent of his business relationship with the Complainant.

The Complainant reserved the company names "Invida Australia Pty Ltd", "Invida Pharmaceutical Pty Ltd" and "Invida Healthcare Pty Ltd" with ASIC on 5 November 2009.

On 13 November, the Complainant informed the Respondent by email that it would not pursue the purchase the Domain.

On the same date, auDA acknowledged receipt of the complaint domain name <invida.com.au> to the Complainant. The Complainant was asked to provide supplementary information in support. The Complainant forwarded to auDA a few copies of correspondence with the Respondent and the Domain Name registration details.

The Complainant also states that it registered the domain names <invidaaustralia.com.au>, <invidapharmaceutical.com.au> and <invidahealthcare.com.au> but has not included details of registration with this Complainant. The domain name <invida.com> was registered and is now in use by the Parent Company. Again, no evidence was provided by the Complainant to support this.

In the Complainant's view, the Respondent registered the Domain Names in bad faith and has no rights or legitimate interests in the Domain Names which are identical to the Complainant's trade marks and company name.

The Complainant now seeks to have the Domain Names transferred to it under this Complaint.

4.2 Facts Alleged by the Respondent

The Provider has not received any response from the Respondent in relation to this Proceeding.

The Panel is satisfied that reasonable attempts were made by the Provider to contact the Respondent in this Proceeding and that the Respondent was given a reasonable opportunity to respond to the Complaint.

The Respondent is in default in this Proceeding and the Panel has the authority to make inferences based on the failure of the Respondent to reply to the Complaint in accordance with paragraph 5(e) of the Schedule B of the *.au Dispute Resolution Policy* (**auDRP Rules**).

5. DISCUSSION AND FINDINGS

In order to have the Domain Name transferred to it, the Complainant must make out each of the following elements under Schedule A of the *.au Dispute Resolution Policy* (**auDRP Policy**):

- (a) the Respondent's domain name is identical or confusingly similar to a name, trade mark or service mark in which the Complainant has rights (paragraph 4(a)(i));
- (b) the Respondent has no rights or legitimate interests in the domain name (paragraph 4(a)(ii)); and
- (c) the Respondent registered or subsequently used the domain name in bad faith (paragraph 4(a)(iii)).

The Complainant advised that it contacted the Respondent on a 'without prejudice' basis to see if the Respondent would relinquish the Domain Names. The Complainant has submitted with the Complaint all correspondence between it and the Respondent as evidence in support.

In order to avoid any doubt, the Panel notes that the rule relating to 'without prejudice' communications means that statements made under this label cannot be used against the other party in legal proceedings, so long as the following applies:

- a) there must be a dispute underway;
- b) the statements made under 'without prejudice' must be part of a genuine attempt at settling the dispute; and
- c) the parties must not reveal the content of 'without prejudice' negotiations, or forfeit their rights to confidentiality.

However, the Panel finds that the evidence in support provided by the Complainant can be used in this proceeding because:

- a) none of correspondence provided by the Complainant was marked 'without prejudice'; and

- b) it was made prior to commencement of a dispute, namely the content of the emails solely related to the possible sale of the Domain Names to the Complainant.

5.1 **Paragraph 4(a)(i) of the auDRP Policy:**

The Panel must determine whether, on the basis of the facts set out in paragraph 4(a)(i) above, the Complainant has rights in a relevant name, trade mark or service name.

The Panel, at first instance, finds that the Domain Names are substantially identical and confusingly similar to the Parent Company's name "Invida Pharmaceutical Holdings Pte Ltd" as well as to its Trade Mark Applications No. 1324454 "INVIDA" and No. 1324453 "INVIDA (logo)".

The footnote 1 of the paragraph 4(a)(i) states:

"For the purposes of this policy, auDA has determined that a "name ... in which the complainant has rights" refers to

(a) the complainant's company, business or other legal or trading name, as registered with the relevant Australian government authority; or

(b) the complainant's personal name."

The Panel notes that the Complainant's company name is currently "Pharmalink Pty Ltd" and not "invida". The Complainant registered domain names <invidaaustralia.com.au>, <invidapharmaceutical.com.au> and <invidahealthcare.com.au>, as well as reserving company names "Invida Australia Pty Ltd", "Invida Pharmaceutical Pty Ltd" and "invida Healthcare Pty Ltd" but these were not appropriated before the date of registering the Domain Names.

Therefore, the question before the Panel is whether the Complainant can claim it has rights in and to the name "invida" on the basis that its Parent Company has the rights to the same.

To determine this issue, the Panel refers to the High Court authority for the "Piracy" case of *Seven Up Co v OT Ltd* (1947) 75 CLR 203 which has very similar facts to the Complaint. In that case at 211, Williams J held:

"[In] the absence of fraud it is not unlawful for a trader to become the registered proprietor under the Trade Marks Act 1995 of a mark which has been used, however extensively, by another trader as a mark for similar goods in a foreign country, provided the foreign mark has not been used at all in Australia at the date of the application for registration. ... The court frowns upon any attempt by one trader to appropriate the mark of another trader although that trader is a foreign trader and the mark has only been used by him in a foreign country. It therefore seizes upon a very small amount of use of the foreign mark in Australia to hold that it has become identified with and distinctive of the goods of the foreign trader in Australia. It is not then a mark which another trader is entitled to apply to register under the Trade Mark Act 1995 because it is not his property but the property of the foreign trader."

Although, the subject matter is different between domain name registration in this Complaint and trade mark registration in the above case, the Panel finds that the result is the same as the Respondent registered the Domain Names to prevent the Complainant using them in Australia and/or to sell them to the Complainant.

The Complainant's evidence supports the assertion that the Respondent was aware of the Complainant and its plan to re-brand to "invida" at the time of registering the Domain Names given their business relationship. The Respondent comments in his email to the Complainant on 28 October 2009:

"Thanks for the call and congratulations on starting up the local invida web presence."

Under paragraph 14 of the auDRP Rules, the Panel shall decide a complaint on the basis of the statements and evidence submitted. In this Complaint, no evidence has been provided by the Respondent to rebut the statements made so the Panel can only rely on the evidence provided by the Complainant.

The Panel reviewed the Parent Company's website <www.invida.com> and the Complainant's website <www.pharmalink.com> and notes that both websites clearly state that the Complainant is "a subsidiary of INVIDA". Further, the Parent Company's website refers to the fact that the Complainant (Pharmalink Pty Ltd) is the Australian commercialisation local company and a link to the Complainant's website is provided.

The Panel pays attention to the assertion of William J in the *Seven Up Case* that the courts will seize upon a "a very small amount" of prior use in Australia by the foreign owner. In *Moorgate Tobacco Co Ltd v Philip Morris Ltd (No 2)* (1984) 156 CLR 414 at 432-433, Deane J discussed the nature of such use:

"The prior use of a trade mark which may suffice, at least if combined with local authorship, to establish that a person has acquired in Australia the statutory status of "proprietor" of the mark, is publish use in Australia of the mark as a trade mark, that is to say, a use of the mark in relation to goods for the purpose of indicating or so as to indicate a connection in the course of trade between the goods with respect to which the mark is used and that person. The requisite use of the mark need not be sufficient to establish a local reputation and there is authority to support the proposition that evidence of but slight use in Australia suffice to protect a person who is owner and user overseas of a mark which another is seeking to appropriate by registration under the Trade Mark Act 1995."

Additionally, the Panel notes that trade mark applicant's title remains "inchoate" until the registration is actually granted, or otherwise in gaining substantial reputation in the marketplace by having used it. The Panel also notes that the fate of the trade mark application is to be judged as at the date of application and the first applicant should therefore prevail over the claims of a subsequent applicant or user. Although the Complainant failed to submit such evidence of use of the Trade Marks, the Parent Company (as the applicant) has a right to the priority date which, in fact, was one month earlier than registration of the Domain Names, and this right can be claimed by the Complainant as discussed above.

Thus, the Panel is satisfied that in the circumstances the Complainant has shown it has prior rights in and to the name "invida" in Australia.

The Panel therefore finds that the Domain Names are so similar to the name in which the Complainant has rights and paragraph 4(a)(i) of the auDRP Policy must be regarded as being satisfied.

5.2 **Paragraph 4(a)(ii) of the auDRP Policy:**

Paragraph 4(c) of the auDRP Policy provides the list of circumstances to be taken to demonstrate the registrant's rights or legitimate interest to the domain name for purpose of paragraph 4(a)(ii):

- (i) your [the registrant's] bona fide use of, or demonstrate preparations to use, the domain name in connection with an offering of goods or service (not being the offering of domain names that you have acquired for the purpose of selling, renting or otherwise transferring); or
- (ii) you [the registrant] (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 [the registrant] 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 at issue.

The Panel repeats that the Respondent has not provided any submissions to the Complaint. The Respondent has not therefore demonstrated his activities fall within the scope of the specified activities enumerated in paragraph 4(c) of the auDRP Policy which are a basis for bona fide use of the Domain Names.

The Respondent was aware of the Complainant's plan to re-brand to "invida" due to the existing business relationship with the Complainant. The Respondent also clearly confirmed that he acquired the Domain Names for the purpose of selling, renting or otherwise transferring.

The Respondent has not provided a response to this Complaint and therefore has not presented any bona fide reasons for registering the Domain Names.

The Panel therefore finds that the Respondent has no legitimate rights to use the Complainant's new name "invida", nor represent itself as authorised to register the Domain Names on the Complainant's behalf.

Paragraphs 4(a)(ii) and 4(c) of the auDRP Policy are therefore satisfied by the Complainant.

5.3 **Paragraph 4(a)(iii) of the auDRP Policy:**

The Complainant states that the Respondent's registration of the Domain Names was for the sole purpose of speculatively leasing the Domain names. In this case though, the Respondent was quite willing to sale the Domain Names outright to the Complainant.

The Complainant submitted various evidences to show that the Respondent:

- a) has not used the Domain Names since its registration;

b) admitted that he registered them for the purpose of the sale (although the Respondent's intention was to "lease" the Domain Names, this would still be considered an unfair commercial use under paragraph 4(b)(iv)); and

c) expressed his view that the domain name was a commodity.

Furthermore, upon receiving confirmation that the Complainant would no longer pursue the purchase of the Domain Names, the Respondent attempted to coerce the Complainant by advising that another company was interested in purchasing the Domain Names:

"No worries mate, there's mob called Invida Blinds & Awnings that want it anyway."

The Panel is satisfied that the Respondent registered the Domain Names in bad faith and that the Complainant has satisfied the requirements of paragraph 4(a)(iii) of the auDRP Policy.

6. DECISION

I find that the Complainant has made out all of the elements of paragraph 4(a) of the auDRP Policy. Accordingly, the Domain Names <invida.com.au> and <invida.net.au> are to be transferred by the Registrar, Smartyhost, to the Complainant.

Sara Delpopolo
Sole Panelist

19 January 2010