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K. Rama Chandravathi

Sold To..... *Harini Narayana Swamy*
S/o/W/o/D/o..... *R. Narayana Swamy*
S/o Whom..... *Self*

K. RAMA CHANDRAVATHI
STAMP VENDOR (L. No:27/99, RL.No.16/2008),
6-3-387, Beside Banjara Durbar Hotel, Panjagutta,
HYDRABAD - 500 092. Phone. No. 23351796

**BEFORE THE NATIONAL INTERNET EXCHANGE OF INDIA
ARBITRATION AWARD**

In The Matter Between

**SOCIETE DES PRODI ITS
NESTLE SA, SWITZERLAND**

Complainant

Versus.

**NESCAFE Limited,
United Kingdom**

Respondent

Harini Narayana Swamy

1. The Parties

The Complainant, SOCIETE DES PRODUITS NESTLE SA, is a Swiss limited liability company. The Complainant's authorized representative in these proceedings is Mr. Luca Barbero of Studio Barbero , Italy.

The Respondent is Nescafe Limited, United Kingdom.

2, The Domain name, Registrar and Policy

This Arbitration pertains to a dispute regarding the domain name <nescafe.co.in>. The registrar for the disputed domain name is Direct Information Pvt. Limited d/b/a Public Domain Registry.

The Arbitration Proceeding is conducted in accordance with the Arbitration and Conciliation Act of 1996 (India), the .IN Domain Name Dispute Resolution Policy (the "INDRP Policy"), and the INDRP Rules of Procedure (the "Rules").

3, Procedural History

The sole arbitrator appointed in the case is Mrs. Harini Narayanswamy. The Arbitrator has submitted the Statement of Acceptance and Declaration of Impartiality and Independence, in compliance with the Rules.

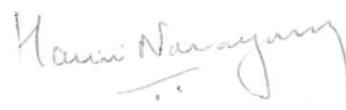
The Arbitrator received the hard copy of the Complaint from the .IN Registry on April 18, 2009. On April 22, 2009 the Arbitrator send by "Registered Post" and by email a notification of commencement of the arbitration proceedings to the Respondent under paragraph 5 (c) of the INDRP Rules, and by email to other interested parties to the dispute.

The Respondent was given twenty-one days time from the date of the notification to file a Response. The Respondent did not file a formal response in these proceedings. The Arbitrator proceeds under paragraph 11 of the Rules, to determine the merits of the case, based on the submissions made by the Complainant and the documents on record.

Factual **Back** ground

The Complainant is a leading multinational with a worldwide presence in the food and beverages industry. It is the owner of the numerous trademarks including the 'NESCAFE' mark, to which the present dispute pertains.

It has submitted a representative list of the worldwide registrations of its NESCAFE marks. Some of these are: Indian registration NESCAFE (word mark) 196182 class 32, United Kingdom NESCAFE (word mark) UK No. 585860 in class 30 and Community



registration NESCAFE (word mark) No. 3346053, in international classes 9.11,14,16,18,21,24.25,28,29,30,32,35,41 and 43.

The Complainant has registered various domain names with its "NESCAFE" mark, under several TLD'S: which includes nescafe.com, nescafe.co.uk, nescafe.info, nescafe.biz, nescafe.mobi, nescafe.name, nescafe.pk, Nescafe.lk, nescafe.cn, nescafecoffee.com. The Complainant's website www.nescafe.com is a frequently visited website.

4. Parties contentions

A. Complainant

The Complainant states it was founded in 1866 by Henri Nestle', and is presently one of the largest food and beverages company in the world in terms of sales. It produces and sells products such as baby foods, breakfast cereals, chocolate, confectionery, beverages, bottled water, dairy products, ice cream, food services, pharmaceutical and pet-care products. It employs over 270 000 people and markets its products in over 130 countries including India, and China.

The Complainant contends that it uses well-known brands such as: Nescafe', Nespresso, Taster's Choice, Ricore', Ricoffy, Bonka, Zoe'gas and Loumidis for marketing its coffee products. The NESCAFE brand, which was launched in Switzerland on April 1st, 1938, is one of its leading brands for instant coffee products. It is the owner of numerous (over 20,000) trademark registrations consisting in or comprising of its NESCAFE mark.

Tracing the history of its NESCAFE mark, the Complainant states it was exported in France and Great Britain when United States of America entered World War II. The Complainant states that over the years it continued to innovate the Nescafe product, introducing finer blends, launching decaffeinated and reduced-caffeine varieties. Fair-trade certified coffee, and the NESCAFE Partner's blend. At the end of 2005, the year when the domain name was registered, the sale under the NESCAFE mars was CHF 91.075 million (EUR 57,060 million) worldwide. Soluble coffee volume sales amounted to CHF 8783 million worldwide (about EUR 5453 million) in 2005.

The Complainant states that NESCAFE brand has been ranked first of the "top 4 hot beverages" and fifth of the top 100 grocery brands" in 2004 by AC Nielsen with a volume of sales amounting to 3137 million in the United Kingdom (about EUR 397 Million). According to Interbrand's table of the world's most valuable brands (a leading consultancy firm specialized in brands), NESCAFE was ranked 24th (+4%) in 2007 and valued at USD 12,950 Billion. NESCAFE was the most valuable Swiss brand, and the winner of the coffee category in the United Kingdom and in Spain for the Reader's Digest "European trusted brands" in 2007. The Complainant states that its initiatives in social responsibility (details at its website: www.community.nestle.com), include its commitment to sustainability, environmental protection and economic development.

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The Complainant asserts that the Respondent has registered the disputed domain name using its well-known trademark without its authorization. Further, the Respondent is redirecting users to a website that offers a "Reseller Program" in connection with Domain Registrations, Web Hosting, Mail Hosting, Mail Forwarding and Managed DNS.

The Complainant states that when it first came to know of the disputed domain name, the registrant at that time was Chen Shenglu. The Complainant asked a web designer entity, based in Italy, (a third fiduciary company) on October 20, 2006 to approach the registrant, to ascertain the intentions of the owner. A lady with a Chinese accent answered the phone call on behalf of the Registrant. After intense negotiations, she agreed to receive a price of 1100 EURO for the domain name, and even confirmed it in writing by email. The Complainant states as the figure exceeded out of pocket costs; it did not wish to pay this amount to the registrant via the fiduciary company.

The Complainant states that on Nov 29, 2006, the disputed domain name was transferred to an entity called "Nescafe Limited". On December 12, 2006, the fiduciary company sent a communication to the new owner, with a reminder on January 5, 2007, which evoked no response. The Complainant therefore conducted investigations at the given address on January 6, 2007. Its investigations revealed that there was a rundown single door, two-story house in the suburbs of Greenwich area, which consisted of five small rooms, generally rented to students for a short term. Investigations also revealed that there was no entity called "NESCAFE Limited" in that building, and the telephone number did not correspond to the building. The Complainant further draws attention to the fact that the very same address has been mentioned for "WEBMASTERS CASINO LTD" in other domain name disputes regarding <KFC.co.in> and in <Taco.Bell.co.in>.

The Complainant says that on January 6, 2007 a message was received from the Respondent alleging that the domain name was purchased for a large sum of money for its business. When requested to provide details of its business, no reply was forthcoming. On Jan 11, 2007, the domain name was transferred to "OKI Ltd", but with the same address as the previous owner of the domain name. The domain name was renewed on Feb 16, 2007 and again transferred to "Nescafe Limited." The telephone numbers for "OKI Ltd" and for "NESCAFE Limited" were the same, and a representative of the fiduciary company again contacted the Respondent at that number. The same Chinese lady responded from the London number and this time asked for a price of 5000 Euro, and she sent a follow up email on March 2, 2007 to pursue the deal.

In the light of its investigations, the Complainant asserts that "Nescafe Limited" does not exist and the real owner behind the disputed domain name had never changed. It states that the same Respondent was using different names, often with the same address, telephone number and email address. Complainant states that had sent cease and desist letters dated March 31, 2008 and July 19, 2008, to which it received no response.

The Complainant requests for transfer of the domain name based on the followings legal grounds. The disputed domain name is identical to its distinctive NESCAFE mark, which is a coined word. The domain name designator "co.in" is to be disregarded for the

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assessment. The Complainant argues that the Respondent lacks rights and legitimate interests in the domain name, as there are no demonstrable preparations to use the domain name in connection with a *bona fide* offering of goods or services before notice of the dispute. The Respondent is not commonly known as "Nescafe Limited", as revealed by the Complainant's investigations, and "Nescafe" is not the family name of Respondent. The Respondent is not licensed or authorized to use the Complainant's mark.

The Complainant finally contends that the Respondent has registered and uses the domain name in bad faith. Its trademark "NESCAFE" is world famous and the Respondent ought to have known of the Complainant's prior rights in the mark at the time of registration. The Complainant also draws attention to the false identities used by the Respondent, and the same address reflected in several other domain name cases. Failure to reply to the cease and desist letters sent by the Complainant also shows the Respondent's bad faith.

B. Respondent

The Respondent did not respond in these proceedings.

5. Discussion and Findings

Under the .IN Policy, the Registrant of the domain name is required to submit to a mandatory Arbitration proceeding in the event that a Complaint is filed in the .IN Registry, in compliance with the .IN Policy and the INDRP Rules.

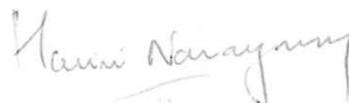
The .IN Policy, Paragraph 4 requires the Complainant, to establish the following three elements

- (i) The domain name is identical or confusingly similar to a name, trademark or service mark in which the Complainant has rights, and
- (ii) The Respondent has no rights or legitimate interests in respect of the domain name; and
- (iii) The Respondent's domain name has been registered and is being used in bad faith.

Identical or Confusingly Similar

The first criterion requires the Complainant to prove that the domain name registered by the Respondent is identical or confusingly similar to a mark in which it has rights.

The Arbitrator finds the Complainant has provided ample documentary evidence of its ownership rights in the trademark, which *inter alia* include its trademark registrations in India and in numerous countries all over the world. The Complainant has also demonstrated its prior adoption of the NESCAFE mark for its instant coffee products and



its sustained use for over seventy years, in the world market. The Complainant therefore has undoubtedly established its unassailable rights in the NESCAFE mark.

It is well recognized that incorporating a trademark in its entirety, (particularly if the mark is an internationally well-known mark) is sufficient to establish that the domain name is identical or confusingly similar to the Complainant's registered mark. See for instance *Ingersoll-Rand Co. Frank Gully d/b/a Advcomren* , WIPO Case No.D2000-0021. <ingersol-rand.net>, and *Boehringer Ingelheim Pharma GmbH&Co.KG v. Philana Dhimkana*, WIPO Case No.2006 -1594, where it was held that, if a well known trademark was incorporated in its entirety, it is sufficient to establish that a domain name is identical or confusingly similar to the Complainant's registered mark.

The Arbitrator finds the NESCAFE mark has been developed and used assiduously over several years by the Complainant, which undoubtedly shows its distinctive affiliation with the Complainant. Clearly, anyone who encounters the disputed domain name would associate it with the Complainant and not the Respondent. Incorporating the NESCAFE trademark in its entirety by the Respondent in the domain name renders it identical except for the ccTLD domain identifier "co.in"

A ccTLD suffix, such as "co.in", is recognized as a technical requirement for the domain name, and therefore does not influence the finding of confusing similarity. See for instance *International Business Machines Corporation v. Investment Backed Mortgages Limited*, WIPO Case No. DAU 2007-0009, regarding the domain name <ibm.net.au>, where it was held that the suffix ".net.au" was not relevant in comparing it to the IBM mark.

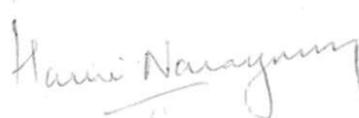
For the reasons discussed, the Arbitrator finds that the disputed domain name <nescafe.co.in> is identical to the Complainant's mark, NESCAFE.

Rights and Legitimate Interests

The second criterion requires the Complainant has to show that the Respondent has no rights and legitimate interests in the disputed domain name.

The Complainant has asserted that the Respondent has no rights in the domain name, as it has not authorized the Respondent to use its marks in any manner. The Arbitrator finds there is no evidence on record to show that the Respondent has any trademark or other rights in the disputed domain name.

Under paragraph 7 of the Policy, the registrant's rights can be found from the material on record, if (i) before notice of the dispute, the registrant had used or made demonstrable preparations to use the domain name in connection with a *bona fide* offering of goods or services or (ii) the Registrant (as an individual, business organization) has been commonly known by the domain name, or (iii) The Registrant is making legitimate, non commercial or fair use of the domain name without intent for commercial gain.



The Complainant has submitted printouts of the Respondent's websites and its featured links, which show that it is redirecting Internet users to other sites. The selection of a domain name by the Respondent with a well known trademark which is used to redirect to other third party websites is not a *bona-fide* use and does not confer rights or legitimate interests; See *Media General Communications Inc. v. Rare Names, WebReg*, WIPO Case No.D2006- 0964 and *HSBC Finance Corporation v. Clear Blue Sky Inc. and. Domain Manager*, WIPO Case No.D2006-0062. Further, although the Respondent is redirecting users to a website that offers services related to registering and reselling domain names there is nothing on record to show that the Respondent has made a *bona fide* offering of goods and services under NESCAFE name to give the Respondent any legitimate rights in the disputed domain name. Rather, it has misappropriated the Complainant's mark in order to gain Internet traffic.

The Arbitrator finds there is nothing on record to show the Respondent has been commonly known by the disputed domain name. Although the records show the name of the registrant as " Nescafe Limited", the Complainant's investigations have revealed that no such company or entity exists. Based on the submissions of the Complainant and the evidence on record, the Arbitrator notes that the Respondent has deliberately used the Complainant's trademark as the name of the registrant, which is a fake identity, used by the Respondent to suppress its true identity.

It appear that, the Respondent has registered the domain name with full knowledge of the Complainant's marks and uses it for the purpose of diverting Internet traffic, which is neither fair use nor non-commercial use. Such facts and circumstances create a rebuttable presumption that the Respondent has no rights in the domain name and is not using it for any legitimate purpose. In the absence of any response from Respondent, it is fair to conclude that the Respondent has no rights. See *priceline.com Incorporated v. Sigfedo Alviera*. WIPO Case No.D2007 -1273. The Arbitrator is satisfied that there is nothing on record to show any legitimate rights or interests in the domain names favoring the Respondent.

Finally, under paragraph 3 (b) of the INDRP Policy, a Registrant, at the time of registration or at the time of renewing the domain name, warrants that the domain name will not infringe or violate any rights of a third party. Given the prior reputation of the Complainant's mark, the conceivable objective behind the Respondent's registration here appears to be, for impeding the use of the domain name by the Complainant and awaiting its future resale. It has been found in previous cases that exploiting the Complainant's mark in this manner does not to confer any legitimate rights on the Respondent. In the present case, the Arbitrator finds the Respondent has clearly registered the disputed domain name for its trademark value.

The Arbitrator is convinced that the Respondent has no rights or legitimate interests in the disputed domain name.

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Bad Faith

Under the INDRP Policy the Complainant is required to prove that the domain name was registered and is being used in bad faith. The Policy provides a non-exhaustive list, of circumstances, which indicates bad faith registration and use of a domain name under Paragraph 6 of the Policy.

Under paragraph 6 (i) of the Policy, evidence of bad faith can be found if there are circumstances to indicate that the Registrant has registered or acquired the domain name primarily for the purpose of selling, renting or transferring the domain name to the Complainant or its competitor for an amount which is in excess of out-of-pocket costs directly related to the domain name. The Complainant has provided evidence that the Respondent has, on at least two occasions, indicated its willingness to sell the disputed domain name for amounts in excess of out-of-pocket costs directly related to the domain name. The Arbitrator finds that this conduct of the Respondent squarely falls under the bad faith circumstances described under paragraph 6 (i) of the Policy.

Further, under Paragraph 6 (ii) of the Policy, evidence of bad faith can be found if the registrant has registered the domain name in order to prevent the owner of the trademark from reflecting the mark in a corresponding domain name, provided that the Registrant has engaged in a pattern of such conduct. The Arbitrator finds the totality of facts and circumstances here shows the Respondent has registered the domain name in bad faith to prevent the owner from reflecting its mark in the disputed domain name and with the intent to exploit and profit from the Complainant's mark. The Arbitrator finds that, not only has the Respondent misappropriated the Complainant's mark in the disputed domain name, but has also misused the Complainant's mark using a false registrant's name: "Nescafe Limited" to mislead the public.

The Respondent's pattern of similar conduct can be inferred from the same address being used by the Respondent in several domain name disputes. The Arbitrator also notes that the Respondent has been constantly changing the names of the registrants. Using several aliases is also recognized as a form of cyber flight and has been found to be in bad faith in previous cases. The Arbitrator views the Respondents' conduct of using various aliases as cyber flight, as there has been a constant change of registrants pertaining to the disputed domain name. As these transfers took place before the Respondent was served with the Complaint, it was most likely done in anticipation of facing a Complaint.

The use of same address, in several domain name registrations, by the Respondent(s), gives rise to the inference that the Respondent (under several aliases) has a prior history of registering and using the domain names in bad faith. The Complainant has listed cases, which confirms that the same Respondent's address has been used, but under different names. (See *Taco Bell Corporation v. Webmaster Casinos Ltd and Kentucky Fried Chicken (KFC) Corporation v. Webmaster Casinos Ltd.*) . The use of the same address in several domain name disputes, leads to an inference that it is likely to be the same Respondent that has engaged in a pattern of registering domain names to prevent the

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trademark owner from using its mark in a corresponding domain name. The Arbitrator notes that the Respondent in the earlier cases has been ordered to transfer domain names to its legitimate owners. The Arbitrator finds the Respondent's conduct therefore shows bad faith as described under paragraph 6 (ii) of the Policy.

Under paragraph 6 (Hi), if the registrant has used the domain name to intentionally attract Internet users to the Registrant's website or other online location by creating a likelihood of confusion with the mark, it is considered evidence of bad faith. The Arbitrator finds that the Respondent has registered the domain name with knowledge of the value of the Complainant's trademark and uses it with the intention of attracting Internet users to its website. Such registration and use is classic bad faith use. See for instance *Ticketmaster Corp. v. Spider Web Design, Inc.* WIPO Case No. 2000-155 S. The Respondent's website is being used to redirect users to another website that offers some Internet related services. All these factors clearly show the Respondent's bad faith in registering and using the disputed domain name.

Finally, under Section 29 (1) of the Indian Trademarks Act 1999, infringing use of a trademark is recognized as:

29 (1) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which is identical with, or deceptively similar to the trade mark in relation to goods or Services in respect of which the trademark is registered and in such manner as to render the use of the mark likely to be taken as being used as a trademark:

The Complainant's trademark is distinctive for instant coffee products and the Respondent has indicated its intent to profit from this by offering to sell the domain name at prices that are in excess of out of pocket expenses of registration of the domain name. Clearly, the Respondent is not a person or an entity that is connected with the Complainant, but has used the Complainant's mark in the disputed domain name without any right or authorization to do so. In numerous cases where a third party with no connection to the mark and who is not authorized to use the mark, registers a domain name incorporating the mark, it has been considered a strong indication of bad faith. See for instance *LTV Gelbe Seiten AG v. Yellow Pages*, WIPO Case D2009-0338.

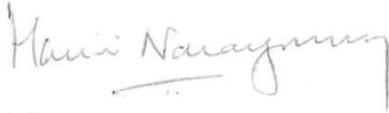
It is evident that the Respondent uses the domain name for the purpose of displaying links for commercial use. The use of a domain name to attract consumers to a website featuring links, which are unconnected to the Complainant, is evidence of bad faith. It is fair to conclude that the Respondent is diverting users to third party websites for receiving revenue. See *Digipoll Limited v. Domain Administrator*, WIPO Case No. D2007-0999.

In conclusion, for the reasons discussed, the Arbitrator finds the disputed domain name has been registered and used in bad faith under paragraphs 4 and 6 the Policy.

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6. Decision

For all the reasons discussed above the Arbitrator orders that the Domain Name <nescafe.co.in> be transferred to the Complainant.



Harini Narayanswamy

Arbitrator

Date: 24 May 2009