

## **DISPUTE RESOLUTION SERVICE**

**D00016967**

### **Decision of Independent Expert**

**Segway, Inc**

and

**Mr Ebenezer Moses**

#### **1. The Parties:**

Lead Complainant: Segway, Inc  
14 Technology Drive  
Bedford  
New Hampshire  
03110  
United States

Respondent: Mr Ebenezer Moses  
57 Brooke Avenue  
South Harrow  
London  
Middlesex  
HA2 0ND  
United Kingdom

#### **2. The Domain Name(s):**

swegway.co.uk

#### **3. Procedural History:**

I can confirm that I am independent of each of the parties. To the best of my knowledge and belief, there are no facts or circumstances, past or present, or that

could arise in the foreseeable future, that need be disclosed as they might be of such a nature as to call in to question my independence in the eyes of one or both of the parties.

18 January 2016 18:13 Dispute received  
19 January 2016 13:11 Complaint validated  
19 January 2016 13:20 Notification of complaint sent to parties  
05 February 2016 01:30 Response reminder sent  
09 February 2016 11:07 Response received  
09 February 2016 11:08 Notification of response sent to parties  
12 February 2016 01:30 Reply reminder sent  
17 February 2016 08:11 Reply received  
17 February 2016 09:36 Notification of reply sent to parties  
17 February 2016 09:36 Mediator appointed  
24 February 2016 11:38 Mediation started  
04 March 2016 16:13 Mediation failed  
04 March 2016 16:13 Close of mediation documents sent  
08 March 2016 12:08 Expert decision payment received

#### **4. Factual Background**

The Complainant is the owner of the SEGWAY trademark which it uses in connection with its personal mobility devices and other goods and services and for which it holds a portfolio of registered trademarks including the following:

UK Registered Trade Mark number UK 00002294042 SEGWAY, filed on 27 February 2002 and registered on 6 September 2002 for the following goods in class 12: "Motorized, self-propelled, wheeled personal mobility devices, namely wheelchairs, scooters, carts and chariots."

CTM 02545762 SEGWAY, filed on 23 January 2002 and registered on 20 August 2004 for goods and services in classes 12, 16, 25, 35, 36, 39 and 41.

CTM 00295787 SEGWAY, FILED ON 25 November 2002 and registered on 30 March 2005 for goods and services in classes 9, 35 and 39.

CTM 013665807 SEGWAY, FILED ON 22 January 2015 and registered on 15 July 2015 for goods and services in classes 7, 12 and 42.

The disputed domain name was registered on 14 June 2015.

The Respondent has established a website to which the disputed domain name resolves on which he offers for sale personal mobility devices.

#### **5. Parties' Contentions**

##### **The Complaint**

##### *Complainant's Rights*

The Complainant relies on its rights in its above-mentioned portfolio of trade mark registrations for the SEGWAY mark and further submits that it adopted and commenced use of the SEGWAY mark in 2001 for use in connection with its personal transport devices and related products. It has since developed a worldwide trademark portfolio, with applications and registrations for its SEGWAY mark in over 50 countries.

The Complainant further submits that since 2001, it has acquired a substantial goodwill and reputation in the SEGWAY mark by substantial sales of its products through an international network of over 250 distributors, dealers and retail centres in 80 countries and its investment in advertising and promotion of its products to develop and promote the goodwill associated with its SEGWAY brand.

The Complainant has established and maintains a website at <www.segway.com> on which it advertises, provides information about and offers for sale personal mobility devices and related goods and services with links to over 150 other websites, including its UK website at <www.segway-uk.net>, all of which prominently feature the SEGWAY trade mark.

The Complainant submits that, as a result, the SEGWAY mark has become uniquely identified with the Complainant in the minds of consumers and have come to signify the high quality of the products and services offered by the Complainant.

The Complainant further submits that in order to ensure the quality of products or services offered under and associated with the SEGWAY brand, it has established a controlled distribution network of trusted authorized distributors around the world, including the UK, each of whom must sign a Distributor Agreement. Upon termination of the distribution agreement, the distributor must cease all use of the marks, including within domain names, and transfer any domain names that include the SEGWAY mark to Segway.

#### *Similarity of Disputed Domain Name and Complainant's Mark*

The Complainant submits that the disputed domain name <swegway.co.uk> is similar to its inherently strong and distinctive SEGWAY mark as the only difference is the single letter "w" which is in the domain name which makes no difference to the visual overall impression of the disputed domain name to the user.

#### *Alleged Abusive Registration*

The Complainant also alleges that the disputed domain name is an Abusive Registration because the registrant was aware of the Complainant and its rights in the SEGWAY mark when he chose and registered the confusingly similar domain name. The Complainant points out that both its UK Trade Mark registration and its CTM registration for SEGWAY predate the registration of disputed domain name on 14 June 2015.

The Complainant further alleges that because of the similarity of the disputed domain name and the Complainant's SEGWAY mark, the domain name would quite clearly be associated with the Complainant's SEGWAY brand and business and argues that there is no legitimate reason to register the disputed domain

name <swegway.co.uk> other than to capitalise on the reputation of the Complainant's brand around the world.

The Complainant submits that the disputed domain name is an obvious misspelling of the SEGWAY brand. The domain name owner is relying on the users misspelling the domain and arriving at a directly competing site. There is no legitimate reason as to why the domain name owner would choose this domain name and it is a reasonable assumption that the Respondent intentionally registered the disputed domain name to attract for commercial gain, Internet users to the Respondent's website by creating a likelihood of confusion with the Complainants as to the source, sponsorship, affiliation or endorsement of the Respondent's website or location or of a product or service on the Respondent's website.

The disputed domain name is clearly using the domain name in a way which has confused and is likely to confuse people or businesses into believing that the disputed domain name is registered to, operated by, authorised by, or otherwise connected with the Complainant. The Complainant alleges that the Respondent is intentionally attracting, for commercial gain, Internet users to the site by creating a likelihood of confusion with the Complainant.

The Complainant further alleges that the disputed domain name registration is an example of typosquatting as it relies on the Internet user making a small typing error which happens frequently.

Further, the website linked to the disputed domain name <swegway.co.uk> prominently features the SWEGWAY sign and offers for sale mobility and transportation vehicles which are highly similar, if not identical, to the goods and products offered for sale by the Complainant. The Respondent is using an almost identical domain name, in respect of a website featuring an almost identical mark, to sell directly competing goods.

The Complainant asserts that it can demonstrate that the Respondent is engaged in a pattern of registrations where the Respondent is the registrant of domain names (under .uk or otherwise) which correspond to well-known names or trade marks in which the Respondent has no apparent reason to be connected to or involved with. [This Expert notes that the Complainant did not in fact provide any evidence to support this assertion].

The Complainant alleges that it is apparent that the disputed domain name was registered unfairly to disrupt the business of the Complainant. Because of the similarity of the domain name, Internet users who inadvertently misspell the Complainant's mark will arrive at the website linked to the disputed domain, and purchase their transport devices from the Respondent.

The Complainant's representatives wrote to the Respondent requesting that the Respondent ceases use of the sign SWEGWAY and any confusingly similar sign, and transfer the domain to the Complainant. The Respondent responded that if the Complainant feels strongly about the disputed domain name, it should make an offer to purchase the domain name from the Respondent. The Complainant submits that this is clear evidence of an Abusive Registration, and plainly illustrates

how the Respondent has no legitimate interest in the domain, but has sought to register or otherwise acquire the disputed domain name for valuable consideration in excess of documented out-of-pocket disbursements.

### **The Response**

In his Response the Respondent denies that the disputed domain name was registered to have any affiliation with the Complainant's brand. The Respondent also denies that he is a competitor of the Complainant because the products which he sells are completely different from the Complainant's SEGWAY products. The Respondent's self-balancing scooter is clearly more portable and unlike the Complainant's product does not contain any handles which is how people differentiate between the two.

The term SWEGWAY has become a descriptive nickname, created by social media to describe these self-balancing scooters because the product is similar to the Complainant's product. In support of this assertion the Respondent has submitted articles from the Guardian and Evening Standard newspapers referring to the self-balancing scooters using the SWEGWAY name and asserts that the product is being sold in places including a large supermarket chain under the name SWEGWAY.

The Respondent asserts that he sells branded products called 'FUNKY PANDA BOARDS' but people still buy the product through the Complainant's website because they know the product by the descriptive term SWEGWAY.

The Respondent states that he purchased the disputed domain name because he wanted to sell the product and he started to see the name being used widely on social media worldwide through hashtags on Instagram and Twitter.

The Respondent states that it is now unclear as to who holds the patent rights to the self-balancing scooter.

The Respondent states: "If <swegway.co.uk> was so abusive to their brand then why didn't the Complainant's purchase the disputed domain name before I did? They have been around since 2001 so why exactly are they complaining about a domain name that was bought 14 years later after they started?"

The Respondent refers to a Google AdWords statistics search which shows that there were almost no searches against the keyword "swegway" until the Summer of 2015, when there was a spike in searches July rising to 464,990 in the month of August 2015. He registered the disputed domain name at about that time because the new product had come to light in the UK at the same time.

The Complainant's website does not appear at all in the results of any search for the term SWEGWAY on <google.com>.

There are 7 companies alone registered in the UK with the name SWEGWAY. There is also a shop created in Sheffield with the name SWEGWAY.

## The Reply

In Reply the Complainant refers to the non-exhaustive list of defences available to a respondent as set out in paragraph 4 of the DRS Policy arguing that the Respondent did not use or make demonstrable preparations to use the disputed domain name or a domain which is similar to the disputed domain name in connection with a genuine offering of good or services before he became aware of the Complainant's cause for concern. The Complainant submits that the Respondent has admitted that he was aware of the Complainant's rights in the SEGWAY mark prior to registering the disputed domain name.

The Complainant argues that the disputed domain name is not being used by the Respondent in connection with any genuine offering of goods as it takes unfair advantage of the Complainant's rights and business. The use of the disputed domain name of an almost identical trade mark to the Complainant's well-known brand on identical goods, is intended to take unfair advantage of the Complainant's rights, and/or be unfairly detrimental to the Complainant's rights. The deceptive use of an almost identical domain name that cannot sensibly refer to anyone else except the Complainant will create an "initial interest confusion" which is an established basis for a finding of an Abusive Registration.

The Complainant further submits that the Respondent has not provided evidence to show that he has been commonly known by a name legitimately connected with a mark which is identical or similar to the disputed domain name nor has he established that he has been using the disputed domain name in connection with a *bona fide* business. The Appeal Panel in *Toshiba Corporation (trading as Kabushiki Kaisha Toshiba D / B / A Toshiba Corporation) v. Power Battery Inc.* DRS 07991 regarded it as indicative of unfairness that the names in which a complainant has rights are being used to sell competing products.

The Complainant denies that the disputed domain name is either descriptive or generic. The Complainant submits that the evidence adduced by the Respondent shows that SWEGWAY is viewed as a brand both by the authors of the newspaper articles and by consumers reading the articles. In the Respondent's examples, terms such as "hover board" are being used as descriptors, whilst SWEGWAY is clearly a brand use. The Respondent's examples shows instances of SWEGWAY being used on a shop front. In other examples, the letter "S" is capitalised, and/or used alongside the descriptor "hover board". This clearly shows SWEGWAY is not generic or descriptive, and is seen as a brand. It is almost identical to the term SEGWAY which is a completely invented term.

It is not a coincidence that the Respondent has chosen to adopt a domain name that is almost identical to the Complainant's very well-known invented SEGWAY brand name for use in respect of identical goods. This is not because SEGWAY is descriptive or generic, but because SEGWAY is a very well-known brand. The use of SWEGWAY an almost identical mark to SEGWAY will clearly confuse Internet users into believing that it is connected to the Complainant.

The Complainant submits that the Respondent admits that SEGWAY was adopted because of its similarity to the brand SEGWAY, and not because it has a descriptive meaning.

Finally, the Complainant notes that the Respondent has made reference to “who owns the patent rights” for the self-balance scooter in their Response and comments that this is completely irrelevant.

## **6. Discussions and Findings**

In order to succeed in this Complaint, the DRS Policy at Paragraph 2 requires the Complainant to prove that the Complainant has Rights in respect of a name or mark which is identical or similar to the disputed domain name and that the disputed domain name, in the hands of the Respondent, is an Abusive Registration.

### *The Complainant’s Rights*

The Complainant has provided convincing evidence that it is the owner of the SEGWAY mark through its above-mentioned portfolio of trade mark registrations and the goodwill and reputation it has acquired by the use of the mark in connection with its personal mobility devices and other goods and services since at least 2002. This has not been put in issue by the Respondent.

### *Similarity*

Having compared the disputed domain name and the Complainant’s mark this Expert is satisfied that there is a high degree of similarity between the disputed domain name and the SEGWAY mark as the difference is only a single letter “w” which is included in the domain name.

### *Abusive Registration*

The essence of the Complainant’s case is that the Respondent is allegedly using the disputed domain name, which is almost identical to the Complainant’s trademark to divert and attract Internet users to the Respondent’s website by creating a likelihood of confusion as to the source, sponsorship, affiliation or endorsement of the Respondent’s website or location or of a product or service on the Respondent’s website for the purpose of selling competing goods.

The Complainant also alleges that the Respondent is engaged in “typosquatting” because of the disputed domain name is almost identical to its registered trademark, there being only one additional letter “w” in the domain name and that letter is close to the letter “e” on the typical QWERTY keyboard. The Complainant also submits that the disputed domain name was registered with the intention of resale to the Complainant or a competitor of the Complainant for profit.

In a “typical” DRS case where a Complainant relies upon a trade mark which is a made up word, with no independent meaning, and adduces evidence of a substantial business and reputation in that trade mark, an Expert would normally have no difficulty in concluding that a domain name comprising a minor typographical variation of the trade mark was an Abusive Registration especially when used in relation to a website selling products that were broadly similar to those sold by the complainant.

However the present case is significantly different from the “typical” case. There is no dispute that there are at least two different types of personal mobility device on the market: one such device is sold by the Complainant under the SEGWAY mark and the other is a newer “self balancing scooter” sometimes also described as a “hoverboard. It is this latter type of product which the Respondent advertises on his website.

The Respondent has provided credible evidence of examples of the use of both “SEGWAY” and “SWEQWAY” in a generic sense in media articles and even in a guidance publication by the Crown Prosecution Services referring to both of these types of personal mobility devices. There is also credible evidence that the word “Swegway” has been taken up and incorporated into the names of a number of registered companies and one retail shop. Thus the Respondent has shown that companies called Swegway Limited, Swegway Pro Limited, UK Swegway Limited, Swegway London Limited and Swegway Plus LLP all exist and the weight of the evidence filed by the Respondent leads to the inference that these companies are all involved in the sale of two wheeled mobility devices which they refer to generically as “swegways”.

A Google search exhibited by the Respondent shows numerous examples of retailers using the term “swegway” to refer to the products they are selling. The Respondent adduces evidence of for example the well known retailer Tesco selling what it describes as “an electric balancing scooter – hoverboard – swegway” . The Respondent has also provided evidence of press articles using the term “swegway” in a generic sense. For example an article in the Guardian On Line’s transport section is headlined “Move Over Cars, The Swegway is here. Or It Would Be If It Was’nt Illegal”

The Complainant in its Reply says that all the examples the Respondent relies upon are using the term “Swegway” as a brand and taking advantage of its similarity to the Complainant’s trade mark.

This Expert is not convinced that it is correct to say the usages in question are use of the term as a brand. There would seem to be significant evidence of the term “swegaway” being used in a generic sense.

Whether in doing so the organisations are nevertheless infringing the rights of the Complainant is a different question. The Complainant has not adduced any evidence indicating that it has taken any action against any of these third parties to enforce the trade mark rights it relies upon. Whilst it is important to emphasise that the DRS is not a forum for adjudicating trademark disputes it must nevertheless follow from the way the Complainant has presented its complaint, that most if not all of these uses are at least potentially ones that the Complainant would say infringe its rights.

The Respondent for his part is in effect asserting that the term “swegway” is descriptive and now is not generally understood as referring either uniquely (or possibly at all) to the Complainant or its products.

There is nothing on the record to suggest that this Expert should not accept the Respondent’s submissions at face value. While the Complainant has asserted that



it can demonstrate that the Respondent is engaged in a pattern of registering well-known names or trade marks with which the Respondent has no apparent connection, it has not provided any evidence to support this assertion and this Expert discounts this allegation.

On the evidence before this Expert therefore it appears that the Respondent is not selling the Complainant's products, that he intended the disputed domain name to refer to a range of products known as "Swegways" which are different from the Complainant's products; and that he registered the disputed domain name in order to sell the "Swegway" type devices. This expert regards as credible the Respondent's account that he chose the domain name when he became aware that the term "swegway" was being widely used to refer generically to two wheeled balancing scooters, and that this was part of a business plan to sell such devices.

It follows therefore that the Complainant's allegations of typosquatting and opportunistic registration with an intent to sell the domain name to the Complainant or a competitor must fail.

This expert nevertheless concludes that the registration is an Abusive Registration. The DRS Policy defines "Abusive Registration" as being "a Domain Name which either:

- i. was registered or otherwise acquired in a manner which, at the time when the registration or acquisition took place, took unfair advantage of or was unfairly detrimental to the Complainant's Rights; or
- ii. has been used in a manner which has taken unfair advantage of or has been unfairly detrimental to the Complainant's Rights.

While there is evidence that certain members of the public may well understand that there is a difference between the Complainant's products and the newer products sold by the Respondent and others and referred to as "Swegways", because the disputed domain name and the Complainant's Registered Trade Mark are so similar, on the balance of probabilities, some Internet users will nevertheless be confused into believing that the disputed domain name is registered to, operated or authorised by, or otherwise connected with the Complainant.

The similarity of the disputed domain name and the Complainant's mark will on the balance of probability result in "initial interest confusion" on the part of certain Internet users. Because of the similarity of the product which the Respondent is marketing and the Complainant's product there is serious risk that Internet users seeking to contact the Complainant may be diverted to purchasing from the Respondent. In this regard it is significant that, notwithstanding his denial that the two products are similar, the Respondent's website contains the following statement: "*How does it work? The Swegway features gyroscopic technology, the same as found in Segway. The Swegway is a self balancing scooter which works like a Segway (sic)...*"

In reaching this conclusion the expert would also note as follows:

For the Respondent's arguments to succeed would involve the Expert reaching a conclusion that the Complainant's rights in its SWEGWAY trade mark had been extinguished or at least significantly limited because of the manner in which the term Swegway has been used by third parties and as a consequence of the Complainant's failure to prevent that use.

These are not matters which are within the jurisdiction of the DRS itself to resolve. Given the significant evidence adduced by the Complainant as to the nature and size of its business, and the reputation of its SEGWAY trademark the Expert concludes that this decision should be made on the basis that the Complainant does have subsisting and enforceable rights in its trade mark, notwithstanding the evidence adduced by the Respondent. The fact that others apart from the Respondent are also using the term "Swegway" in a similar manner, is not sufficient to alter this Expert's view that the Respondent's use is taking unfair advantage of the Complainant's Rights.

## **7. Decision**

This Expert directs that the domain name <swegway.co.uk> be transferred to the Complainant forthwith.

Signed: James Bridgeman  
Expert

Dated: 4 April 2016