

DISPUTE RESOLUTION SERVICE

D00022212

Decision of Independent Expert

NewLife Medical Aesthetics Ltd

and

Nurul Ahad

1. The Parties:

Complainant: New Life Medical Aesthetics Ltd
42 Coombe Lane
Raynes Park
London
SW20 0LA
United Kingdom

Respondent: Dr Nurul Ahad
1, Ferndown, Hornchurch
London
RM11 3JL
United Kingdom

2. The Domain Name:

newlifeaesthetics.co.uk

3. Procedural History:

I 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.

09 January 2020 15:25 Dispute received
10 January 2020 12:35 Complaint validated
10 January 2020 13:03 Notification of complaint sent to parties
29 January 2020 01:30 Response reminder sent
31 January 2020 16:16 Response received
31 January 2020 16:16 Notification of response sent to parties
04 February 2020 13:38 Reply received
04 February 2020 13:38 Notification of reply sent to parties
10 February 2020 11:45 Mediator appointed
10 February 2020 14:53 Mediation started
24 February 2020 15:55 Mediation failed
24 February 2020 15:56 Close of mediation documents sent
02 March 2020 16:15 Expert decision payment received

4. Factual Background

The Complainant is an English limited company called New Life Medical Aesthetics Limited. It was incorporated on 11 March 2018, and it provides beauty treatments such as laser hair removal.

The Respondent is a surgeon who was a director of the Complainant's business from March 2018 until January 2019.

The Domain Name was registered by the Respondent on 17 January 2017.

The Domain Name has always been used to operate the business of the Complainant.

At some point in December 2018, the relationship between the parties began to deteriorate, and the Respondent ceased to be a director shortly thereafter, citing concerns over the financial management and operation of the business.

The website at the Domain Name now no longer resolves to a functioning website, and the present dispute is part of a wider dispute between the parties.

5. Parties' Contentions

The Complainant submits that the Domain Name was first registered by the Respondent at the request of Ms Musharraf Ashraf (who would go on to become a director of the Complainant company).

The Complainant claims that the Respondent, although being a director of the company, had nothing else to do with the operation of the business, and provided no further financial contributions to its operation.

The Complainant asserts that the Respondent left the business on bad terms and closed down the website at the Domain Name in order to make the business suffer.

In response, the Respondent agrees with the position around the original registration of the Domain Name, but provides a different account of the subsequent operation of the business. The Respondent claims to have financially supported the business through paying for the lease of certain equipment, and makes certain claims regarding the Complainant's financial management of the business which are not relevant to this decision. The Respondent also claims not to have been aware of his removal as a director of the company.

The Respondent further claims to have never been paid for any work or expenses incurred on behalf of the Complainant's business, and states clearly that the Domain Name registration has been maintained despite the dispute "with the anticipation of developing a service that I am fully trained for."

In reply, the Complainant questions the likelihood of the Respondent actually intending to establish a competing business, and asserts that the Respondent was fully aware of his removal as a director.

6. Discussions and Findings

Under paragraph 2.2 of the Policy, the Complainant must prove, on the balance of probabilities, each of the two elements set out in paragraph 2.1.1 and 2.1.2 of the Policy, namely that the Complainant has Rights in respect of a name or mark which is identical or similar to the Domain Name; and that the Domain Name, in the hands of the Respondent, is an Abusive Registration.

Rights

Paragraph 1 of the Policy provides that Rights means "rights enforceable by the Complainant, whether under English law or otherwise, and may include rights in descriptive terms which have acquired a secondary meaning".

The requirement to demonstrate Rights under the Policy does not have a high threshold. Rights may be established by way of a trade mark registration, or unregistered rights arising from use of a name to the standard required under common law.

In the present case, neither of the Parties make any direct submissions on the issue of Rights. However, it is inferred from the Complaint and the Reply that the Complainant claims to have Rights in the name “New Life Aesthetics”, being the core text element of the Domain Name at issue.

It is noted that the Complainant’s company is “New Life Medical Aesthetics Limited”, which differs from the Domain Name in the addition of the word “Medical”.

The Complainant has not directly asserted ownership of any registered trade marks. In the Reply, the Complainant has suggested that the name is “IPO certified”, but no evidence or further information has been provided to substantiate what Rights might exist.

The Complainant is effectively claiming the existence of unregistered rights in the name “New Life Aesthetics”. Section 2.2 of the Experts’ Overview Version 3 provides a guide as to what is required for a complainant to prove that it has rights in an unregistered trade mark.

If the right is an unregistered trade mark right, evidence needs to be put before the Expert to demonstrate the existence of the right. This will ordinarily include evidence to show that (a) the Complainant has used the name or mark in question for a not insignificant period and to a not insignificant degree (e.g. by way of sales figures, company accounts etc) and (b) the name or mark in question is recognised by the purchasing trade/public as indicating the goods or services of the Complainant (e.g. by way of advertisements and advertising and promotional expenditure, correspondence/orders/invoices from third parties and third party editorial matter such as press cuttings and search engine results).

The Complainant has not provided extensive amounts of evidence of its use of the name “New Life Aesthetics” in the way anticipated under the Experts’ Overview. It has not, for example, provided examples of its advertising materials, its website (before the Respondent took the site down), its social media presence or customer reviews, nor has it provided any sales figures or company accounts.

However, the Complainant has provided invoices showing expenditure of £1,300 spent with an organisation called “Katchapps” for digital marketing and website SEO during the course of 2019 and 2020. A statement of account with “Webfactory”, the Complainant’s website developer, also shows regular monthly payments of between £18 and £24 for the ongoing maintenance of the website. The Complainant has also spent over £3,500 with “Impress PR” for PR consultancy, social media management, and design services for logos and business cards.

Although limited in extent, the evidence which has been produced demonstrates that reasonable sums (especially for a small business) have been spent on marketing and promoting the business under the name “New Life Aesthetics”.

The Complainant also appears to have spent a not insignificant amount on establishing a physical presence in London, evidenced by the photograph of the front of the premises provided in the Complainant's evidence which clearly shows use of the name "New Life Aesthetics" (alongside the Domain Name).

It seems likely to me that the Complainant has built up a certain level of reputation and goodwill through its use of the name "New Life Aesthetics" as described above. On this basis, I find that, on the balance of probabilities and given the low threshold, the Complainant has Rights in the expression "New Life Aesthetics" and that the Complainant does therefore have Rights in a name or mark which is similar to the Domain Name.

Abusive Registration

Paragraph 1 of the Policy defines "Abusive Registration" as 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. is being or has been used in a manner which has taken unfair advantage of or has been unfairly detrimental to the Complainant's Rights;

This general definition is supplemented by paragraph 5.1 of the Policy which provides a non-exhaustive list of factors which may be evidence that the Domain Name is an Abusive Registration. Paragraph 8.1 of the Policy provides a similar non-exhaustive list of factors which may be evidence that the Domain Name is not an Abusive Registration.

The Policy requires the Complainant to prove, on the balance of probabilities, that the Domain Name is an Abusive Registration. The burden of proof is therefore firmly on the Complainant.

The Complainant's submissions do not refer clearly to what acts are intended to amount to an Abusive Registration, and the Respondent's submissions are equally unclear as to why its ownership of the Domain Name is not an Abusive Registration. However, the Expert has attempted to distil from these the main essence of the Complainant's and the Respondent's respective cases.

Paragraph 5.1.5 of the Policy provides one particular factor that may be considered evidence of an Abusive Registration:

5.1.5 The Domain Name was registered as a result of a relationship between the Complainant and the Respondent, and the Complainant:

5.1.5.1 has been using the Domain Name registration exclusively, and

5.1.5.2 paid for the registration and/or renewal of the Domain Name registration.

I will consider each of the three elements of this test in turn.

Was the Domain Name registered as a result of a relationship between the Complainant and the Respondent?

On the evidence provided by both parties, there is clearly a relationship between the Respondent and the Complainant.

Both parties have provided in evidence the same invoice relating to the purchase of the Domain Name in January 2017 by the Respondent. There is no dispute that the Domain Name was purchased by the Respondent. The Complainant has submitted that the Domain Name was purchased at the Complainant's request (or, more accurately, at the request of Ms Ashraf prior to the incorporation of the Complainant company), and the Respondent has not contested that.

The Respondent later went on to become a director of the Complainant's business, so I have no trouble finding that the Domain Name was registered as a result of a relationship between the Complainant and the Respondent.

Has the Complainant been using the Domain Name registration exclusively?

There appears to be no dispute that the Domain Name has at all times been used in relation to the business of the Complainant, so I find that this part of the test is satisfied.

Has the Complainant has paid for the registration and/or renewal of the Domain Name registration?

The Respondent paid for the registration of the Domain Name and claims to have paid for its renewal, which has not been contested by the Complainant. There is no direct evidence to attest whether the Complainant reimbursed the Respondent for those specific costs. That said, there is nothing in the parties' submissions to indicate that the Respondent sought to have those costs reimbursed.

The Respondent has submitted that he has yet to be reimbursed for his time and work in relation to the Complainant's business, and has "never claimed business expenses".

It is clear that the parties agree that the Domain Name was acquired purely for the purposes of the operation of the Complainant's business. It is extremely unlikely that the Domain Name was registered by the Respondent independently of any intention at that time to operate under the same name.

At the date of the registration of the Domain Name, the Complainant's business had yet to be incorporated. That did not happen until 10 months later. It would have been perfectly reasonable for the Respondent to register the Domain Name in his own name in order to secure it before incorporation and starting trading. Many directors of new companies spend their own funds on establishing the business with the intention of being compensated at a later stage.

It is common for little attention to be paid to the person legally entitled to a Domain Name, and had the dispute between the parties not arisen, it is likely that the Domain Name could remain in the name of the Respondent for some period of time without affecting the daily operation of the Complainant's business.

The available evidence on the aspect of payment for the Domain Name is limited. The Respondent's submissions indicate that, as of December 2018 at least, he was intending to remain a "silent partner" in the business, awaiting being bought out in relation to the investment in the business up until that point. Whilst no finding can be made by the Expert in relation to this final part of the test of paragraph 5.1.5 of the Policy, it would appear that the Respondent held the Domain Name, along with certain other assets of the business, for the benefit of the Complainant.

However, whilst the position in terms of paragraph 5.1.5 of the Policy is inconclusive, the Expert nevertheless regards the Respondent's present use of the Domain Name as constituting an Abusive Registration on the basis of the general definition under the Policy.

The Domain Name is evidently being used in a manner which has taken unfair advantage of and has been unfairly detrimental to the Complainants' Rights following upon the Respondent's departure from the business.

It is likely to cause unfair disruption to the business of the Complainant within the meaning of paragraph 5.1.1.3 of the Policy (and section 3.2 of the Experts' Overview version 3). By the Respondent's own admission in the Response, he anticipates developing a related or competing service to that of the Complainant, impliedly using the Domain Name. Given the Rights that the Complainant has established, any such use would necessarily adversely impact the business of the Complainant, notwithstanding the Complainant's doubts as to whether the Respondent has a genuine intention to compete.

It would also likely cause confusion on the part of the Complainant's customers and prospective customers into thinking that any business operated by the Respondent at the Domain Name is connected to the business of the Respondent, within the meaning of paragraph 5.1.2 of the Policy.

The Respondent has made minimal submissions on the actual issue of the Domain Name, instead providing general background on the business relationship between the parties. Nothing in those submissions gives the Expert any indication that any

ground under paragraph 8.1 of the Policy might apply to establish that the Respondent's behaviour is not an Abusive Registration.

The Expert is aware from the parties' submissions that each side has grievances in relation to their business relationship which go far beyond the scope of the Domain Name. This decision cannot and does not address any aspect of those grievances other than the very limited point regarding the ownership of the Domain Name. The parties will have to seek redress in a different forum to resolve their remaining issues.

Nevertheless, the Respondent's grievances do not entitle him to act in a manner which is unfairly detrimental to the interests of the business of which he was formerly a director by switching off the Complainant's website (and presumably therefore also preventing use of email services to and from addresses associated with the Domain Name). The suggestion of entering into competition with the Complainant using the Domain Name is a clear indication of Abusive Registration.

7. Decision

The Expert finds that the Complainant has proved that it has Rights in a name which is similar to the Domain Name and that the Domain Name, in the hands of the Respondent, is an Abusive Registration. The Expert therefore directs that the Domain Name be transferred to the Complainant.

Signed

Dated

Simon Sellars

9 March 2020