

# **DISPUTE RESOLUTION SERVICE**

**D00021992**

## **Decision of Independent Expert**

**Croma-Pharma GmbH**

and

**Jody Latham**

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

Complainant: Croma-Pharma GmbH  
Address: Cromazeile 2  
Leobendorf  
A-2100  
Austria

Respondent: Jody Latham  
Address: 36 Aglionby Street  
Carlisle  
CA1 1JP  
United Kingdom

### **2. The Domain Names:**

duraybo.co.uk  
faysia.co.uk  
quelvez.co.uk (the “Domain Names”)

### **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.

Definitions used in this decision have the same meaning as set out in the Nominet UK Dispute Resolution Service Policy Version 4, October 2016 (the “Policy”) unless the context or use indicates otherwise.

24 October 2019	Dispute received
25 October 2019	Complaint validated and notification of complaint sent to the parties
13 November 2019	Response reminder sent
18 November 2019	Response received and notification of response sent to the parties
21 November 2019	Reply reminder sent
26 November 2019	No reply received
26 November 2019	Mediator appointed
5 December 2019	Mediation started
17 December 2019	Mediation failed
17 December 2019	Close of mediation documents sent
17 December 2019	Expert decision payment received

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

The Complainant is based in Austria and specialises in the industrial production of products containing hyaluronic acid. The company distributes its products in more than 70 countries, including the United Kingdom. Since 2000, the Complainant introduced “PRINCESS”, a brand of hyaluronic acid injectables (dermal fillers), and in partnership with Bausch & Lomb has distributed “YELLOX” a treatment for inflammation in the eye. The Complainant now focuses on minimally invasive aesthetic treatments, in particular hyaluronic acid injectables.

The Respondent was sole director of UK Aesthetics (Wholesale) Limited (No. 11347571) which was incorporated on 4 May 2018 and dissolved on 8 October 2019. The nature of the company’s business is stated at Companies House as “physical well-being activities”. The Respondent continues to act as sole director of UK Aesthetics (Academy) Limited (No. 11343946) incorporated on 3 May 2018 with the nature of business stated to be “educational support services” and “physical well-being activities”.

The Respondent registered each of the Domain Names on 17 July 2019. The Domain Names resolve to a parking website at GoDaddy.com.

#### **5. Parties’ Contentions**

##### **The Complaint**

##### ***Complainant’s Rights***

The Complainants’ assertion of rights in the names DURAYBO, QUELVEZ and FAYSIA is that:

1. The Complainant was one of the first manufacturers of medicinal products in Austria. The Complainant refers to its industry leading treatment for inflammation in the eye ([https://www.ema.europa.eu/en/documents/overview/yellox-epar-summary-public\\_en.pdf](https://www.ema.europa.eu/en/documents/overview/yellox-epar-summary-public_en.pdf)).

2. For over 30 years, the Complainant has established its reputation and its extensive experience and expertise manufacturing and distributing medicinal products, a particular specialty being hyaluronic acid injectables.
3. On 25 January 2019, the Complainant incorporated Croma-Pharma Limited (No. 11787903) in order to expand its business activities in the United Kingdom.
4. As part of its expansion the Complainant employed a brand agency to develop new trademarks for part of its product range. On 8 March 2018, the brand agency presented the Complainant with possible names. The Complainant selected BEAUBELLA, FAYSIA, DURAYBO and QUELVEZ to progress to market for its white brand product-line for hyaluronic dermal fillers. This resulted in the creation of “the White Brands” document containing images of the packaging and brand get-up for the four hyaluronic dermal filler products QUELVEZ, FAYSIA, DURAYBO and BEAUBELLA. This document was disclosed to the Respondent on 17 July 2019 during the Complainant’s and Respondent’s discussions about establishing a business relationship.
5. The Respondent registered the Domain Names on the same day as the disclosure of the White Brands document, without consultation with the Complainant either at the time or during the subsequent commercial correspondence. No commercial agreement was concluded with the Respondent whereby he would be supplied with these new products for distribution. There was no other reason for the Respondent to appropriate the Complainant’s names for use as domain names. Around the same time, a friend of the Respondent applied for registration in the UK of the trademarks FAYSIA, DURAYBO, QUELVEZ and BEAUBELLA coinciding with the Respondent’s visit to the Complainant’s offices in Vienna.
6. On 9 September 2019, the Complainant applied for three trade marks at the Austrian registry and the following were registered on 18 September 2019:
  - a. Austrian Trade Mark Registration No. 304887 “DURAYBO” in Class 5
  - b. Austrian Trade Mark Registration No. 304888 “FAYSIA” in Class 5
  - c. Austrian Trade Mark Registration No. 304889 “QUELVEZ” in Class 5
7. The Complainant asserts unregistered trade mark rights under the English Law of passing off. The Complainant was in the process of developing its business and had produced a new range of white label products under four different brands with their respective CE-marks: QUELVEZ, FAYSIA, DURAYBO and BEAUBELLA. The Complainant cites DRS11946 (wyevalleyproperties.co.uk) that it has long been the case that unregistered trade mark rights under the English law of passing off provide sufficient rights for the purposes of the Policy.
8. The Complainant quotes the ingredients of the tort of passing off established by the House of Lords in *Erven Warnink v Townend* [1979] AC 731 and reformulated in *Reckitt & Colman v Borden* [1990] 1 WLR 491 but notes that, as stated in DRS18819 (mineofinformation.co.uk), Nominet Experts are only concerned with the element of goodwill or reputation.
9. The Complainant is unable to show goodwill in the brand names as there is no trading activity as the brands had yet to launch at the time of the Domain Name registrations. The Complainant does, however, submit evidence as to the creation of these brands and related planning to put the products on the market.

10. The Complainant cites DRS 02644 (*Yorkshire & Humber Assembly v Peter Hirst*) where there was no evidence of trading activity, but the expert considered that although the evidence of Rights was rather weak (promotional material and reliance on the use of a website address) he nevertheless concluded that the threshold test confirmed by the DRS Appeal Panel DRS 00248 (*Seiko UK Limited v Designer Time/Wanderweb*), that the requirement to demonstrate Rights is not a particularly high threshold test, had been satisfied. The Complainant also cites DRS 12276 (*Hvidbro-Mitchell v Croxford*) where the expert confirmed that “... *the objective behind the first hurdle is simply to demonstrate a bona fide basis for making the complaint*”. The Complainant thus asserts that no registered trade mark rights or obvious evidence of trading was demonstrated and yet the expert in each case concluded that rights did exist in order to meet the low threshold set out in the Policy.
11. The Complainant asserts its rights under Austrian Unfair Competition provisions namely the Federal Act Against Unfair Competition of 1984 (*Bundesgesetz gegen den unlauteren Wettbewerb*) wherein, under Section 9, both names and get-up are protected, and for the latter, the Complainant would also assert rights under copyright. The test requires that the use of these by a third-party in the course of business would cause confusion.
12. The Complainant asserts its ownership rights in the copyright of the get-up of the products QUELVEZ, FAYSIA and DURAYBO as shown in the White Brands document disclosed to the Respondent.

### ***Abusive Registration***

The Complainant sets out a chronology of events:

1. 29 April 2019: the Respondent contacted the Complainant by email with an enquiry regarding whether his company UK Aesthetics could order units of SAYPHA (a registered trade mark and brand name owned and used by the Complainant) for distribution across the UK and/or obtain “the exclusive UK distributor rights to SAYPHA”.
2. 2 May 2019: the Complainant replied to the Respondent stating that it was in the process of setting up a new strategy for the UK which includes several options from branch to distribution agreements and other channels. A questionnaire was attached for the Respondent to complete if he was interested in being considered within this new strategy. The Respondent did not return the questionnaire.
3. 17 July 2019: the Complainant was again approached by the Respondent via email who requested a “private label agreement” in order to sell the Complainant’s products under a name created by the Respondent. The Complainant replied that such a request would not be possible due to:
  - a. the new medicinal device directive within the European Union; and
  - b. the requirement for OEMs pre-registration (OEMs, or white label goods sold under a private label agreement would each require a new CE-mark).

The Complainant offered to the Respondent the choice of four options from its pre-existing and registered PRINCESS/SAYPHA brand range. The brand names

QUELVEZ, FAYSIA, DURAYBO and BEAUBELLA were named in the complainant's email of 17 July 2019 and in the White Brands document.

4. 17 July 2019: the Domain Names were registered by the Respondent.
5. 17 July 2019: the Respondent requested pricing of the products and specifications and requested more detailed discussions to be held in person.
6. 25 July 2019: the Respondent attended the Complainant's offices for a meeting.
7. 25 July 2019: a third party applied to register a UK trademark in the name BEAUBELLA.
8. 26 July 2019: the same third party applied to register the trademarks FAYSIA, DURAYBO and QUELVEZ in the UK.
9. 29 July 2019: the Respondent contacted the Complainant concerning a financial proposal but asked for a four week delay to meet with investors. The Complainant replied but did not receive a response and nothing further was heard from the Respondent.
10. August 2019: the existence of the UK trademark applications came to the Complainant's attention. Investigations revealed that the applicant was a friend of the Respondent (and his family).
11. 17 September 2019: the Complainant's representatives sent pre-action letters to the Respondent and the third party applicant. No substantive response has been received from either party.
12. 27 September 2019: a holding email was received from the Respondent.
13. 8 October 2019: a further holding email was received from BBS Law Ltd which referred to the letters to their clients (the Respondent and the third party applicant). A response within one week was promised. As at the date of the Complaint, the Complainant has not received a substantive reply from the Respondent and the third party's representatives.

The Complainant's assertions of Abusive Registration are:

1. As the chronology and evidence in support demonstrates, the Respondent registered the Domain Names without justification for doing so and in bad faith. The Respondent has no legitimate interests in the QUELVEZ, FAYSIA, DURAYBO names in which the Complainant has Rights. The Respondent was aware that the Complainant had put various contracts out to tender and further, that neither by way of contractual agreement nor otherwise had a future business relationship with the Respondent been established. It cannot reasonably be said that the Respondent's registrations of the Domain Names were made in pre-emption of stocking and distributing the products on behalf of the Complainant as a sole-distributor or affiliate.
2. The above chronology calls in to question the Respondent's motive and intent at the time of registering the Domain Names. It is unknown as to what the Respondent's particular intention was, but it can be concluded that the action of registering the Domain Names prevented the Complainant from registering them for the products it was about to put to market. The Respondent was aware of the new brands and, it can be averred, acted in a manner which hindered the

legitimate business activities of a company with whom he was still in the early stages of forming a business relationship. The Respondent therefore attempted either to i) block the Complainant against the marks/names in which it has rights; and/or ii) intended to unfairly disrupt the business of the Complainant.

3. Where a Respondent registers a domain name which is identical to a name in respect of which the complainant has rights, and where that name is exclusively referable to the complainant, there is likely to be an Abusive Registration. See, for example DRS 00658 (chivasbrothers.co.uk).
4. In DRS 07991 (Toshiba-laptop-battery.co.uk), the respondent was using the domain name featuring the complainant's trade mark to sell in addition to the complainant's goods, goods competing with those goods. In this case, it is unclear whether the Respondent intended to use the Domain Names in a similar manner, or merely to block the legitimate rights holder from using the domains for its own products. The Respondent sells a competing brand of hyaluronic dermal filler products on its website [www.ukaesthetics.co.uk/](http://www.ukaesthetics.co.uk/).
5. While the Complainant is aware that non-use of the Domain Names will not automatically be indicative of abuse of intent, it is submitted that on the facts of this Complaint, it is highly relevant to demonstrating that the Respondent had no legitimate intent to use the registrations for any purpose other than to either block the Complainant's use of its rights or to disrupt its business activities (see DRS 11491 [sprayfine.co.uk](http://sprayfine.co.uk)).
6. The Companies House register lists the Respondent's entity UK Aesthetics (Wholesale) Limited as having been dissolved on 8 October 2019. The other entity which the Respondent acts as director, UK Aesthetics (Academy) Limited appears to be an educational business. It was likely therefore that had the Respondent intended to conduct business concerning the Complainant's products it would have been under the UK Aesthetics (Wholesale) Limited company. As this entity no longer exists the Respondent cannot reasonably claim that he has an ongoing commercial relationship with the Complainant nor that he/his business has a genuine reason for having registered the Domain Names.

## **The Response**

The Respondent says that the Complaint should not succeed because:

1. Due to lack of notice of the Complaint and the incorrect address that Nominet holds for the Respondent, the Respondent says that he has been unable to instruct Counsel on this matter specifically as he has only had one weekend to respond to the Complainant.
2. The Respondent registered the Domain Names in good faith and at this point he chooses to keep hold of them.
3. The Complainant should have made every effort to purchase the Domain Names months ago when they developed the alleged brand names at the time they allege they were working on brands with similar names to the Domain Names.
4. The Domain Names belong to the Respondent and if that should change he would like a judge to decide that.

## **The Reply**

The Complainant did not reply to the Response.

## **6. Discussions and Findings**

### **General**

To succeed in this Complaint, the Complainant has to prove to the Expert on the balance of probabilities, pursuant to §2.1 and 2.2 of the Policy, both limbs of the test that:

*2.1.1 The Complainant has Rights in respect of a name or mark which is identical or similar to the Domain Name; and*

*2.1.2 The Domain Name, in the hands of the Respondent, is an Abusive Registration.*

### **Complainant's Rights**

Rights is defined in §1 of the Policy as “*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 wholly generic suffix “.co.uk” may be discounted for the purposes of establishing whether a complainant has Rights in a name or mark which is identical or similar to a domain name.

The Complainant has evidenced Austrian trade marks in the names QUELVEZ, FAYSIA and DURAYBO that existed at the date of the Complaint which, as confirmed in several first instance DRS decisions and the appeal panel in DRS 2802 (ruggedcom.co.uk), is sufficient to demonstrate Rights for the purposes of §1 of the Policy.

In the circumstances there is no need for me to consider the Complainant’s assertion of unregistered trade mark rights under the tort of passing off.

I have not considered the rights asserted under the Austrian Unfair Competition provisions (the Federal Act Against Unfair Competition of 1984) as I am insufficiently informed to assess whether any Rights exist under that Act.

Accordingly, I find that the Complainant has registered rights in the names QUELVEZ, FAYSIA and DURAYBO which are identical to the Domain Names.

### **Abusive Registration**

Abusive Registration is defined in §1 of the Policy 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.*

A non-exhaustive list of factors which may be evidence that a domain name is an Abusive Registration is set out in §5.1 of the Policy of which the Complainant cites the following:

5.1.1 *Circumstances indicating that the Respondent has registered or otherwise acquired the Domain Name primarily:*

.....

5.1.1.2 *as a blocking registration against a name or mark in which the Complainant has Rights; or*

5.1.1.3 *for the purpose of unfairly disrupting the business of the Complainant;*

.....

5.1.6 *The Domain Name is an exact match (within the limitations of the character set permissible in domain names) for the name or mark in which the Complainant has Rights, the Complainant's mark has a reputation and the Respondent has no reasonable justification for having registered the Domain Name.*

The Respondent has not explained the intended use of the Domain Names or the reason for registration. The Respondent has had the opportunity to refute the Complainant's assertions and/or to evidence that the registration of the Domain Names is not Abusive. The Response is wholly unsatisfactory:

1. The Respondent says that *"Due to lack of notice of the Complaint and the incorrect address that Nominet holds ..... he has been unable to instruct Counsel on this matter specifically as he has only had one weekend to respond ..."* I note that:
  - a. Nominet sent the Complaint (and response reminder) to the Respondent's email addresses and postal address in accordance with the terms of the Policy.
  - b. It is the Respondent's obligation to keep his contact address current, not Nominet's.
  - c. The email address to which Nominet sent the Complaint documents (and the response reminder) is the same email address that the Respondent used to send the Response to Nominet.

I do not accept that the Respondent was prejudiced in any way by the issue of the Complainant papers to him at the alleged incorrect postal address.

2. The Respondent says he *"registered the Domain Names in good faith and at this point he chooses to keep hold of them"*. He offers no explanation of what he means by good faith and I can only conclude that he means: in anticipation of entering into



a commercial arrangement with the Complainant and the prospect of selling the Complainant's products by linking his UKaesthetics website to the Domain Names.

3. The Respondent says "*The Complainant should have made every effort to purchase the Domain Names months ago when they developed the alleged brand names at the time they allege they were working on brands with similar names to the Domain Names*". This has no bearing whatsoever on the Complaint.
4. The Respondent says "*The Domain Names belong to him and if that should change he would like a judge to decide that*". The Respondent registered the Domain Names and in doing so he is bound by his contract with Nominet. The decision whether or not his registration of the Domain Names is Abusive rests with the Nominet DRS.

The Complainant cites DRS 00658 in which the expert concluded that where a domain name is identical to a name in which the complainant has Rights, and that name is exclusively referable to the complainant, then there is likely to an Abusive Registration. The Complainant has not, however, demonstrated that any of the names QUELVEZ, FAYSIA and DURAYBO are exclusively referable to it.

The Respondent registered each of the Domain Names on 17 July 2019, the day that the Complainant provided the White Brands document to the Respondent.

I consider the Respondent's registration of the Domain Names on the day he received the White Brands documents to be compelling evidence that he did so because of the contents of that document. It cannot be anything other than a deliberate registration of the Complainant's product names disclosed to him. The Respondent was clearly aware at the time of registration of the Complainant's preparation of the brands for launch. The Complainant says that the Respondent was aware that the Complainant had put various contracts out to tender in relation to the distribution of these products and that a contractual agreement with the Respondent had not been established.

The Complainant refers to the Respondent's sale of a competing brand of hyaluronic dermal filler products via its website at ukaesthetics.co.uk. This website does sell such products and the Respondent used the email address info@ukaesthetics.co.uk in his email exchanges with the Complainant, with such emails also matching the branding on that website. I am satisfied that the Respondent does operate or is connected to this website. It is likely therefore that the Respondent's purpose in registering the Domain Names was the prospect of selling the Complainant's products by connecting his UKaesthetics website to the Domain Names.

I agree with the Complainant that it can be concluded that the action and the timing of the registration of the Domain Names prevented the Complainant from registering them for the products it was about to put to market; the Respondent was aware of the new brands and, it can be averred, acted in a manner which hindered the legitimate business activities of a company with whom he was still in the early stages of forming a business relationship with.

At the time of registration the Respondent knew of the Complainant's Rights, the Respondent did not have a commercial agreement with the Complainant to distribute the Complainant's products and accordingly he should have known at that time that he had no

legitimate reason to register the Domain Names and that had such an agreement not come in to being then he had registered Domain Names that would have prevented the Complainant from registering and using them itself. Furthermore, I find the Respondent's actions in registering the Domain Names in the circumstances, and without first discussing this with the Complainant, to be contrary to the establishment of a commercial relationship.

I accept that the Respondent did register the Domain Names knowing that he had not concluded any agreement with the Complainant and that in doing so they would become blocking registrations and/or unfairly disrupt the Complainant's business in products that he knew the Complainant was preparing for product launch.

In relation to the third party applications to register trade marks in the names QUELVEZ, FAYSIA, DURAYBO and BEAUBELLA, the Complainant says that the applicant is a friend of the Respondent. Despite having the opportunity to do so, the Respondent has not denied this. In response to the Complainant's pre-action letters sent to the Respondent and the third party on 17 September 2019, the Complaint received an email from BBS Law on 8 October 2019 referring to the Respondent and the third party as their clients.

I also therefore accept that the third party is connected to the Respondent and that it is most likely that the Respondent was responsible for the trade mark applications within a few weeks of the disclosure of the White Brands document to the Respondent.

Accordingly, the use of the Complainants' product names QUELVEZ, FAYSIA and DURAYBO unadorned in the Domain Names do amount to Abusive Registrations and there are no circumstances presented in the papers before me that would lead me to find otherwise.

## **7. Decision**

In light of the foregoing findings, namely that the Complainant has Rights in names which are identical to the Domain Names, and that the Domain Names, in the hands of the Respondent, are Abusive Registrations, I direct that the Domain Names be transferred to the Complainant.

**Signed** .....

**Steve Ormand**

**Dated: 17 January 2020**