

**DISPUTE RESOLUTION SERVICE**

**DRS 8436**

**Decision of Independent Expert**

**MERRILL J. FERNANDO AND SONS (PRIVATE) LIMITED**

**and**

**TRACEY HEWITT**

**1. The Parties:**

Complainant: Merrill J. Fernando and Sons (Private) Ltd

c/o Malik Fernando  
111 Negombo Road  
Peliyagoda  
Sri Lanka

Respondent: Tracey Hewitt

176a Lane Head Road  
Shepley  
Huddersfield  
Yorks  
England

**The Domain Names:**

dilmahtea.co.uk, dilmah.co.uk, dilmah-tea.co.uk

## **Procedural History**

1. On 22 March 2010 Nominet received and validated the Complaint and served it on the Respondent ('Mrs Hewitt'). The Response was served on 14 April 2010 and the Reply was served on 21 April 2010. On 17 May 2010 the parties were notified that an Expert would be appointed upon payment of the prescribed fee and payment of that fee was received by Nominet on 21 May 2010. The undersigned Stephen Bate was appointed on 25 May 2010 and confirmed to Nominet that he knew of no facts or circumstances that might call into question his independence in the eyes of the parties.
2. On 26 April 2010 further documents had been submitted to Nominet on behalf of the Complainant ('MJFS') pursuant to paragraph 13b of the Nominet DRS Procedure ("the Procedure"). The explanatory first paragraph of the submission explained that a clerical error had been made in copying one of the exhibits to the Complaint and that MJFS wished to rely on the correct exhibit, namely a copy of the certificate for its UK trade mark.
3. The Expert decided that this explanation was sufficient to justify reliance on the full submission and decided to take the whole of it into account as part of MJFS's case. On 3 June 2010 Nominet copied the full submission to Oates Hanson, solicitors acting for Mrs Hewitt, inviting any response by 4pm on 10 June 2010. An email with one attachment was received by Nominet on 9 June 2010 and passed to the Expert. This consisted solely of further details of why the licence was a forgery, a case set out in the Response. It was not responsive to the matter of MJFS's UK trade mark rights and no justification has been put forward for putting in this material so late in the day. Therefore, the Expert decided to exclude the further material submitted on behalf of Mrs Hewitt.

## **Factual Background**

4. MJFS has been producing, marketing and selling tea grown in Sri Lanka internationally under the Dilmah brand since 1988. MJFS owns Community Trade Marks numbered 530808 and 4314167 consisting respectively of the

word mark DILMAH and the word 'Dilmah' shown in an oblong box, each registered in class 30 for tea and tea products. It also owns the UK trade mark numbered 2270742 in the words 'DILMAH SINGLE ORIGIN TEA' registered in class 30, being tea and tea products.

5. The Domain Names were first registered on 7 November 2005. At the date of the Complaint they all resolved to a single website, which advertised and offered for sale Dilmah tea products. The Domain Names were first registered to Mrs Hewitt, a director of Tea Direct Ltd ('TDL'), which has advertised and offered for sale Dilmah tea products in the United Kingdom from that website.

### **Parties' Contentions**

#### The Complaint

6. MJFS says that it owns (among others) Community Trade Marks and UK trade marks in the word 'DILMAH' and has substantial goodwill in the name Dilmah and get-up associated with the way in which it packages its products. Dilmah tea is sold online through [www.dilmah.com](http://www.dilmah.com), which is registered to a subsidiary company of MJFS.
7. By a written licence agreement made on 30 March 2007, MJFS authorized TDL to sell its goods using the DILMAH Community Trade Mark 530808 in connection with the registration and use of a domain name, for the purposes of marketing Dilmah tea. The licence required TDL to transfer the domain name on termination of the licence, which was terminable at any time on 30 days' notice. The licence was terminated pursuant to a written notice dated 20 August 2009. Despite further letters asking TDL to transfer the domain name ([dilmahtea.co.uk](http://dilmahtea.co.uk)), this has not occurred. In fact, the Domain Name is registered to Mrs Hewitt, a director of TDL, who has never been licensed to own it. In March 2010 MJFS discovered that she had registered the two other Domain Names, without its consent.

8. All three Domain Names resolve to a website, which advertises and sells Dilmah tea. In addition to the initial interest confusion that would arise from the existence of the domain names, the website implies that it is the Dilmah website in the UK. MJFS understands that TDL was supplied with Dilmah products through its UK distributor until February 2010.
9. The registrations are abusive, because –
  - 9.1 They are blocking registrations and were registered as such.
  - 9.2 The Domain Names confuse or are likely to confuse people or businesses into believing that they are registered to, operated or authorised by MJFS.
  - 9.3 Mrs Hewitt is engaged in a pattern of registrations where multiple domain names have been registered using the Dilmah marks.
  - 9.4 Registration and use of the Domain Names causes initial interest confusion among consumers.
  - 9.5 Use of the Domain Names is abusive, takes unfair advantage of and causes irreparable damage to the Dilmah marks and brand.

### The Response

10. The Response is in the form of a letter from Oates Hanson dated 29 March 2010 to A Tyebkhan Esq. of Legalbase (Private) Ltd, lawyers acting for MJFS in relation to this Complaint, copied to Nominet. The letter is brief and the material parts are as follows, -

*'Dear Sirs,*

**Re: dilmahtea.co.uk**

*We refer to your letter of the 24 March.*

*Mrs Hewitt is a shareholder and controller of [TDL]. We feel sure you understand this ...*

*Contrary to what you allege in your letter of the 10 February, this domain name was established, and subsequently developed by our client [TDL] or those controlling it with the specific encouragement of your clients, in 2005.*

*Subsequently, management of your clients changed and your clients put before ours an agreement by which your clients purported to licence [TDL] (and not Mrs Hewitt, notwithstanding your apparent confusion) the use of the domain name and/or trademark. Our clients quite rightly refused to participate in the proposed agreement but, subsequently, your predecessor, Mr Senanayake, produced to our clients a document purporting to be a copy of the same agreement, duly signed by our clients. The signatures on this agreement are forgeries. The parties who might be guilty of the forgery are small in number.*

*Our clients, in the direct knowledge of yours, have, since 2005, invested some £25,000 in the development of this business and the website. ....'*

### The Reply

11. The Reply makes a number of points. These include, -

11.1 The Response has not addressed the other two Domain Names.

11.2 MJFS's trade mark rights in the UK were registered in 2001.

11.3 Mrs Hewitt has shown no evidence that she ever had any rights.

11.4 The first dealings between the parties were in late 2006.

11.5 There is nothing in the allegation of forgery and there are documents which show that TDL has clearly acknowledged the validity of the licence.

### **Discussions and Findings**

12. The Complainant is required under subparagraphs 2a. and 2b. of the Dispute Resolution Policy (“the Policy”) to prove to the Expert on the balance of probabilities that: -

12.1 it has Rights in respect of a name or mark which is identical or similar to the Domain Names; and

12.2 the Domain Names, in the hands of the Respondent, are Abusive Registrations.

### Rights

13. By paragraph 1 of the Policy, -

*‘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.’*

14. MJFS has established that it owns Rights. These include Community Trade Marks numbered 530808 and 4314167 consisting respectively of the word mark DILMAH and the word Dilmah shown in an oblong box, both registered in

class 30, namely tea and tea products. Trade mark 530808 was first registered on 15 July 1999 and MJFS has owned the Community Trade Mark 4314167 since at least 4 December 2006. It also owns the UK trade mark numbered 2270742 in the words 'DILMAH SINGLE ORIGIN TEA' in class 30 (tea and tea products), first registered on 22 May 2001.

15. MJFS contends that the Domain Names are similar to a name or mark in which it owns Rights. In view of the findings in paragraph 14 above, the Expert accepts that submission and finds that MJFS has Rights in a mark, namely its Community Trade Mark 530808 DILMAH in particular, which is similar to each of the Domain Names.

#### Abusive Registration

16. Paragraph 1 of the Policy states, -

*'Abusive registration means a Domain Name which either:*

- i. was registered or otherwise acquired in a manner which, at the time when the registration or other 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.'*

Paragraph 3 of the Policy states -

#### **'3. Evidence of Abusive Registration**

- a. A non-exhaustive list of factors which may be evidence that the Domain Name is an Abusive Registration is as follows:-*

- i. *Circumstances indicating that the Respondent has registered or otherwise acquired the Domain Name primarily:  
A....  
B. as a blocking registration against a name or mark in which the Complainant has Rights.; or  
C. for the purpose of unfairly disrupting the business of the Complainant.*
  
- ii. *Circumstances indicating that the Respondent is using or threatening to use the Domain Name in a way which has confused or is likely to confuse people or businesses into believing that the Domain Name is registered to, operated or authorised by, or otherwise connected to, the Complainant.'*
  
- iii. *The Complainant can demonstrate that the Respondent is engaged in a pattern of registrations where the Respondent is the registrant of domain names ... which correspond to well-known names or trade marks in which the Respondent has no apparent rights and the Domain Name is part of that pattern.'*

Paragraph 4 of the Policy states, -

***'4. How the Respondent may demonstrate in its response that the Domain Name is not an Abusive Registration.***

- a. *A non-exhaustive list of factors which may be evidence that the Domain Name is not an Abusive Registration is as follows:*
  - i. *Before being aware of the Complainant's cause for complaint (not necessarily the 'complaint' under the DRS), the Respondent has:*



- A. *used or made demonstrable preparations to use the Domain Name or a domain name which is similar to the Domain Name in connection with a genuine offering of goods or services;*
- B. *been commonly known by the name or legitimately connected with a mark which is identical or similar to the Domain Name; or*
- C. *made legitimate non-commercial or fair use of it.*

.....’

dilmahtea.co.uk

- 17. This is not a case where paragraph 3(a)(iii) of the Policy applies. The pattern of registrations must relate to other well-known names or brands such that taken as a whole the registrations are part of a pattern. There are no other names in point apart from ‘dilmah’-related names.
- 18. The Nominet DRS process is not suitable for the determination of issues such as forgery, because it is a documents-only procedure. Further, to make a finding of forgery is not appropriate under this procedure, without the safeguards of cross-examination and discovery available through the court process.
- 19. However, it is not necessary to resolve that issue in order to decide this complaint, for the reasons set out below. In fairness to Mrs Hewitt, those reasons assume that the licence was not validly entered into by TDL.
- 20. It is clear that MJFS did authorize creation of the website [www.dilmahtea.co.uk](http://www.dilmahtea.co.uk) and its use in connection with the sale of Dilmah tea products. The parties differ as to how that happened. MJFS say it arose under the written licence. Mrs Hewitt says that it arose under a prior arrangement in 2005. In view of the date of first registration on 7 November 2005 by Mrs Hewitt, the likelihood is that the registration was probably made at least in contemplation of a

consensual arrangement between TDL and MJFS, which was at least being discussed between TDL and MJFS at that time.

21. That being so, it is unlikely that Mrs Hewitt registered [dilmahtea.co.uk](http://dilmahtea.co.uk) primarily to block MJFS from registering that Domain Name. Even though no consent may have been given to Mrs Hewitt (as opposed to TDL) to register the Domain Name, this does not mean that it was registered with a view to blocking a registration by MJFS. Accordingly, the case based on blocking registration fails.
22. It is now appropriate to consider the case on confusion. A large number of people seeking information concerning the availability of, or other information concerning, Dilmah tea in the U.K. are likely either to guess the name of the .co.uk website or to type Dilmah into a search engine, whether Google, Yahoo or some other search facility. On searches conducted by MJFS the top 10 results for 'Dilmah' on Google showed [dilmahtea.co.uk](http://dilmahtea.co.uk) as first, third and fourth in the order of ranking. On a Yahoo search, [dilmahtea.co.uk](http://dilmahtea.co.uk) was shown ranked second. As to guessing the name of the site, the domain names registered by Mrs Hewitt would be likely to capture most of the domain names intuited by the online inquirer.
23. Having been directed to the [www.dilmahtea.co.uk](http://www.dilmahtea.co.uk) website, what would the visitor see and understand? An extract of the web-site complained of has been exhibited, taken from the internet on 18 March 2010. The site shows prominently the mark 'Dilmah'. The visitor is welcomed with these words, -

*'Welcome to Dilmah Tea UK*

*.. Dilmah is the first producer owned tea brand, eliminating the middleman, bringing garden-fresh Ceylon Tea direct to UK tea drinkers. Dilmah offers discerning consumers Real Tea ...*

*Revenue from the global sales ... is shared with tea plantation workers in the wider community through the work of the MJF*

*Charitable Foundation. The assistance that Dilmah is able to offer less privileged people is made possible by consumers who enjoy our tea. Thank you for helping us to make our business truly a matter of human service.’ (Emphasis supplied.)*

The ‘About Us’ section of the website states, -

*‘Tea Direct are dedicated to your total satisfaction ...’,*

with contact details for TDL. The Privacy Policy also refers to ‘Tea Direct’. The ‘Links’ section for the site contains a link to [www.dilmahtea.com](http://www.dilmahtea.com), the website operated on behalf of MJFS.

24. Taken as a whole, the content of the website implies that it is operated on behalf of the organization that produces Dilmah tea products and that TDL still is the authorized representative of that organization in the UK. Although no evidence of actual confusion has been produced, it is likely that people or businesses will have been confused into believing that connection, being either existing customers of TDL or other visitors to the website familiar with the Dilmah brand. There is no suggestion that TDL is going to cease operating the website, having refused to comply with the demands made on behalf of MJFS before the Complaint. Mrs Hewitt is a director of and controls, TDL. In those circumstances, continued use of the Domain Name [dilmahtea.co.uk](http://dilmahtea.co.uk) Mrs Hewitt is likely to continue to confuse people or businesses into believing that TDL is still the authorized representative of MJFS in the UK.

25. For Mrs Hewitt it might be said that TDL is still authorized to use the Dilmah trademarks and to use the website given that there was, on her case, an earlier consent to own and operate a website from the Domain Name. That might be said to follow from the invalidity of the licence.

26. Assuming that there was some prior arrangement, what was it? The Response has not spelt it out in any detail whatever. The most that can be said is that some form of licence to use the Dilmah marks was created, with a consent to

register dilmahtea.co.uk and to use it to sell trademarked goods of Dilmah. Any such licence would be terminable on reasonable notice.

27. The notice of termination dated 20 August 2009 was sent to Mr Rick Hewitt on behalf of TDL by courier and airmail. A letter addressed to TDL dated 10 December 2009 was written by a Mr Nelun Senanayake, a lawyer acting for MJFS. The letter stated, -

*'According to the termination notice you should have transferred the ownership of the domain name (dilmahtea.co.uk) to my client and discontinued advertising and marketing Dilmah trademark products by 20 September 2009. Nevertheless you have failed to stop using the domain name and advertising and marketing the Dilmah trademark[ed] goods.'*

*I was further advised by my clients that they have communicated and requested you to prevent [sic] using the said domain name and to discontinue all marketing and advertising of the goods belonging to my client, which has not been adhered to by you.*

*My client has instructed me to demand you to transfer the website to the control of my client, discontinue all the said activities with immediate effect and to confirm so by return email to us, within 14 days from the date of this letter.'*

28. Oates Hanson first appeared on the scene in response to this letter. By their letter dated 18 December 2009, those solicitors contested the position taken on behalf of MJFS by reference to the allegations of forgery.

29. The letter of 10 December 2009 was adequate to give notice of termination in respect of any rights that were terminable on notice.

30. No argument has been advanced on behalf of Mrs Hewitt as to how any licence in favour of TDL, let alone Mrs Hewitt, could have survived termination. It is not enough to say that the written licence relied on by MJFS is a forgery. If that licence is to be disregarded, some other arrangement must be shown, which survives the notice of termination and the letter of 10 December 2009 in particular.
31. Mrs Hewitt has not established that any such rights were still subsisting on 18 March 2010, the date when the website at [www.dilmahtea.co.uk](http://www.dilmahtea.co.uk) was operating with the content set out above. In particular, it has not been argued let alone established by evidence that a period of reasonable notice has not expired.
32. Even if that had been the case, the content of the website complained of implies an ongoing relationship with MJFS, which no longer exists.
33. That website also makes untrue representations that the operators of the website are in effect the same organization as the producers of Dilmah. Despite the references to Tea Direct and TDL in the website, the content would be likely to confuse a substantial number of persons into believing that TDL was part of MJFS. This is reinforced by the link on the website to [www.dilmahtea.com](http://www.dilmahtea.com).
34. Extracts from the 'official' website at [www.dilmahtea.com](http://www.dilmahtea.com) have been provided (extracted on 19 March 2010). The .com website features the 'dilmah' mark and a short statement of welcome from Merrill J. Fernando as the founder Dilmah, in these words -

*'Welcome to the Dilmah tea boutique.*

.....

*As a family tea company, my two sons and I combine our efforts to bring high quality tea to your teacup ... A significant part of the*

*profits from Dilmah are invested by the MJF Charitable Foundation to bring a smile to the faces of our workers. ...'*

35. The representations on the [www.dilmahtea.co.uk](http://www.dilmahtea.co.uk) website suggest that the MJF Foundation is a charitable organization associated with the persons who operate that website. As the [www.dilmahtea.com](http://www.dilmahtea.com) site confirms, that is not true. (The .com site also appears to contain a link to [www.dilmahtea.co.uk](http://www.dilmahtea.co.uk). It is likely that this has been left on the site by mistake.)

36. It might also be said on behalf of Mrs Hewitt that hers is a website offering for sale Dilmah products and that there is nothing wrong in that, particularly as no competing goods are being advertised.

37. A recent decision of the DRS Appeal Panel in *Toshiba Corp. V Power Battery Inc.* DRS 07791 concerning the domain name 'toshiba-laptop-battery.co.uk' considered the situation where the respondent is a reseller of goods. It was decided that the registration was abusive, because the reseller was also selling competing goods. However, the Panel stated, -

*'A registration will be abusive if the effect of the Respondent's use of the domain name is falsely to imply a commercial connection. Such an implication may be the result of 'initial interest confusion' and is not dictated only by the content of the website'.*

38. In that case the majority of the Panel members decided that the words 'toshiba-laptop-battery' were not likely to cause initial interest confusion. The contrary applies in this case, for the reasons given earlier. In a nutshell, 'dilmahtea' is one of the foremost intuitive terms (if not the foremost) likely to be used in an online context. For the reasons given above, the initial interest confusion is likely to be aggravated once the site visitor considers the content of the site.

[dilmahtea.co.uk](http://dilmahtea.co.uk) and [dilmah-tea.co.uk](http://dilmah-tea.co.uk)

39. These domain names were also first registered on 7 November 2005 and the registrations were renewed on 2 December 2009. I accept that MJFS only became aware of these registrations recently.
40. It is unlikely that they were part of an attempt to block registration of these names by MJFS. From the available evidence, the likelihood is that, though unknown to MJFS, these registrations were at least in contemplation of consensual arrangements with MJFS for the use of the Dilmah mark. Therefore, the case on blocking registration fails with respect to these Domain Names. For the same reasons to those given in respect of *dilmahtea.co.uk*, the case on 'pattern of registrations' also fails.
41. Turning to the case on confusion, the Response dealt only with that part of the Complaint that related to *dilmahtea.co.uk* and no assertion has been made that these domains were registered with the consent of MJFS. In no sense has use of these domains been 'legitimate' or 'fair use' at any time within paragraph 4B of the Policy.
42. The element of initial interest confusion is even stronger in the case of 'dilmah.co.uk' (an unadorned use of the trade mark) and, though less strong in the case of 'dilmah-tea.co.uk', is still present. As these two domain names also point to the website complained of, the conclusions set out above concerning *dilmahtea.co.uk* with respect to confusion also apply here.
43. I note that the details of registration describe Mrs Hewitt as a non-trading individual who has chosen to exclude her address from the particulars of registration. However, there is no significance to this in context.
44. Those being the circumstances in which these other two registrations were created and renewed, the analysis concerning those registrations does not differ in substance to that relating to *dilmahtea.co.uk*. The letter of 10 December 2009 was adequate to terminate any licence in respect of the use of these domains for advertising and selling Dilmah branded tea.

45. Even if it had been appropriate to take into account the further submission on behalf of Mrs Hewitt served on 9 June 2010, the matters set out in it would have made no difference to my conclusions.

### Conclusion

46. In the circumstances, the Expert finds that the Domain Names have been used in a manner which has taken unfair advantage of, and has been unfairly detrimental to, the Complainant's Rights; and finds that the Domain Names, in the hands of the Respondent, are therefore Abusive Registrations.

### **Decision**

47. The Complainant has Rights in a name or mark, which is identical or similar to the Domain Names, and the Domain Names in the hands of the Respondent are Abusive Registrations. The Expert therefore determines that the Domain Names dilmahtea.co.uk, dilmah.co.uk and dilmah-tea.co.uk be transferred to the Complainant.

**STEPHEN BATE**

**21 JUNE 2010**