

DISPUTE RESOLUTION SERVICE

D00021740

Decision of Independent Expert

Novartis AG

and

L Wilson

1. The Parties:

Complainant: Novartis AG
4002 Basel
Basel
Switzerland

Respondent: L Wilson
56 Lakeside Place
St Albans
Herts
AL2 1PZ
United Kingdom

2. The Domain Name

novartispharmaceuticals.uk

3. Procedural History

On 12 August 2019 the dispute was received by Nominet. It was validated on 13 August and notification of the complaint was sent to the Parties. On 02 September a Response reminder was sent and on 03 September a Response was received and notification of this was sent to the Parties. On 06 September a Reply reminder was sent and on 10 September a Reply was received, and notification of the Reply was sent to the Parties.

On 16 September a mediator was appointed and on 17 September mediation started. By 03 October 2019 mediation failed and the close of mediation documents were sent to the Parties. On 15 October a Complainant full fee reminder was sent and later the same day the Expert decision payment was received. On 01 November the Expert – Tim Brown – was appointed.

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.

4. Factual Background

The Complainant - Novartis AG – is a global healthcare company based in Switzerland. It was founded in 1996 and manufactures drugs including clozapine (Clozaril), diclofenac (Voltaren), carbamazepine (Tegretol) and valsartan (Diovan). The Complainant's products are sold in approximately 155 countries and it had around 800 million customers in 2018. The Complainant employs approximately 125,000 staff around the world.

The Complainant operates websites at www.novartis.com and www.novartis.co.uk.

The Respondent is an individual located in St Albans, United Kingdom.

The Complainant's representative emailed a cease and desist letter to the Respondent on 26 July 2019 in which it requested the transfer of the Domain Name. The Respondent replied on 29 July, noting:

[...] the domain in question is not being used and so cannot infringe any trademark rights enjoyed by your client The domain for all intents and purposes is dormant and will remain so for the time being.

[...] You have no legal right to restrain any company or individual for any reason unless they have infringed your clients trademarks which clearly is not the case

[...] I will not agree to transfer to Novartis, a domain which is our bonafide property, without suitable compensation.

The Complainant's representative replied the same day:

[...] please confirm if you would be willing to transfer the domain to our client for an amount not more than the out-of-pocket costs accrued to date [...]

The Respondent replied on 30 July:

The domain will remain in a dormant state so your client can rest assured that there will be no infringement of any trademark rights We have no intention of transferring the domain to your client for our [sic.] of pocket expenses - we may however consider, using our servers to redirect the domain direct into your clients website, with their permission.

The Domain Name was registered on 15 July 2019 and does not currently resolve to an active website.

5. Parties' Contentions

I have carefully read the Parties' complete submissions and exhibits and have summarised the salient points as they relate to the present dispute below.

5.1 Complainant – Rights

The Complainant says that it has registered many trade marks worldwide and has exhibited three example marks, namely "NOVARTIS" (word mark), a European Trade Mark ("EUTM") with registration number EU000304857 and a date of entry in the register of 25 June 1999

with a priority date of 15 February 1996; "NOVARTIS" (word mark), a EUTM with a registration number of EU013393641 and date of entry in the register of 17 March 2015; and International trade mark "NOVARTIS" (word mark) with Registration number WE00001349878 where protection was granted in the European Union on 17 November 2017.

The Complainant has listed a number of domain names which it says it owns which contain the term "NOVARTIS", including <novartis.com> (registered on 02 April 1996), <novartis.net> (registered on 25 April 1998) and <novartis.com.cn> (registered on 20 August 1999).

The Complainant further notes that it has subsidiaries registered in the UK under the names Novartis UK Limited and Novartis Pharmaceuticals UK Limited.

The Complainant contends that the Domain Name incorporates the term "Novartis", which it says is identical to its well-known trade mark and commercial name NOVARTIS. The Complainant avers that the term "pharmaceuticals" is closely connected to the Complainant's business activities and that the Domain Name is similar to both the name and mark NOVARTIS.

5.2 Complainant – Abusive Registration

The Complainant contends that the Domain Name was primarily registered for the purposes of selling, renting or otherwise transferring the Domain Name to the Complainant or to a competitor of the Complainant, for valuable consideration in excess of the Respondent's documented out-of-pocket costs directly associated with acquiring or using the Domain Name, per paragraph 5.1.1.1 of the Policy.

The Complainant contends that it is obvious that the Respondent's expectation of suitable compensation is beyond any documented out-of-pocket costs directly associated with acquiring or using the Domain Name, and therefore constitutes "*solid evidence of abusive registration*".

The Complainant further avers that the Domain Name was registered as a blocking registration against a name or mark in which the Complainant has Rights, per paragraph 5.1.1.2 of the Policy.

The Complainant observes that the Domain Name includes the terms "Novartis" and "pharmaceuticals" which is a combination of terms that are closely connected to the Complainant's business. By registering the Domain Name, the Respondent has denied the Complainant the opportunity to register the Domain Name.

The Complainant asserts that there are 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 with the Complainant; per paragraph 5.1.2 of the Policy.

The Complainant reiterates that the Domain Name incorporates its well-known, distinctive trademark NOVARTIS combined with the term "pharmaceuticals", which is closely connected to the Complainant's business. The Complainant says that this is a typical scenario described in the DRS Experts' Overview Version 2 at paragraph 3.3¹ when determining confusing use.

Finally, the Complainant notes that although the Domain Name does not resolve to any active website, it should nevertheless be concluded that the Domain Name gives rise to the

¹ Version 2 of the Experts' Overview was superseded by Version 3 in December 2016, but the broad principles on this point remain largely the same.

likelihood that Internet users will think that the owner of the Domain Name is in fact the owner of the Complainant's mark or that there is some form of association between the Respondent and the Complainant, and therefore the Domain Name is Abusive in terms of the Policy.

5.3 Respondent – Rights

The Respondent agrees that the Complainant has full rights to the trade mark "Novartis" but observes that having a company name does not in itself grant rights to the term.

5.4 Respondent – Abusive Registration

The Respondent avers that the Complainant had an exclusive option for five years to register the domain but did not do so² and therefore it can be reasonably assumed that the Complainant had no interest in holding the Domain Name.

The Respondent denies that it intended to sell or rent the Domain Name to the Complainant and says that it just responded angrily to what it calls a "*...bullying abusive letter*". The Respondent notes that it did not use the Domain Name or make any contact with the Complainant with a view to sell, rent or in any way profit from the Domain Name's registration.

The Respondent avers that it had no knowledge of the Complainant until it was first contacted by the Complainant's representative several days after the registration of the Domain Name.

The Respondent says the Complainant demanded that the Domain Name should be transferred to the Complainant, to which the Respondent says it took umbrage. The Respondent contends that it refused the Complainant's demand and stated that it would not transfer or redirect the Domain Name to the Complainant without suitable compensation. The Respondent says that no compensation was discussed, so to presume that the Respondent's intention was to profit from the Domain Names is "*pure conjecture*".

The Respondent further notes that it is:

...in the process of setting up a CompanyBrandProtection company which would purchase available domain names and protect interests of users against bad practices. The domains would have been held dormant to protect misuse but could be redirected to a company website if required and authorised as the names would not otherwise have been registered - this cannot be considered interruption of anyone's business. Only bad or unlawful use can be considered to be disruptive.

In relation to this company, the Respondent has referred to the URL "www.CompanyBrandProtection.co.uk/uk", which I note does not resolve to an active website.

The Respondent says that it would not be bullied into transferring the Domain Name to the Complainant and says that it suggested a redirection and if it was not acceptable then the Domain Name would have remained dormant.

The Respondent iterates that there cannot be any "*initial interest confusion*" because the Domain Name is not in use. The Respondent further notes there is no evidence to suggest that in the hands of the Respondent the Domain Name will be used in an abusive way. The Respondent says that at no time has it given any indication that it would use the name in any way that would compromise the Complainant's "*legitimate rights*".

² The Respondent is presumably referring to the "grandfathering" process related to the release of .uk domain names, details of which can be found on Nominet's website

5.5 Complainant's reply

The Complaint refers to the Respondent's contentions relating to the creation of "...a *CompanyBrandProtection company...*" and says that this is in violation of section 6.1.3 of Nominet's Terms and Conditions of Domain Name Registration which says "*by registering and or using your domain name in any way, you will not infringe the intellectual property rights (for example, trade marks) of anyone else*".

The Complainant submits that Respondent has not demonstrated any rights or legitimate interest in the domain name. Additionally, the Complainant says that the Respondent is passively holding the Domain Name and implicitly demonstrates his intention to passively hold other domain names containing other third party trade marks and without the relevant authorisation from the respective rights holders.³

6. Discussions and Findings

According to paragraph 2 of the Policy a Respondent must submit to proceedings under the DRS if a Complainant asserts that it 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. The Complainant is required to prove to the Expert that both elements are present on the balance of probabilities.

6.1 Rights

According to 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.

The Respondent is correct that mere registration of a company name does not of itself give rise to any Rights for the purposes of the Policy and this is discussed under paragraph 1.7 of the Experts' Overview.⁴

However, this point is largely academic as the Complainant has exhibited three registered trade marks for the term "NOVARTIS", all of which pre-date the registration of the Domain Name by a number of years.

As is customary in DRS disputes, the .uk suffix is required only for technical reasons and may be ignored for the purposes of comparing the Domain Name to the Complainant's marks.

The Domain Name therefore only differs from the Complainant's marks by the addition of the word "pharmaceuticals".

As outlined above, the Complainant is a major pharmaceutical company whose products are sold in 155 countries. It is clear to me that the term "pharmaceuticals" is one that is closely and inextricably linked with the Complainant and its activities. Equally, the term "NOVARTIS" is plainly the most dominant element of the Domain Name; without it the Domain Name would have an entirely different meaning.

I therefore find that the Complainant has Rights in respect of a name or mark which is similar to the Domain Name per paragraph 2.1.1 of the Policy.

³ I note that the Complainant does not give any examples of any such third-party domain names.

⁴ The Experts' Overview, which has been referred to in the Parties' submissions and will be referred to in my decision, is a document available on Nominet's website which gives useful guidance for complainants and respondents subject to DRS proceedings

6.2 Abusive Registration

According to Paragraph 1 of the Policy, a domain name is Abusive if it 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 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.

Viewing the Respondent's submissions as a whole, I reject its assertion that it had no knowledge of the Complainant until it received the cease and desist letter from the Complainant's representative shortly after registration of the Domain Name. In my view, it is implausible that the Respondent would have registered the Domain Name, comprising the name of a famous pharmaceutical company and the word "pharmaceuticals" unless it was fully aware of the Complainant and its rights in the trade mark NOVARTIS at the time of registration.

I also note a clear contradiction between the Respondent's denial of any knowledge of the Complainant and its assertion that the registration was in pursuit of its setting up a "CompanyBrandProtection" to protect brand owners from misuse. On its case, it would not have registered the Domain Name unless it knew that it comprised a third party's brand name.

In any event, I cannot conceive of any legitimate reason for the Respondent to register the Domain Name.

Turning to its individual submissions, the Complainant has said that the Domain Name was primarily registered for the purposes of selling, renting or otherwise transferring the Domain Name to the Complainant or to a competitor of the Complainant, for valuable consideration in excess of the Respondent's documented out-of-pocket costs directly associated with acquiring or using the Domain Name, per paragraph 5.1.1.1 of the Policy.

This submission is based on the Parties' correspondence prior to the dispute in which the Respondent noted it would *"...not agree to transfer [the Domain Name] to Novartis...without suitable compensation"* and that it had *"...no intention of transferring the domain to your client [the Complainant] for our [sic.] of pocket expenses"*

Having considered this correspondence, I take the view that although this may be the case there is not sufficient evidence to demonstrate that selling the Domain Name was the Respondent's *primary* purpose for registering the Domain Name. At no point has the Respondent approached the Complainant to sell the Domain Name and, equally, it has not suggested a purchase price. The Respondent has merely refused to transfer the Domain Name for its out of pocket expenses.

The refusal of a respondent to transfer a domain name during negotiations does not automatically result in a finding of Abusive Registration. Such actions are merely part of negotiations prior to a formal dispute.

The Complainant has also said that "Novartis" and "pharmaceuticals" are a combination of terms that are closely connected to the Complainant's business by virtue of being the Complainant's name and trade mark plus a related descriptive word. The Complainant contends 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 with the Complainant; per paragraph 5.1.2 of the Policy. The Complainant has averred that this remains the case regardless of whether the Domain Name resolves to an active website or not.

On this point I have referred to the Expert's Overview paragraph 3.3, which discusses confusion and, in particular, a type of confusion referred to as "initial interest confusion". It is worth quoting the Overview in some detail:

Commonly, Internet users will visit web sites either by way of search engines or by guessing the relevant URL.

[...]

In such cases, the speculative visitor to the registrant's web site will be visiting it in the hope and expectation that the web site is a web site "operated or authorised by, or otherwise connected with the Complainant." This is what is known as 'initial interest confusion' and the overwhelming majority of Experts view it as a possible basis for a finding of Abusive Registration, the vice being that even if it is immediately apparent to the visitor to the web site that the site is not in any way connected with the Complainant, the visitor has been deceived. Having drawn the visitor to the site, the visitor may well be faced with an unauthorised tribute or criticism site (usually the latter) devoted to the Complainant; or a commercial web site, which may or may not advertise goods or services similar to those produced by the Complainant. Either way, the visitor will have been sucked in/deceived by the domain name.

Given the Domain Name is made up of the Complainant's mark – "Novartis" – and a intrinsically related term – "pharmaceuticals" – I take the view that it is highly likely that web users who chance upon the Domain Name by whatever means would expect it to operated or authorised by, or otherwise connected with the Complainant rather than being held by an unrelated third party.

That the Domain Name does not resolve to an active website is immaterial as the Domain Name, in and of itself, is confusing.

Even if I did take into account the fact that the Domain Name does not resolve to an active website, this does not excuse the Respondent. Given the Domain Name can have no other sensible meaning other than to refer to the Complainant, the Domain Name constitutes a threat hanging over the head of the Complainant that amounts to an Abusive Registration in terms of the Policy. Any use of the Domain Name for a website would be bound to be confusing. It is inevitable that users will be misled into thinking that the Domain Name is registered to, operated or authorised by the Complainant regardless of the content of any associated website.

Finally, for completeness, I turn to the Respondent's contentions relating to setting up a "...CompanyBrandProtection company..." in which domain names would "...been held dormant to protect misuse but could be redirected to a company website if required..."

The Respondent has provided no evidence of any such company being created. Even if it had done so, this would not prevent my finding of Abusive Registration and I find the Respondent's submission inherently fanciful.

Web users, including rightsholders, in the .uk space are free to register domain names when they are available, or they may instead choose to act should a third party register a domain name which they feel infringes their rights.

It is not for the Respondent to take it upon itself to register third parties' domain names and hold them "dormant to prevent misuse". Doing so, regardless of whether the Respondent's intentions are genuine or not, does not prevent such domain names being Abusive

Registrations, as any such use by a respondent would be bound, in the majority of cases, to take unfair advantage of a complainant's Rights.

7. Decision

I find that the Complainant has proved that it has Rights in a name or mark which is similar to the Domain Name and that the Domain Name, in the hands of the Respondent, is an Abusive Registration. I therefore direct that the Domain Name is transferred to the Complainant.

Tim Brown

11 November 2019