



Hong Kong International Arbitration Centre

香港國際仲裁中心

.hk Domain Name Dispute Resolution

ARBITRATION PANEL DECISION

Case No.	0106-0001
Complainant:	Outblaze Limited
Respondent:	Wah Cheung Leatherware Company Limited

1. THE PARTIES AND CONTESTED DOMAIN NAME

The Complainant is **Outblaze Limited** of 3rd Floor, Nan Dao Commercial Building, 359-361, Queen's Road Central, Hong Kong.

The Respondent is **Wah Cheung Leatherware Company Limited** of Unit C, 4th Floor, Mow Shing Centre, 118, Bedford Road, Tai Kok Tsui, Kowloon, Hong Kong.

The domain name at issue is "**www.outblaze.com.hk**", registered by the Respondent with the Hong Kong Domain Name Registration Co. Ltd. or HKDNR (previously administered as HKNIC) of 306A, HKITC, 72 Tat Chee Avenue, Kowloon Tong, Hong Kong.

2. PROCEDURAL HISTORY

The Complaint (and supporting documents) was received by the Hong Kong International Arbitration Centre ("HKIAC") in terms of the prescribed Form A on June 14, 2001. The HKIAC contacted the Complainant by email on June 16, 2001 requesting for confirmatory documents which were missing and this was subsequently rectified by the Respondent on June 19, 2001. The HKIAC forwarded the Notification of the Complaint to the Respondent and Complainant on June 19, 2001 and the HKDNR on June 21, 2001. The HKIAC has verified that the Complaint satisfies the formal requirements of the HKDNR Domain Name Dispute Resolution Policy ("the Policy"), the HKDNR Domain Name Dispute Resolution Policy Rules of Procedure ("the Rules") and the HKIAC Supplemental Rules and that payment of the requisite fees was properly made.

The Complaint was properly filed and notified in accordance with the Rules.

There was no response from the Respondent and all registered mail to the Respondent was returned to the HKIAC.

The undersigned Arbitrator was contacted by the HKIAC on July 12, 2001 and confirmed his acceptance of the case and declaration of impartiality and independence to the HKIAC on July 16, 2001. The Complainant and Respondent were notified of the proposed Arbitrator Panelist ("Panelist") Appointment on July

16, 2001 and the confirmation of the Panelist Appointment was made to the Complainant, Respondent and the undersigned Panelist on July 19, 2001.

On July 27, 2001, the Panelist was notified by the HKIAC that there had still been no response from the Respondent.

Following a review of the Complaint and related materials, and in accordance with Rule 2 of the Rules, the Panelist requested on August 1, 2001 for further clarification details in relation to the "instances of confusion" mentioned in the Complaint and invited the Complainant to provide further documentary evidence and materials, where available.

The parties were notified of the request for further information and a chain of correspondence ensued whereupon an extended grace period was given to the Complainant to furnish additional clarification materials and this evidence was separately sent to the HKIAC and Panelist on August 11, 2001 and September 14, 2001.

No further materials were received by the HKIAC and the Panelist thereafter.

3. **FACTUAL BACKGROUND**

The Complainant describes itself generally as a "well-known application service provider in the Internet market". Since its incorporation in Hong Kong in 1998 as a private company, it has claimed to have become the leading *"application service provider of information, communications, marketing and commerce platforms for all businesses"*.

The following historical background was provided by the Complainant. Up till May 2001, it had a workforce of up to approximately 100 people in Hong Kong, Beijing, Seoul, San Francisco and Germany.

In its inception year, it pioneered the development and provision of multilingual Internet community solutions ("portal solutions") suitable for any organizations that wished to offer their own private label web technologies without having to develop or purchase expensive platforms. It also provides I.T. consulting services to assist all clients, regardless of their nature or specialization in the digital economy. Unlike many Internet start-ups, the Complainant does not provide Web-site content but rather, the infrastructure that allows sites to operate as portals to the Web. Portals are understood to be supersites that provide services such as free email, online shopping, message boards, discussion groups, etc. The Complainant basically sets up the technological framework to enable companies to turn their sites into portals.

Amongst its range of integrated technology products and services are web-based email; chat; forums; mailing lists; messaging and more importantly for this case, File Cabinet/Manager. The Complainant has highlighted in its complaint materials a campus website by one of its clients, Student Media Group Ltd., which won a business award in January 2001 by using the Complainant's File Cabinet/Manager services.

According to various media reports in regional and international business and technology newspapers publications including the Far Eastern Economic Review; Smart Investor; InternetNews.com; Business Times; South China Morning Post, the Complainant is often hailed as a trailblazer in the internet field and lays its claim to fame as the first successful Hong Kong Internet Company to be funded substantially by Hong Kong money. Its founder Yat Siu is described as an "Internet whiz kid" and is often featured in various publications and press stories on the internet.

The Complainant claimed to have applied for its "OUTBLAZE" trademark in Hong Kong, the USA and the PRC in April 2000, covering relevant services in Classes 38 and 42 and provided records relating to the applications in Hong Kong and its recent advertisements in the Hong Kong Trademark Gazette in this regard.

Little is known of the Respondent except for its address in Tai Kok Tsui, Kowloon and the contact person of the disputed domain name ("www.outblaze.com.hk") as being a Heung Chau Wah (sic) having the same postal address as the Respondent.

4. PARTIES' CONTENTIONS

A. The Complainant

The Complainant contends that since the launch of the disputed site of "www.outblaze.com.hk" by the Respondent in May 2001, the Complainant has been receiving inquiries and complaints from its customers, business associates and own staff about this competing site which offers "similar services" by using the "outblaze" name.

The Complainant claims that it has built up a successful internet business since May 1998 and hence achieved "respect" in the business and internet fields for its strong branding and business. The Complainant refers to its trademark applications for "OUTBLAZE" in Hong Kong, the USA and the PRC in Classes 38 and 42 to affirm its rights.

The Complainant argues that in light of this, the activities of the Respondent in launching its website "www.outblaze.com.hk" in May 2001 for similar "File Manager" services (acknowledging at the same time that the website is still under construction) is tantamount to taking advantage of the goodwill of the Complainant and is an act of "passing-off". It states that the Respondent has no legitimate rights or interests in the "outblaze" domain name and the Respondent's use of this "OUTBLAZE" domain name has caused a conflict with the Complainant's business.

While it is recognized that the Respondent's site is not fully operational, the service which the Respondent offered (as evidenced by a computer printout from the internet on May 6, 2001) is "File Manager", which the Complainant argues, is identical to the "File Manager" service which the Complainant offers to its clients.

In light of the brevity of the initial supporting evidence, this Panelist requested for an account of the "instances of confusion" whereupon, the

Complainant made the following assertions and provided further materials:-

- i. During June 2001, the Complainant received numerous phone calls from clients inquiring into the different pricing of the "File Manager" service which they had been quoted by the Complainant's sales team and the pricing offered at the Respondent's "www.outblaze.com.hk";
- ii. The Respondent's website content changes periodically and the Complainant provided an additional computer printout from the internet on July 12, 2001 showing the Respondent's similar "Web Solution" and "Web Mail" services;
- iii. The Respondent has no intention to conduct real business and has intentionally created a site that misleads online users into believing that it is a "real solution" company;
- iv. The Respondent has damaged the reputation of the Complainant's company due to its false claims;
- v. Many consumers and business partners of the Complainant are misled into thinking that both the Complainant and Respondent are related companies;
- vi. It is not coincidental that the Respondent's only (apparently) forthcoming product "File Manager" has been named as such and this product name has in fact been taken from the Complainant's service stable which includes the "File Manager" service; and
- vii. The quality of the Web design and content at the disputed site is very poor and inferior and this is repeatedly thought to be the work of the Complainant because of the nature of the "Outblaze" URL.

The only tangible example of "confusion" which has been documented is a Testimonial Letter from one of the Complainant's client dated August 6, 2001 [by Mr. Prawat Chimtanwan, the CEO of Dream Concept, Bangkok, Thailand] to Ms. Kelly Leung, one of the Complainant's sales representative, suggesting that the different pricing advertised at the disputed site and the quotation given by Ms. Leung had confused him and it was only after some discussions before he realized that the disputed website did not belong to the Complainant.

B. The Respondent

The Respondent has not responded. It has therefore not contested the allegations of the Complaint and is in default.

5. DISCUSSION AND FINDINGS

General

According to paragraph 4(a) of the Policy, the Complainant has the burden of proving that:-

- i. The Respondent's Domain Name is identical or confusingly similar to a trademark or service mark in Hong Kong in which the Complainant has rights; and
 - ii. The Respondent has no rights or legitimate interests in respect of the Domain Name; and
 - iii. The Respondent's Domain Name has been registered and is being used in bad faith.
- D. **Identical / Confusing Similarity**

The disputed domain name is "outblaze" and is identical to the Complainant's distinctive "OUTBLAZE" mark which has been recently advertised in the Hong Kong Government Gazette on July 13, 2001 for Classes 38 and 42 (corresponding to Application No. 07836 of 2000 and Application No. 07837 of 2000). These applications were filed on April 11, 2000, before the application date for the disputed domain name, which the HKIAC has confirmed to be June 14, 2001.

It is clear from the trend of case law (see the "*SeekAmerica Networks Inc. v. Tariq Masood and Solo Signs*" [WIPO Case No. D2000-0131]; "*MatchNet plc v. MAC Trading*" [WIPO Case No. D2000-0205]; "*British Broadcasting Corp. v. Renteria*" [WIPO Case No. D2000-0050]) that it is not necessary for the relevant trademark rights to be registered before the Complainant can lay claim and establish rights to a mark. In fact, it was recognized in these domain name cases that the WIPO Final Report on the Internet Domain Name Process dated April 30, 1999 at paragraphs 149-150, from which the WIPO Uniform Policy is derived and upon which the Policy is also a parallel, does not distinguish between registered and unregistered trademarks and service marks in the context of abusive registration of domain names. In the case of "*Bennett Coleman & Co. Ltd. v. Steven S. Lalwani*" and "*Bennett Coleman & Co. Ltd. v. Long Distance Telephone Company*" [WIPO Consolidated Cases Nos. D2000-0014 and D2000-0015], it was argued that "*it is the reputation from actual use which is the nub of the complaint, not the fact of registration as trademarks.*"

Applying the "reputation" test to the evidence at hand and in the absence of any rebuttal evidence from the Respondent, the Panel is satisfied that there is a sufficient level of reputation in the trade and industry in Hong Kong and the region in the unregistered "OUTBLAZE" mark belonging to the Complainant as to give the Complainant a claim of passing off, and hence sufficient to constitute the Complainant's trademark rights for the purpose of paragraph 4(a) of the Policy.

The Panel therefore concludes that the domain name "outblaze.com.hk" registered by the Respondent is identical or confusingly similar to a trademark or service mark in Hong Kong in which the Complainant has rights.

E. Right or Legitimate Interests of the Respondent

Paragraph 4(c) of the Policy stipulates how a Respondent can effectively demonstrate rights or interests in the disputed domain name.

"Any of the following circumstances, in particular but without limitation, if found by an Arbitration Panel to be proven based on its evaluation of all evidence presented to it, shall demonstrate your rights or legitimate interests to the domain name for purposes of Paragraph 4(a)(ii):

- i. before any notice to you of the dispute, your use of, or demonstrable preparations to use, the domain name or a name corresponding to the domain name in connection with a bona fide offering of goods and services in Hong Kong; or*
- ii. you (as an individual, business, or other organization) have been commonly known by the domain name, even if you have acquired no trademark or service mark rights in Hong Kong; or*
- iii. you are making a legitimate non-commercial or fair use of the domain name, without intent for commercial gain to misleadingly direct consumers or to furnish the trademark or service mark at issue."*

In this case, the Respondent made no effort to reply to the present Complaint. The Complainant has also not licensed or otherwise permitted the Respondent to use its "OUTBLAZE" mark or to apply for any domain name incorporating the mark.

The Panel accepts the Complainant's argument that it cannot be pure coincidence that has led the Respondent to choose "Outblaze" for its Domain Name. Even though "Outblaze" is a dictionary word meaning, inter-alia, "to blaze forth; to burst out with ardour; to outshine in brilliancy, etc.", it is not a word which Hong Kong traders in the internet community could legitimately choose unless they were intending to create a false association with the Complainant.

In the large majority of cases where the Respondent fails to file a response to the allegations made by the Complainant, the working principle is that "*all reasonable inferences of fact in the allegation of the Complainant are deemed to be true*". (See "*Club Mediterranee v. Yoshi Hasidim*" [WIPO Case No. D2000-1350]; "*CALEB Technologies Corporation v. Caleb Technologies, Inc.*" [NAF Case No. FA0006000095033], for example).

In the circumstances and in accordance with Clause 14(b) of the Rules, the Panel is led to draw a negative inference from such inaction by the Respondent and concludes that the Respondent has no rights or legitimate interests in respect of the Domain Name.

F. Bad Faith

Under Paragraph 4(b) of the Policy, the following circumstances, in

particular but without limitation, shall be considered evidence of the registration and use of a domain name in bad faith.

- iii. "you have registered the domain name **primarily** for the purpose of disrupting the business of a competitor; or
- iv. by using the domain name, you have **intentionally** attempted to attract, for commercial gain, Internet users to your web-site or other on-line location, by creating a **likelihood of confusion** with the Complainant's mark as to the source, sponsorship, affiliation or endorsement of your web-site or location or of a product or service on your web-site or location."

The Respondent's acts in registering and using the domain name "outblaze.com.hk", in itself, is "suggestive" of "bad faith" as the Respondent is resident in Hong Kong where the Complainant has an established business presence and distinguished profile in the internet community for several years and an established goodwill for the "OUTBLAZE" trademark and tradename. The Respondent's "bad faith" is arguably compounded by its repeated failure to reply to the present Complaint and related correspondence from the HKIAC.

However, the Complainant gives only a few examples of the offering of similar services (e.g. the offering of the "File Manager"; "Web Solution"; "Web Mail" services) by the Respondent and provides some evidence of the disruption of business and consumer confusion arising from these activities. In light of the grace/extended period given to the Complainant to furnish more substantial evidence, this Panelist notes that the efforts of the Complainant in substantiating the bad faith of the Respondent could have been greater. The Panelist is cognizant of the case of "*eMedicine.com Inc. v. Aspen Grove Consulting*" [WIPO Case No. D2001-0147], wherein the Respondent had no legitimate interest in the domain name and it was confusingly similar, yet due to lack of evidence of disruption of the Complainant's business, bad faith was not established by the Complainant and the request of transferring the domain name to the Complainant was denied.

In the absence of better evidence, it is therefore less clear cut whether the Complainant has proved the third element in Paragraph 4(a) of the Policy, namely that the domain name "has been registered and is being used in bad faith" by the Respondent, a "conjunctive" rather than a "disjunctive" test.

This Panelist tried to access the disputed website on several occasions but without success. It appears that the disputed domain name does not resolve to an active website or other "on-line" presence (please see "*Parfums Christian Dior v. QTR Corporation*" [WIPO Case No. D2000-0023]).

As with the case of "*Telstra Corporation Limited v. Nuclear Marshmallows*" [WIPO Case No. D2000-00003], there appears similarly in this case to be no positive action being undertaken by the Respondent in relation to the domain name. The test which was suggested in the *Telstra* case is, on balance, a

judicious and rational one, i.e., "*whether, in all the circumstances of the case, it can be said that the Respondent is acting in bad faith*". The Panelist in that case explains that "*it is possible, in certain circumstances, for inactivity by the Respondent to amount to the domain name being used in bad faith*".

In other words, the circumstances of bad faith identified in Paragraph 4(b) can equally be found in a situation of "inaction" (e.g. "passive holding" of the domain name registration). After all, the circumstances identified in Paragraph 4(b) are "without limitation".

Looking at the "circumstances" of the Complaint in this case, this Panelist believes that the Respondent had acted in bad faith. What holds sway is the fact that the Complainant has an established reputation and is widely known in the internet community and trade, both in Hong Kong and outside Hong Kong. The Respondent has provided no evidence whatsoever of any actual or contemplated good faith use by it of the "OUTBLAZE" domain name. In the circumstances and drawing a negative inference from the Respondent's silence, "passive holding" of the domain name registration can only be reflective of the Respondent acting in "bad faith".

6. **ARBITRATION DECISION**

In light of the abovementioned findings, the Panel decides:-

- . That the "Outblaze.com.hk" Domain Name is identical or confusingly similar to the "OUTBLAZE" trademark or service mark in Hong Kong in which the Complainant has rights;
- a. That the Respondent has no rights or legitimate interests in respect of the "outblaze.com.hk" Domain Name; and
- b. That the Respondent's "outblaze.com.hk" Domain Name has been registered and is being used in "bad faith".

As such, the Panel requires that the registration of the "outblaze.com.hk" Domain Name be transferred to the Complainant.

Tan Loke Khoon
Arbitrator Panelist

Dated: September 24, 2001