



# Hong Kong International Arbitration Centre

## 香港國際仲裁中心

### **.hk Domain Name Dispute Resolution**

#### **ARBITRATION PANEL DECISION**

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<b>Case No.</b>	DHK-0400001 ( <a href="http://www.shuion.hk">www.shuion.hk</a> )
<b>Complainant:</b>	<b>SHUI ON CONSTRUCTION AND MATERIALS LIMITED</b>
<b>Respondent :</b>	<b>WONG WAI CHUNG</b>

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#### **1. The Parties and Contested Domain Name**

The Complainant is SHUI ON CONSTRUCTION AND MATERIALS LIMITED of 12/F., New Kowloon Plaza, 38 Tai Kok Tsui Road, Kowloon being a legal entity incorporated under the laws of Bermuda.

The Respondent is WONG Wai Chun of P.O. Box 87430 ToKaWan Post Office, Kowloon.

The domain name at issue is <shuion.hk> registered by Respondent with Hong Kong Internet Registration Corporation through their subsidiary Hong Kong Domain Name Registration Company Limited.

#### **3. Procedural History**

The complaint was received by the Hong Kong International Arbitration Centre ("HKIAC") on 24 June 2004 and this was forwarded to the Respondent by the HKIRC on the same day. The Respondent was informed that the Complaint would be examined according to the Hong Kong Domain Name Dispute Resolution Policy Rules of Procedure and the Supplemental Rules of the HKIAC. On 7<sup>th</sup> July 2004 the Case Administrator of the HKIAC informed the Respondent that he/she had 20 days to submit a response to the Complaint. A written submission was duly prepared and sent to me for consideration along with the details of the Complainant's case.

#### **4. Factual background**

The Complainant is a company which was established in 1971 and is apparently well established in the construction industry - it is a supplier of various materials for use in construction work. I am informed that the Complainant is part of a group of companies that employs about 1,600 people in Hong Kong and its turnover for the financial year ended 31 March 2003 was in excess of HK\$2,300 million. The "Shui On" name has been used continuously since 1971 and it is surprising, therefore, that the Complainant has not, according to the information supplied on their behalf, taken out any trade mark registrations in Hong Kong.

The Respondent is an individual. He/she claims to have registered the domain name <shuion.hk> with a view to establishing a web business and trade under the names "Shui On Web Hosting Company Limited" or "Shui On Computer Limited" although no evidence has been provided to suggest that these names have yet been adopted or that the Respondent has started work in such areas of business and commerce. No reason has been advanced by the Respondent as to why it has chosen the name "Shui On"; his/her own surname is "Wong" and there is no readily apparent reason or explanation given by the Respondent as to the reason for choosing this name as part of a domain name.

## **5. Parties' Contentions**

### **A. Complainant**

The Complainant's contentions may be summarized as follows:

(i) The Claimant asserts that the Respondent is acting in bad faith in that the Respondent has no genuine need to use the "Shui On" name; further, that he/she has previously registered names which, among others, include famous trade marks such as AXA and LA SAUNDA. The Respondent denies that it has registered the famous names of other parties with a view to selling those domain names for profit. For reasons which I will explain briefly later, this alleged activity does not carry any weight in my decision. For the moment I will simply state that I do not consider the names listed by the Complainant as famous household names in the same way as the trade marks and trade names belonging to the Plaintiffs in the case of One-in-a-Million (see below).

(ii) The Claimant asserts that rather than use the Shui On name in a business sense, it has offered the name for sale for a consideration of HK\$28,000 which sum is clearly in excess of the amount required to recoup administration and other fees incurred in obtaining the domain name registration for <shuion.hk>. The Respondent asserts that it believes it has fallen into a trap in offering the domain name for sale although I note that it was the Respondent that stated the asking price rather than the offer being made by the prospective purchaser. Further, it appears that the Respondent provided a web site at which offers could be made for domain names including <shuion.hk>

### **B. Respondent**

The Respondent's contentions may be summarized as follows:

The Respondent seeks to rely on the so-called "sunrise period" that ran from 17 May 2004 to 28 May 2004 which gave members of the public a Pre-Registration Period in respect of domain name registrations where registrations had not previously been claimed; in this case the domain name <shuion.hk> had not been registered by any party. I cannot accept, however, that the Priority Registration Period and Pre-Registration Period overcame the need on the part of applicants for domain name registrations to avoid the need to prevent "Passing Off" against the trade marks and

trade names of companies where such *indicia* have an established reputation and goodwill subsisting in Hong Kong. I should add that the Respondent has not done or asserting anything that would contradict the claim made on behalf of the Claimant as to reputation and goodwill.

## 6. Findings

The leading case in this area of law is Marks & Spencer Plc & Others v. One in a Million Ltd. [1998] F.S.R. 265. In that case, the Defendant registered several well known company names as domain names including <marksandspencer.com> <bt.org> <sainsbury.com> and others. In determining that there was liability for passing off, the courts in the UK took cognisance of the fact that the Defendants had a history of registering the domain names of other companies and, rather than use the domain names as part of a business, had tried to sell the domain names back to the true owners or threaten to sell the domain names to third parties. I have already stated that I did not intend to place any weight in respect of the Claimant's assertion that the Respondent has registered domain names for sale to third parties. The One-in-a Million decision does not condemn this practice *in toto*. The criticisms contained in that case are made against those parties that register as domain names words that consist of the famous trade marks of others, without their consent, with a view to sale. In such circumstances, registration of the domain name becomes an "instrument of fraud" because there is the underlying threat that if the trade mark owner does not succumb to buying the domain name it will be sold to third parties.

The HKDNR DOMAIN NAME DISPUTE RESOLUTION POLICY provides, at Paragraph 4(a), that each of three findings must be made in order for a Complainant to prevail:

- i. Respondent's domain name must be identical or confusingly similar to a trademark or service mark in Hong Kong in which Complainant has rights; and
- ii. Respondent has no rights or legitimate interests in respect of the domain name; and
- iii. Respondent's domain name has been registered and is being used in bad faith.

### A) Identical / Confusingly Similar

The element of the domain name that consists of the letters SHUION is identical to the unregistered trade mark and company name SHUI ON save for the omission of the space of between SHUI and ON. It is unarguable that the two sets of words *in vacuo* are confusingly similar.

### B) Rights and Legitimate Interests

In this case, the Respondent has not provided an adequate explanation as to the proposed sale of the domain name <shuion.hk> and to state that this was a trap is an unlikely explanation in that if the trading intention was genuine, the proposed sale of the domain name could easily have been refused.

### **C) Bad Faith**

In the circumstances I am satisfied that the domain name <shuion.hk> in the registered ownership of the Respondent is a registration obtained in bad faith in that it is likely to lead to deception and confusion in the market place. Visitors to the site could be misled into believing that either the Complainant or one of the other parties (see below) whose name includes Shui On is associated with the web site when no such association exists. This is a misrepresentation and could lead to passing off.

### **7. Arbitration Decision**

I take the view that the domain name <shuion.hk> should be cancelled. The Complainant asserts that I should order the domain name to be transferred to them. I am unwilling to do this because there is another company on the Register of Trade Marks which include Shui On as part of their trade mark – see trade mark registration nos. 2001B07824 in the name of Shui On Nursing Centre Limited and there also appears to be an unregistered trade mark in use for arts and crafts – see <<http://www.shuion.net>> It may be the case that Shui On Nursing Centre Limited or Shui On Arts and Crafts could stake a valid claim to the domain name <shuion.hk>. In the circumstances, I take the view that the current registration of the domain name <shuion.hk> should be cancelled: I consider that the Claimant should file their own application for the domain name rather than expect me to order the current registration be transferred to them.

### **Decision**

My decision, therefore, is that the domain name <shuion.hk> now registered in the name of the Respondent SHALL BE CANCELLED.

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PAUL STEPHENSON  
Arbitrator  
Dated: 21<sup>st</sup> August 2004