



香港國際仲裁中心

Hong Kong International Arbitration Centre

.hk Domain Name Dispute Resolution
ARBITRATION PANEL DECISION

Complainant: HMV (IP) Limited
Respondent: sutton-tech
Case Number: DHK-0500006
Contested Domain Name: hmv.hk
Panel Member: Peter Bullock

1. Parties and Contested Domain Name

The Complainant is HMV (IP) Limited of Shelly House, 2-4 York Road, Maidenhead, Berks SL6 6ISR, UK. The Respondent is an entity listed as "sutton-tech" which, on obtaining the contested domain gave an address at Unit B36, 5/F, Elizabeth House, 250-254 Gloucester Road, Causeway Bay, Hong Kong. The contested domain name is "hmv.hk" ("Disputed Domain").

2. Procedural History

A Complaint in this matter was filed with the Hong Kong International Arbitration Centre ("HKIAC") dated 12 May 2005 in the prescribed form, received by HKIAC on 17 May 2005.

The HKIAC notified the Registrar of the Disputed Domain of the proceedings by email on 19 May 2005. The Registrar read this notification later the same day.

The Complaint was served upon the Respondent in the following ways:

- by the HKIAC by email on 23 May 2005 to the address (briancheung@email.com) provided by the Respondent as its contact email as Technical and Administrative Contact (according to the Complainant's WHOIS search on 9 September 2004);
- by the HKIAC by TNT Express Post to the Respondent's Elizabeth House address, sent on 19 May 2005, and signed for by the recipient with an illegible signature on the same day.

This constitutes valid service of these proceedings upon the Respondent.

No Response was filed with the HKIAC on or before the prescribed deadline (13 June 2005).

The Panel was appointed on 21 June 2005, with papers being delivered to the Panelists on 22 June 2005.

3. Factual Background

For the Complainant

The Complainant holds some or all of the intellectual property assets of the HMV Group which, starting from a presence in London's West End in 1921, has developed into one of the world's leading retailers of music, video and games. HMV Group operates from 571 shops around the world and has total retail floor space of 3.3 million square feet with a turnover of £760.2 million for the half year ended October 2004, of which £124.0 million was generated by HMV Asia Pacific. HMV has four stores in Hong Kong and is a very well known music retailer in the Hong Kong market.

The Complainant's predecessor in title, HMV Hong Kong Limited, registered HMV's trade mark ("Mark") in Hong Kong under classes 16, 18, 35 and 41 under the trade mark number of 300012103 since 29 April 2003. The Mark does not contain the letters or style "HMV" but rather the gramophone device derived from HMV's historical branding. The Complainant's claim is based primarily on the contention that the Disputed Domain is identical to the Complainant's business name "HMV", to which it has (unspecified) rights.

For the Respondent

The Respondent registered the Disputed Domain (or possibly renewed a registration in respect of the Disputed Domain) on 2004-08-08.

4. Parties' Contentions

The Complainant

The Complainant asserts that the Disputed Domain (hmv.hk) is identical to the Complainant's business name "HMV", and cites *Croatia Airlines d.d. –v- Modern Empire Internet Ltd* WIPO D2003-0445 (in fact D2003-0455) in support of the contention that the ".hk" should be disregarded. To the extent necessary it asserts the Disputed Domain is confusingly similar to its business name.

The Complainant further alleges that the Respondent has no rights or legitimate interests in respect of the Disputed Domain because:

- there is no active website under the Dispute Domain except for the domain parking services provided by the Registrar;
- the Respondent's registration of the Disputed Domain appears to have been intended to exploit the Complainant's "HMV" trademark / business name, rather than using it in a bona fide offering of goods or services or a legitimate non-commercial use without intent for commercial gain;
- the Respondent (named "sutton-tech") could not be commonly known by the name "hmv.hk" in view of the fact that it is not affiliated to the Complainant in any way and has not been permitted by the Complainant to register the Disputed Domain;
- the Respondent has not asserted any purported legitimate interest even in the face of the Complainant's cease and desist letter of 20 September 2004.

Finally, the Complainant alleges that the Disputed Domain has been registered and used in bad faith. In support the Complainant relies on:

- the fact that the Complainant has not licensed or otherwise permitted the Respondent to register the domain name incorporating the trade mark "HMV" and there is no affiliation between the parties. The Respondent is not an authorised agent or licensee of the Complainant's products or services in any way;
- the fact that the effect of the Respondent's registration has been to prevent the Complainant from using its business name and trade mark rights, to be reflected in a corresponding domain name in Hong Kong;
- the Respondent is currently running a passive / non-active website (i.e. the Registrar's domain parking service) from the Disputed Domain, and that such inactivity constitutes bad faith on the basis of *Telstra Corporation Limited –v- Nuclear Marshmallows* WIPO Case No. D2000-000 (in fact D2000-0003), and did not respond to any communication regarding the Complainant's allegations; and
- the Respondent would not (or rather "could not properly") have registered the Disputed Domain had the Respondent conducted a proper trade mark search before registering it; and/or the popularity of the Complainant's mark permits the conclusion that the Respondent knew or should have known of the Complainant's well-known mark prior to registering the disputed domain name.

The Respondent

The Respondent did not file a Response within the stipulated time.

5. Findings

A. Respondent in Default

The HKDNR Domain Name Dispute Resolution Policy Rules of Procedure ("Rules"), Paragraph 5(c) provide that: "If a Respondent does not submit a timely Response, in the absence of exceptional circumstances as determined by the Provider at its sole discretion, the Arbitration Panel shall decide the dispute based upon the Complaint and evidence submitted therewith." The Panel finds no exceptional circumstances to exist, and will proceed to determine the dispute based upon the Complaint.

B. The Language of the Proceedings

Paragraph 11(a) of the Rules provides:

"Unless otherwise agreed by the Parties, the language of the arbitration proceeding shall be the language of the Registration Agreement, subject always to the authority of the Arbitration Panel to determine otherwise, having regard to all the circumstances of the arbitration proceeding."

In the present case, the Disputed Domain was registered using the Roman alphabet. The Registrar is resident in Hong Kong, which has English as one of its official languages, and the Registrar's registration agreement is in English. The Complaint was drafted in English and the Complainant and the Panelist are conversant in English. The registration information given by the Respondent was given in English. All correspondence amongst HKIAC, the Registrar, the parties and the Panel is in English.

The Respondent is apparently a resident of Hong Kong. The Panel has received no request from any interested party to deal with the matter in any language other than English. The

Panel determines that the language of these arbitration proceedings shall be English. The Panel is able to understand those parts of the exhibits to the Complaint in Chinese without official translation.

C. Discussion and Findings

According to Paragraph 4a of the HKDNR Domain Name Dispute Resolution Policy (the "Policy") which is applicable hereto, the Complainant has the burden of proving that:

- (i) the Disputed Domain is identical or confusingly similar to a trade mark 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 Disputed Domain; and
- (iii) the Disputed Domain has been registered and is being used in bad faith.

1) **Identical/confusing similarity**

The Disputed Domain is not identical or confusingly similar to the Mark in so far as it is registered in Hong Kong, as the Mark consists of a stylised logo incorporating the gramophone device. However, although the Complainant has not chosen to register its trade mark "HMV" in Hong Kong, there is ample evidence within the Complaint to support the Complainant's common law rights to the trade mark "HMV" (including but not limited to the use of "HMV" on its advertising and its recognition in the Hong Kong media). The Panel adopts the arguments in *Croatia Airlines d.d. –v- Modern Empire Internet Ltd.* WIPO D2003-0455.

The Panel finds the Complainant has satisfied the first condition under Paragraph 4 of the Policy.

2. **Rights or Legitimate Interests of Respondent**

The Complainant has alleged that the Respondent has no right or legitimate interest in respect of the Disputed Domain. Clearly the Complainant does have a legitimate interest in the mark "HMV" in Hong Kong, and the Panel can fathom no possible legitimate connection or interest between the Respondent and the Disputed Domain. The Respondent has not answered these allegations and the Panel has no reason to doubt the veracity of the Complaint.

Accordingly, the Panel finds that the Complainant has satisfied the second condition under Paragraph 4 of the Policy.

3. **Bad faith**

The question of whether a completely passive and unexplained domain registration can be found to have been registered and to be being used in bad faith was examined in the decision *Telstra Corporation Limited –v- Nuclear Marshmallows* WIPO Case No. D2000-0003. The decision contained the following:

" 7.7 Has the Complainant proved that the domain name "has been registered in bad faith" by the Respondent? In light of the facts established in paragraphs 4.6 to 4.8, the Administrative Panel finds that the Respondent does not conduct any legitimate

commercial or non-commercial business activity in Australia. In light of the facts established in paragraphs 4.6 to 4.8, the Administrative Panel further finds that the Respondent has taken deliberate steps to ensure that its true identity cannot be determined and communication with it cannot be made. Given the Complainant's numerous trademark registrations for, and its wide reputation in, the word <TELSTRA>, as evidenced by the facts established in paragraphs 4.2 to 4.5, it is not possible to conceive of a plausible circumstance in which the Respondent could legitimately use the domain name <telstra.org>. It is also not possible to conceive of a plausible situation in which the Respondent would have been unaware of this fact at the time of registration. These findings, together with the finding in paragraph 7.2 that the Respondent has no rights or interests in the domain name, lead the Administrative Panel to conclude that the domain name <telstra.org> has been registered by the Respondent in bad faith.

7.8 Has the Complainant proved the additional requirement that the domain name "is being used in bad faith" by the Respondent? The domain name <telstra.org> does not resolve to a web site or other on-line presence. There is no evidence that a web site or other on-line presence is in the process of being established which will use the domain name. There is no evidence of advertising, promotion or display to the public of the domain name. Finally, there is no evidence that the Respondent has offered to sell, rent or otherwise transfer the domain name to the Complainant, a competitor of the Complainant, or any other person. In short, there is no positive action being undertaken by the Respondent in relation to the domain name.

7.9 This fact does not, however, resolve the question. As discussed in paragraph 7.6, the relevant issue is not whether the Respondent is undertaking a positive action in bad faith in relation to the domain name, but instead whether, in all the circumstances of the case, it can be said that the Respondent is acting in bad faith. The distinction between undertaking a positive action in bad faith and acting in bad faith may seem a rather fine distinction, but it is an important one. The significance of the distinction is that the concept of a domain name "being used in bad faith" is not limited to positive action; inaction is within the concept. That is to say, it is possible, in certain circumstances, for inactivity by the Respondent to amount to the domain name being used in bad faith.

7.10 This understanding of paragraph 4(a)(iii) is supported by the actual provisions of the Uniform Policy. Paragraph 4(b) of the Uniform Policy identifies, without limitation, circumstances that "shall be evidence of the registration and use of a domain name in bad faith", for the purposes of paragraph 4(a)(iii). Only one of these circumstances (paragraph 4(b)(iv)), by necessity, involves a positive action post-registration undertaken in relation to the domain name (using the name to attract custom to a web site or other on-line location). The other three circumstances contemplate either a positive action or inaction in relation to the domain name. That is to say, the circumstances identified in paragraphs 4(b)(i), (ii) and (iii) can be found in a situation involving a passive holding of the domain name registration. Of course, these three paragraphs require additional facts (an intention to sell, rent or transfer the registration, for paragraph 4(b)(i); a pattern of conduct preventing a trade mark owner's use of the registration, for paragraph 4(b)(ii); the primary purpose of disrupting the business of a competitor, for paragraph 4(b)(iii)). Nevertheless, the point is that paragraph 4(b) recognises that inaction (eg. passive holding) in relation to a domain name registration can, in certain circumstances, constitute a domain name being used in bad faith. Furthermore, it must be recalled that the circumstances identified in paragraph 4(b) are "without limitation" - that is,

paragraph 4(b) expressly recognises that other circumstances can be evidence that a domain name was registered and is being used in bad faith.

7.11 The question that then arises is what circumstances of inaction (passive holding) other than those identified in paragraphs 4(b)(i), (ii) and (iii) can constitute a domain name being used in bad faith? This question cannot be answered in the abstract; the question can only be answered in respect of the particular facts of a specific case. That is to say, in considering whether the passive holding of a domain name, following a bad faith registration of it, satisfies the requirements of paragraph 4(a)(iii), the Administrative Panel must give close attention to all the circumstances of the Respondent's behaviour. A remedy can be obtained under the Uniform Policy only if those circumstances show that the Respondent's passive holding amounts to acting in bad faith."

Following *Telstra* and applying its reasoning to the circumstances of this particular Complaint, the Panel has concluded that the passive holding of the Disputed Domain by the Respondent amounts to the Respondent acting in bad faith in its registration and using the Disputed Domain in bad faith. The particular circumstances of this case which lead to this conclusion are:

- (1) the Complainant's trade mark has a strong reputation and is widely known in Hong Kong;
- (2) the Respondent has provided no evidence whatsoever of any actual or contemplated good faith use by it of the Disputed Domain;
- (3) the Respondent has taken active steps to conceal its true identity, by changing its contact details given in its registration to obviously false details; and
- (4) taking into account all of the above, it is not possible to conceive of any plausible actual or contemplated active use of the Disputed Domain by the Respondent that would not be illegitimate, such as by being a passing off, an infringement of consumer protection legislation, or an infringement of the Complainant's rights under trade mark law.

6. Conclusions

Based on the above analysis, the Panel decides that: (1) the Disputed Domain is confusingly similar to a mark in which the Complainant has rights; (2) the Respondent has no right or legitimate interest in respect of the Disputed Domain; and (3) the Respondent has registered and has used the Disputed Domain in bad faith. Accordingly, pursuant to Paragraph 3(c) of the Policy, and at the Complainant's request, the Panel decides that the Disputed Domain **hmv.hk** should be transferred to the Complainant.

Dated 24 June 2005.
Hong Kong

Peter Bullock