



香港國際仲裁中心  
Hong Kong International Arbitration Centre

**.hk Domain Name Dispute Resolution**  
ARBITRATION PANEL DECISION

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<b>Complainant</b>	:	<b>Everpure LLC</b>
<b>Respondent</b>	:	<b>Topchamp Technology Limited</b>
<b>Case Number</b>	:	<b>DHK-0800031</b>
<b>Disputed Domain Name</b>	:	<b>&lt;everpure.hk&gt;</b>
<b>Panel Member</b>	:	<b>Adam Samuel</b>

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**1. Parties and Contested Domain Name**

The Complainant is Everpure LLC of 1040 Muirfield Drive, Hanover Park, IL 60133, USA. The authorised representative of the complainant in this matter is Twiggy MH Liu Law Office, Rm 4104 Hopewell Centre, 183 Queen's Road East, Hong Kong

The Respondent is Topchamp Technology Limited, Unit 602 6/F 1 Lyndhurst Tower, Lyndhurst Terrace, Central, Hong Kong. The authorised representative of the Respondent is Jonathan Ho of the same address.

The domain name at issue (the "disputed domain name") is <everpure.hk>, registered on 22 December 2004 by the Respondent.

**2. Procedural History**

On 3 April 2008, the Complainant filed the complaint with the Hong Kong International Arbitration Centre (the "Centre"). On 3 May 2008, the Centre confirmed to the Complainant's representative that the complaint was now in administrative compliance with the HKDNR Domain Name Dispute Resolution Policy, following payment of the filing fee on 3 April 2008. On the same date, the Centre requested the HKDNR to provide the registration information of the disputed domain name. On 5 May 2008, the HKDNR confirmed that the Respondent was the registrant of the disputed domain name and provided the Centre with its contact information. On 20 June 2008, the Centre notified the Respondent of the Complaint, giving it 15 business days in which to submit a Response. The hard copy of the Complaint was delivered to the Respondent on 22<sup>nd</sup> May 2007. The Respondent had not submitted a formal Response to the Complaint by 11 July 2008. On 12 July 2008, the Centre asked the

Panelist in this case whether he was available and if so whether he was able to act independently and impartially between the parties. Following an affirmative response to both questions, the Centre appointed Adam Samuel as the sole Panelist in this case on 16 July 2008.

On 21 July 2008, the Panelist issued a Procedural Order in this case. It ordered the Complainant the Complainant

*(i) to produce evidence to support its assertion that the Respondent did not have authority to reflect the Complainant's mark in the domain name in 2001, typically by production of the distribution agreement between the parties although other evidence would be acceptable and*

*(ii) respond to or provide submissions on the arguments that*

*(a) by its delay in bringing these proceedings, the Complainant has waived its right to object to the Respondent's registration of the domain name with the result that the Complainant now has rights or legitimate interests in respect of the domain name; and*

*(b) the Respondent used the domain name in connection with a bona fide offering of goods in Hong Kong as part of the distribution arrangements that existed between the parties.*

*(c) the domain name was not registered in bad faith if this was done as part of the distribution agreement between the parties.*

Following receipt of evidence and submissions in accordance with this order and their service on the Respondent, the Respondent would have a further 14 days to respond.

The reasons given for making the order were:

*"The HKDNR Domain Name Dispute Resolution Policy states that the Complainant must prove among other things that the Respondent has no rights or legitimate interests in respect of the Domain Name and that the Respondent's domain name was registered in bad faith. It is evidence of rights or legitimate interests in respect of the domain name for the Respondent to show before any notice to it of the dispute, ... 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 or services in Hong Kong;*

*The Complaint accepts that the Respondent was once a distributor of the Complainant's products. It is asserted that the Respondent has never had authority to use the Complainant's marks in a domain name. There are two problems with this assertion. First, the Complainant has not produced a copy*

*of the distribution agreement to back up that argument. Secondly, the domain name was registered seven years prior to the initiation of these proceedings.”*

Both parties responded to this. The Respondent used the opportunity to file on 1 August 2008 its Form B Response to the Complaint. The Complainant responded on 12 August 2008. It requested the Panel to disregard the Response as being filed out of time. It did not provide the evidence requested in part (i) of the Procedural Order although it presented extensive submissions on the various points in issue in this complaint. It makes more sense to deal with this application and the parties' submissions in section 4 of this decision.

### **3. Factual Background**

The Complainant has provided water quality solutions since 1933. It owns trademark registrations for the name <everpure> in Hong Kong, notably number 300051731, dated 23 July 2003. The domain name in this case was registered on 24 May 2001.

### **4. Parties' Contentions**

#### **The Complainant**

The Complainant's contentions which are not necessarily the Panel's views are set out here.

The Complainant owns trademark registrations for the name <everpure> since at least 1987. The disputed domain name is identical to the Complainant's registered mark. The Respondent does not have any right or legitimate interests in respect of the mark concerned. The domain name was registered in bad faith because in doing this, the Respondent has prevented the Complainant from registering the disputed domain names. This also causes disruption to the Complainant's business because potential customers in Hong Kong searching for the Complainant's products find an empty link. This casts doubts on the Complainant and its products among potential purchasers of them.

The Respondent was once one of the many distributors of the Complainant's products. It was never granted the authority to use or register the Complainant's trade marks for any other purposes and certainly not to register the disputed domain name. The Respondent has rejected all requests to cease and desist and transfer the domain name back to the Complainant. The Respondent's website is empty. The Respondent may be keeping the domain with a view to deriving some benefit from it such as demanding a high price from the Complainant to buy the name back. The Respondent no longer has any right to deal with the Complainant's products.

#### **The Respondent**

The Respondent's contentions which are not necessarily the Panel's views are set out here.

In 2005, the Respondent entered into a sub-distribution agreement with a third party to distribute the complainant's products. Traders and manufacturers must not sue for passing off when they are in the business of granting merchandising licenses. The Respondent has a legitimate interest with respect to the trademark <everpure> in that it intends to use it in order to comply with its obligations under the 2005 agreement. The Trademark Ordinance states that it is not a trademark infringement to use signs which serve to designate the kind, quality, quantity, intended purpose, value, geographical origins or other characteristics of goods or services or where necessary to indicate the intended purpose of goods or service. It continues that any person may use a registered trade mark for the purpose of identifying goods or services as those of the owner of the registered trademark for the purpose of identifying goods or services as those of the owner of the registered trademark or a licensee.

The Respondent takes no unfair advantage of the Complainant's trademark, the use in the subject website is not detrimental to the character and repute of the trademark and the Respondent's use is not in any way calculated to deceive the public.

## **5. Findings**

### **The Complainant's application to the Panel for it to disregard the Respondent's late response**

The Complainant asks the Panel to disregard the Respondent's late response.

Article 10 of the Rules of Procedure states:

“(a) An Arbitration Panel shall conduct the arbitration proceeding in such manner as it considers appropriate in accordance with the Dispute Resolution Policy, the Rules of Procedure and the Provider's Supplemental Rules.

(b) In all cases, an Arbitration Panel shall ensure that the Parties are treated with equality and that each Party is given a fair opportunity to present its case.

(c) Every Arbitration Panel shall ensure that the arbitration proceedings takes place with due expedition. It may, at the request of a Party or on its own motion, extend, in exceptional cases, a period of time fixed by these Rules of Procedure, the Provider's Supplemental Rules or by the Arbitration Panel.

(d) The Arbitration Panel shall determine the admissibility, relevance, materiality and weight of the evidence presented to it.”

This gives the Panel a broad discretion to conduct the case as it thinks fit and extend the periods of time set by the Rules of Procedure and Supplemental Rules.

The Respondent has provided no explanation of its delay in responding. However, a complicating factor is that the Response appears to have been filed as a reaction to the Panel's Procedural Order. That stipulated that the Respondent would have 14 days to comment on any material provided by the Complainant in response to the Order. In other words, if the Response had been filed after 12 August 2008, the Panel would have had to declare it admissible at least to the extent that it commented on the Complainant's submissions and evidence provided in response to the Order. Another complicating factor is that the Complainant has commented on the Response in its letter of 12 August 2008. Ignoring the Response would also require the Panel to ignore the reply to it.

If the Panellist had been satisfied that the Complaint provided sufficient information to enable it to decide the case when the file was sent to him, he would not have made the Procedural Order and decided the case before the Response was received. It was precisely because of concerns that the Complaint as drafted might not satisfy the requirements of the Policy without being ultimately unjustified that the Order was made.

For all these reasons, the Panel would normally on balance decide to consider the response and the Complainant's comments on it.

### **The Policy Elements**

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 Complainant owns a registered trademark for the name <everpure> in Hong Kong. The domain name consists of that name and the generic ".com.hk" which is necessary to render any resulting website effective. At the very least, the disputed domain name is confusingly similar to the Complainant's trademark. There is no requirement for the trademark registration to pre-date the registration of the domain name.

#### **(2) Rights or legitimate interests in respect of the disputed domain**

The Complainant has to prove here that the Respondent has no rights or legitimate interests in respect of the Disputed Domain.

Paragraph 4(c) of the Policy states:

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 or services in Hong Kong; or
- (ii) you (as an individual, business, or other organisation) have been commonly known by the Domain Name, even if you have acquired no trade mark or service mark rights in Hong Kong; ...

The disputed domain name currently leads to a parking website. The Respondent has provided no evidence other than bare assertions of any demonstrable preparations to use the domain name or a name corresponding to it in connection with a bona fide offering of goods or services in Hong Kong. The Respondent has not been commonly known by the domain name.

The Complainant's case has shifted from the original complaint which states that the Respondent was once one of its distributors to a statement in the letter of 12 August 2008 that the Respondent is just a sub-distributor. However, this matches the Response of 1 August 2008 and so must be accepted as correct.

The Complainant continues to distribute its products through Richform Holdings Limited. The Respondent's website [www.topchamp.org](http://www.topchamp.org) shows it still to be a sub-distributor of the Complainant's products. The Complainant has not provided evidence of the termination of the 2005 sub-distributorship agreement.

The Complainant refers in a number of places to decisions of WIPO Domain Name panels on the UDRP Policy. The leading case on distributors is *Oki Data Americas, Inc. v. ASD, Inc* [WIPO Case No. D2001-0903](#).

"Paragraph 4(c)(i) of the Policy provides that a use is legitimate if, prior to commencement of the dispute, Respondent used the domain name or a name corresponding to the domain name in connection with the *bona fide* offering of goods or services. Here, there is no dispute concerning Respondent's status: It is an authorized Oki Data repair facility, and has been offering OKIDATA goods and services since prior to the commencement of this case. The only issue before the Panel, then, is whether Respondent's offerings may be characterized as "bona fide."

To be "bona fide," the offering must meet several requirements. Those include, at the minimum, the following:

- Respondent must actually be offering the goods or services at issue. *E.g.*, *World Wrestling Federation Entertainment, Inc. v. Ringside Collectibles*, Case No. D2000-1306 (WIPO Jan. 24, 2001) (respondent failed to show demonstrable preparations to use the domain name in connection with a bona fide offering).

- Respondent must use the site to sell only the trademarked goods; otherwise, it could be using the trademark to bait Internet users and then switch them to other goods. *Nikon, Inc. v. Technilab*, Case No. D2000-1774 (WIPO Feb. 26, 2001) (use of Nikon-related domain names to sell Nikon and competitive cameras not a legitimate use); *Kanao v. J.W. Roberts Co.*, Case No. 0109 (CPR July 25, 2001) (bait and switch is not legitimate).

- The site must accurately disclose the registrant's relationship with the trademark owner; it may not, for example, falsely suggest that it is the trademark owner, or that the website is the official site, if, in fact, it is only one of many sales agents. *E.g.*, *Houghton Mifflin Co. v. Weatherman, Inc.*, Case No. D2001-0211 (WIPO April 25, 2001) (no bona fide offering where website's use of Complainant's logo, and lack of any disclaimer, suggested that website was the official Curious George website); *R.T. Quaiife Engineering v. Luton*, Case No. D2000-1201 (WIPO Nov. 14, 2000) (no bona fide offering because domain name <quaifeusa.com> improperly suggested that the reflected site was the official U.S. website for Quaiife, an English company; moreover, respondent's deceptive communications with inquiring consumers supported a finding of no legitimate interest); *Easy Heat, Inc. v. Shelter Prods.*, Case No. D2001-0344 (WIPO June 14, 2001) (no bona fide use when respondent suggested that it was the manufacturer of complainant's products).

- The Respondent must not try to corner the market in all domain names, thus depriving the trademark owner of reflecting its own mark in a domain name. *Magnum Piering, Inc. v. Mudjackers*, Case No. D2000-1525 (WIPO Jan. 29, 2001) ("a single distributor is extremely unlikely to have a legitimate interest in precluding others from using numerous variants on a mark").

In this case, Respondent's conduct meets all these factors. Respondent is an authorized seller and repair center, is using the okidataparts.com site to promote only OKIDATA goods and services, and prominently discloses that it is merely a repair center, not Oki Data itself. It has not registered numerous okidata-related domain names, and has not improperly communicated with Oki Data customers.

Complainant has not presented any other evidence that undermines the bona fides of Respondent's use. Accordingly, the Panel finds that the Respondent, as an authorized sales and repair dealer for Complainant's goods, has a legitimate interest (under the Policy) in using the Domain Name to reflect and promote that fact. *See, e.g.*, *Columbia ParCar Corp. v. S. Burstas GmbH*, Case No. D2001-0779 (WIPO Aug. 23, 2001); *ABIT Computer Corp. v. Motherboard Superstore, Inc.*, Case No. D2000-0399 (WIPO Aug. 8, 2000); *Weber-Stephen Products co. v. Armitage Hardware*, Case No. D2000-0187

(WIPO May 11, 2000). *See also K&N Engineering, Inc. v. Kinnor Services*, Case No. D2000-1007 (WIPO Jan. 19, 2001) (finding that the use of a manufacturer's mark in a Domain Name merely "provide[s], via an electronic medium, the advertising and sales functions related to the business of an authorized distributor of the Complainant").

It is important to keep in mind that the Policy was designed to prevent the extortionate behavior commonly known as cybersquatting. It cannot be used to litigate all disputes involving domain names. *The Thread.com, LLC v. Poploff*, Case No. D2000-1470 (WIPO Jan. 5, 2001). If trademark owners wish to prevent the use of their marks by authorized sales and repair agents in domain names, they should negotiate such protections through appropriate contractual language or, when permitted under the relevant law, seek recovery in classic trademark infringement or dilution litigations. In the absence, however, of some element of illegitimacy, they should not use the Policy to prevent uses that ICANN deemed to be legitimate, including the use of domain names in connection with the bona fide offering of goods and services.”

The Respondent appears to fall short of the Oki data criteria here in that there is no evidence that it has been using the disputed domain name, rather than its own, to offer the Complainant's goods. The Respondent has held this domain name for seven years without apparently doing anything with it to market the Complainant's goods. In addition, the website does not disclose the registrant's relationship with the trademark owner.

The Complainant also has problems here. It allows its primary distributor Richform Holdings Limited to promote its goods through a website whose domain address includes the Complainant's trademark. Richform is mentioned on the Complainant's website as its Hong Kong distributor and a link is given there to its website <everpurewater.com.hk>. The Complainant was asked to produce a distribution agreement but declined to do so. From this, one must assume that there is nothing in the agreement between the Complainant and Richfield preventing the latter or any sub-distributor from exploiting the Complainant's trademark by registering domain names reflecting it. If there was something, it would have been up to the Complainant to produce the relevant evidence. It is apparent from the Complainant's website that it encourages its distributors in Hong Kong to use its trademarks to promote its products either expressly or impliedly.

However, the Complainant withdrew that permission from the Respondent in 2005 when it indicated in a solicitor's letter to the Respondent that the registration of the domain names concerned was not permitted. Subsequently, the Respondent knew that it no longer had the right to the domain name. Element (ii) of the Policy requires the Complainant to show only that the Respondent **has** (emphasis added) no rights or legitimate interests in respect of the Disputed Domain not “had” at some former time.

The result of all this is that any licence that the Respondent may once have had to use the domain name was terminated in 2005. It has failed to show a legitimate interest in the domain name since that time. For these reasons, the Panel concludes that the Complainant has proved the second element of the Policy in this case.

The Respondent argues that the Complainant has no right to sue it for passing off under Hong Kong law. This is irrelevant to proceedings under the Policy since that does not require the Complainant to prove the elements of such a claim.

### **3. Registered and is being used in bad faith**

The Complainant argues that it never authorized the Respondent to use its trademark in a domain name and that it prohibited that use clearly in 2005 by its solicitor's letter. It has alleged that the Respondent is holding the domain name in the hope of selling it or to stop the Complainant reflecting the name in a website of its own.

The Complainant's problem, outlined in the Procedural Order and the reason for that order, is the absence of any evidence of bad faith in registration. The Policy is quite clear that bad faith must be shown in both the use and registration of the domain name. The Procedural Order asked for submissions on this point. The Complainant responded by relying on WIPO cases relating to conventional passive cybersquatting where a person wholly unrelated to the Complainant registers a domain name knowing of the Complainant's trademark, presumably in the hope that the Complainant will pay for the transfer of the domain name. The Complainant was unable to provide any actual evidence of 2001 bad faith.

The difference between here and the cases referred to by the Complainant in its letter of 12 August 2008 is that the Respondent is clearly known to the Complainant and appears to be promoting in a bona fide manner through its own website the Complainant's goods.

The Complainant seems currently to have a policy of encouraging distributors to reflect its marks in domain names. The Respondent does not appear to be in the habit of cybersquatting but in the trade of distributing the Complainant's products. As the panelist said in Oki data:

It is important to keep in mind that the Policy was designed to prevent the extortionate behavior commonly known as cybersquatting. It cannot be used to litigate all disputes involving domain names. *The Thread.com, LLC v. Poploff*, Case No. D2000-1470 (WIPO Jan. 5, 2001). If trademark owners wish to prevent the use of their marks by authorized sales and repair agents in domain names, they should negotiate such protections through appropriate contractual language or, when permitted under the relevant law, seek recovery in classic trademark infringement or dilution litigations. In the absence, however, of some element of illegitimacy, they should not use the Policy to prevent uses that ICANN deemed to be legitimate, including the use of domain names in connection with the bona fide offering of goods and services."

Neither party has provided any insight into the relationship between the parties in 2001. The Complaint perhaps holds the key when it says: "The Respondent was once one of the many distributors of the Complainant's products." The nature of the relationship between the parties in 2001 remains a mystery. The Complainant has to prove bad faith in registration. While in a pure cybersquatting environment, this can

be done by showing passive holding of a website reflecting a well-known trademark or the existence of a Respondent with a history of cybersquatting, this is not good enough here. Where there is a past distribution arrangement between the parties in the past of some description and the Complainant is in the habit of encouraging domain registrations by distributors reflecting its trademarks, the Complainant has to provide some concrete evidence of the bad faith of the Respondent's domain name registration . The nature of the Respondent's current website and the Respondent's distributor status from at least 2005 onwards would suggest that the domain name was registered in order to promote the Complainant's business in a legitimate way. No evidence has been provided to dispel that impression.

In all the circumstances and not without considerable hesitation the Panel concludes that the Complainant has not proved bad faith registration in this case. This does not preclude the possibility that the Claimant may be able to pursue its legal rights against the Respondent in another forum. However, for the purposes of the Policy, the Panel concludes that the Complainant has not proved part of the third element.

## **6. Conclusions**

For the reasons set out above, the Complaint is dismissed.

Dated 1 September 2008

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Adam Samuel