



香港國際仲裁中心

Hong Kong International Arbitration Centre

.hk Domain Name Dispute Resolution

ARBITRATION PANEL DECISION

Complainant: Mattel, Inc

Respondent: Kristopher-Kent Harris

Case Number: DHK-1000059

Contested Domain Name: Mattel.hk

Panel Member: Professor Leon Trakman

1. Parties and Contested Domain Name

The Complainant is Mattel, Inc.

The Respondent is Kristopher-Kent Harris.

The contested domain name is Mattel.hk

2. Procedural History

According to the records of the WHOIS database, the Respondent is the registrant of the disputed domain name <Mattel.hk>. The Complainant, Mattel Inc. filed a Complaint signed on 27 October 2010. The Respondent filed a Response with the HKIAC on 26 November 2010.

3. Factual Background

For the Complainant

Mattel, Inc., founded in California, is a global leader in the manufacture of toys, with net sales in excess of USD5 billion in 2009. A Fortune 500 company in the United States, there can be no doubt but that Mattel is a famous brand known across the world.

For the Respondent

The Respondent's name is Christopher Kent-Harris. The Respondent successfully registered the disputed domain name <Mattel.hk> on 4 June 2004. There is no

evidence on the record that the Respondent used the disputed domain name in any business or other activity or attempted to sell it either to the Complainant or to any other party. There is also no evidence on the record as to the location or the nature of the business of the Respondent, other than having registered the domain names of other famous brand names which were subject to dispute in two prior domain name disputes.

In addition to a Response to the Complaint, the Respondent completed a questionnaire sent to him from the HKIAC, as discussed under 4 below.

4. Parties' Contentions

The Complainant

The Complainant alleges that the Respondent registered the disputed domain name, <Mattel.hk> which is identical to the trade mark in Hong Kong in which the Complainant has rights; that the Respondent has no rights or legitimate interests in respect of the Disputed Domain; and that the Respondent has registered and used the disputed domain name in bad faith.

The Claimant also maintains that it was not aware of the disputed domain name <Mattel.hk> registered by the Respondent until 2010 and that upon becoming so aware, the Complainant lodged the Complaint with the HKIAC which is the subject of this Panel determination.

The Respondent

The Respondent indicates that he bought the domain name in June 2004 when it became publicly available and that he had not used it unlawfully or in bad faith. He also states that "I did not hi-jack any domain name, nor did I wait for an expiration date."

In replying to a questionnaire submitted to him by the HKIAC, the Respondent indicated the following: that he had "never contacted anyone about selling the domain name"; that "this did not occur"; that he had not registered the Domain Name in order to prevent the owner of the Mattel Inc. trademark or service mark from reflecting the mark in a corresponding Domain Name; that the Respondent had not intended to register the Domain Name for the purpose of disrupting the business of the Complainant; that such disruption had not occurred; and that the Respondent had not intentionally attempted to attract, for commercial gain, Internet users to Complainant's 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 its web site or location or of a product or service on its web site or location.

5. 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 identical to the trade mark in Hong Kong in which the Complainant has rights arising from its world famous trade mark in the Complainant's trade mark, Mattel Inc.

The Respondent's registration and use of the disputed domain name, <Mattel.hk> is also likely to create confusion including the reasonable expectation by third parties that the disputed domain name is owned by, authorized by, or otherwise affiliated with the Complainant and its worldwide business, which is not the case.

(2). Rights or Legitimate Interests of Respondent

It is contentious whether the Respondent has a right to the Disputed Domain. The Respondent bought the disputed domain name in June 2004 when it was publicly available. There is no evidence that the Respondent used the disputed domain name in an illegitimate business activity.

On the other hand, the Respondent appears to have no reasonable interest in the disputed domain name in support of an alleged right. The Respondent's name is not Mattel, but Christopher Kent-Harris. The Respondent has no relationship to the Complainant, Mattel, Inc. Nor is the Respondent affiliated with the Complainant. Nor, too, does the Respondent have the Complainant's permission to use the disputed domain name.

The question is whether these facts deny that the Respondent has any legitimate interest in the disputed domain name.

A complicating issue in answering this question is that, despite the fact that the Respondent purchased the disputed domain name in 2004, the Complainant did not assert that the Respondent lacked a legitimate interest in the disputed domain name until 2010, over five years after the date on which the Respondent acquired that name.

Given these considerations, the Panel determines, with hesitation, that the Respondent lacks a legitimate interest in the disputed domain name. This determination is based on part on the absence of any apparent interest of the Respondent in the disputed domain name at the time of purchase, and in part on the absence of any demonstrated continuing interest in it. Absent any effort by the Respondent to use the domain name for any lawful business purpose, any interest which the Respondent may have had in that name diminishes and is ultimately extinguished.

The Panel acknowledges that, in determining that the Respondent has no legitimate interest in the disputed domain name, it imposes a requirement that the Respondent demonstrate in some manner an ongoing interest in it beyond the act of registering it. This determination also brings into contention the analogy that a property owner who has a right in property in principle need not demonstrate an ongoing interest in that property in order to continue to have that property right. The difference in the instant case is the reasonable expectation that the Respondent needs to have a legitimate interest in support of a right in the domain name; and on the facts, such a legitimate interest is absent.

(3) Bad faith

The issue whether the Respondent has registered and used the disputed domain name in bad faith is also contentious.

Bad faith is determined by reasonable inferences drawn from the Respondent's conduct that relate to the Respondent's state of mind and include bad faith in both registering and using the disputed domain name.

On the evidence, the Respondent had registered the disputed domain name and has done nothing thereafter with it. The issue is whether such passive cyber squatting constitutes bad faith registration and use of the disputed domain name <Mattel.hk>.

No material evidence has been adduced to demonstrate that the Respondent has tried to sell the disputed domain name, or to use it in order to disrupt the Complainant's business, or to engage in conduct that has that result.

Nor has material evidence been adduced demonstrating that the Respondent has intentionally attempted to attract, for commercial gain, Internet users from the Complainant's web site or other on-line location, by creating a likelihood of confusion with the Complainant's mark.

Nevertheless, a determination of bad faith does not require proof that the Respondent has actively used a disputed domain name for commercial gain, or attempted to use it to harm the Complainant, or whose use, or non-use, has that effect.

The reasonable inference is that the Respondent intended to use the disputed domain name based on the fact that the Respondent registered a name that is identical to the world famous trade mark of the Complainant, and that the Complainant was not a

party to the Respondent's purchase of that name, and that Complainant had not acquiesced in the Respondent's registration and use of it.

Evidence of Respondent's bad faith includes not only the registration of the disputed domain name, but also evidence of a pattern of past practices in which the Respondent registered and used a significant number of other famous trade market, as well as two domain name determinations in Hong Kong that the Respondent had engaged in bad faith registration and use. See *VeriSign Inc. v. Christopher Kent Harris*, HKIAC Case No DHK07000012. See too *AOL LLC v Christopher Kent Harris*, HKIAC Case No DHK07000018.

Notwithstanding these facts, there is the countervailing argument that the Complainant should not be barred from asserting the Respondent's bad faith on grounds of the equitable doctrine of *laches*. The argument, here, is that, in failing to dispute the domain name for over five years, the Complainant had 'slept on its rights' and ought to be barred from invoking them after such an undue delay. In support of the equitable defence of *laches*, the Complainant did not dispute the domain name <matel.hk> in 2004 when the Respondent registered it. Nor did the Complainant do so for the ensuing five years. This evidence raises the question whether the Complainant acquiesced in the Respondent's use of the now disputed domain name during that interim period. The Complainant's assertion that it was not aware of the Respondent's registration until directly before lodging the Complaint affirms as much as it conflicts with the application of the doctrine of *laches*. The failure of the Complainant to object to the domain name for such an extensive period of time, however unintentional it may have been, reasonably supports the inference that the Respondent did not resort to bad faith in apprising the Complainant of the disputed domain name notably in not attempting to extract an exorbitant price for its sale to the Complainant.

Despite this observation, the Panel concludes, again with some hesitation, that the reasonable inference that the Respondent had registered and used the disputed domain name in bad faith outweighs the reasonable application of the equitable doctrine of *laches*. The fact that the Respondent registered the domain name and did not use it likely accounts in some measure for the fact that the Complainant failed to lodge a Complaint. The reasonable inference that the Respondent registered the disputed domain name intending to profit from it at the expense of the Claimant outweighs the absence of evidence that the Respondent sought to profit from that registration between 2004 and 2010.

Had there been evidence that the Complainant had done nothing, fully aware of the Respondent's registration of the disputed domain name from the outset, and had the Respondent sought to use the domain name for a legitimate business purpose, this Panel would have reached a different determination.

In so determining, the Panel distinguishes the facts of the instant case from the recent UDRP proceedings in which it was held that:

Where such a Complainant fails to police its claimed mark and does nothing for a substantial time while a Respondent develops an identical domain name for its own legitimate purposes, laches should bar that Complainant from turning a Respondent's detrimental reliance to its own unjust benefit.

The New York Times Company v Name Administration Inc. (BVI) NAF Case No. FA 1009001349045 (November 17, 2010).

A more difficult issue is the risk that the determination in the instant case will encourage complainants generally not to investigate disputed domain names so as not to be subject to the equitable doctrine of *laches*. This would be an unfortunate result. A complainant should ordinarily act reasonably promptly in identifying and objecting to alleged domain name infringements, rather than delaying inordinately before complaining. However, in the present case, the Panel accepts the Complainant's evidence that it was not reasonably aware of the Respondent's domain name until the Complainant brought its claim.

In summary, the Respondent's bad faith use of the disputed domain name derives from the reasonable expectation that the Respondent purchased a famous brand name for the *prima facie* purpose of using it in bad faith. It is also reasonable to assume that the Respondent purchased it with the expectation of profiting from it at the expense of the Complainant. The Respondent's past conduct in purchasing other famous domain names further affirms the reasonable inference of bad faith use. In the absence of the permission by the Complainant for the Respondent to use the disputed domain name, it is reasonable to conclude that the Respondent's intended to use it at some uncertain future time to gain an advantage at the expense of the Complainant.

There is no countervailing evidence of good faith on the facts. Were there material evidence that the Respondent had the philanthropic goal of promoting the Complainant's brand by disseminating laudatory information about Mattel products in the public domain, that would constitute evidence of the Respondent's good faith. However that is not the case here. The pattern of past conduct by the Respondent also contradicts the presence of such a philanthropic goal.

Accordingly, the Panel holds that the Respondent acted in bad faith in registering and using the disputed domain name <mattel.hk>.

6. Conclusions

The Panel orders that the disputed domain name, <Mattel,hk>, be transferred to the Complainant.

Dated: 2 December 2010



<Name of the Panelist>