



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

.hk Domain Name Dispute Resolution
ARBITRATION PANEL DECISION

Complainant: **KEMET Electronics Corporation**
Respondent: **Divin International Limited**
Case Number: **DHK-1100064**
Contested Domain Name: **kemet.com.hk**
Panel Member: **Christopher To**

1. Parties and Contested Domain Name

The Complainant is **KEMET Electronics Corporation** of 2835 Kemet Way, Simpsonville, South Carolina 29681, U.S.A.

The Respondent is **Divin International Limited** of Unit 503, 5th Floor, Silvercord, Tower 2, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong.

The contested domain name is “kemet.com.hk” (“*Disputed Domain*”)

2. Procedural History

On 12 January 2011, the Complainant filed a Complaint in this matter with the Hong Kong International Arbitration Centre (“*HKIAC*”). On 13 January 2011, the HKIAC confirmed receipt of the Complaint and payment of required administrative filing fee.

On 13 January 2011, the HKIAC notified the Hong Kong Internet Registration Corporation Limited (“*Registrar*”) of the Disputed Domain of the proceedings by email.

On 14 January 2011, the Registrar confirmed with the HKIAC that, amongst other things, the Respondent is the registered holder of the Disputed Domain, and that the domain was registered through the TODAYNIC.COM INTERNATIONAL LIMITED (“*Service Partner*”) and that the Registrar was unable to verify the

language of the registration agreement for the Disputed Domain after repeatedly requesting the Service Partner to confirm.

The Registrar mentioned that the eligibility requirement to register a “.com.hk” domain is that the registrant shall be a commercial entity registered in Hong Kong.

On 28 January 2011, the HKIAC sent a Notification of Commencement of Proceedings (“*Notification*”), together with the Complaint, to the email address of the Respondent’s nominated registrant contact for the Disputed Domain (as recorded in the Hong Kong Domain Name Registration Company Limited’s WHOIS database). The Notification gave the Respondent fifteen (15) business days to file a Response (i.e. on or before 18 February 2011).

On 21 February 2011, the HKIAC through an email informed the Complainant with a copy to the Respondent that the Respondent failed to submit a Response within the required period of time (i.e. on or before 18 February 2011).

The Panel, comprising of Christopher To as a single panelist, was appointed by the HKIAC on 23 February 2011. The papers pertaining to the case were delivered to the Panel by email on 24 February 2011, followed by a hard copy on 28 February 2011.

3. Factual Background

For the Complainant

The Complainant is a company incorporated in Delaware, United States of America (“*U.S.A.*”) and maintains its corporate headquarters in South Carolina, U.S.A.

The history of the Complainant dates back to 1919 when it was founded as “KEMET Laboratories” in Cleveland, Ohio, U.S.A., a leading global capacitor producer. After a series of mergers and acquisitions, management buyout and initial public offering, the Complainant became “KEMET Corporation” and was officially formed in December 1990.

The Complainant’s current business includes the sale of surface-mount and through-hole capacitor technologies across tantalum, ceramic, aluminium (organic and electrolytic), film, and paper dielectrics. The Complainant markets its capacitors to a large and diverse group of original equipment manufacturers (OEMs), electronics manufacturing service (EMS) providers, and electronic distributors around the world. Production is measured in the billions of pieces per year.

The Complainant’s capacitors are fundamental components that store, filter, and regulate electrical energy and current flow. They are found in virtually all electronic

applications and products used today, including those in the computer, telecommunication, automotive, military and aerospace, medical, industrial/instrumentation (including lighting), and consumer market segments. High reliability versions of Complainant's capacitors have shared in every important military/aerospace effort from the first Telstar to Viking, the Apollo moon landing, the Patriot missile, and the Mir and International Space Stations. Complainant's capacitors were also present in both the Pathfinder probe and the Sojourner rover during their historic exploration of Mars.

The Complainant's Hong Kong subsidiary, KEMET Electronics Asia Ltd. ("**KEMET HK**") was formed on 25 March 1988 and is currently located at Room 1512, Silvercord Tower 2, 30 Canton Road, Tsimshatshui Kowloon, Hong Kong.

The principal activity of KEMET HK is to provide support and after sales services to group companies of the Complainant. KEMET HK has since 1998 further enhanced the Complainant's reputation and raised the awareness of the Hong Kong Trade Mark in the electronics industry as a result sales in Hong Kong, being more than US\$128 million in the fiscal year ended 31 March 2010, form a significant portion of Complainant's global net sale.

In relation to China, the Complainant currently has manufacturing facilities in Suzhou, Natong, and Anting, and sales offices in Beijing and Shanghai.

The Complainant's earliest registration for the Complainant's trademark was made in the United States on 22 August 1930 under class 6 (US Registration No. 285561). The Complainant also has two trade marks registered in the United States under class 9 (US Registration No. 0954942) and United States Registration No. 2475819 filed on 3 November 1971 and 11 August 2000 respectively).

The Complainant is the owner of Hong Kong trademark registration number 19771568 ("**Trade Mark**") with a registration date of 1 October 1976. The Trade Mark relates to a mark made up of the letters "**KEMET**" in bold. The Trade Mark is currently registered in class 9:

"Capacitors; "getters" for degasifying electronic devices."

The Complainant registered the domain name "kemet.com" on 2 October 1995. The Complainant has since then been using this domain name to link to its websites for promoting and selling of its goods and services under and by reference to the Trade Mark.

The complainant submits that it has acquired substantial reputation and goodwill for the Trade Mark in Hong Kong and around the world.

For the Respondent

The Respondent is a private company incorporated in Hong Kong. The Respondent has not responded to the HKIAC within the stipulated timeframe (“on or before 18 February 2011”) as set out in an email dated 28 January 2011 from HKIAC to the Respondent. As such the Respondent has not contested the allegations of the Complaint and is in default.

4. Parties’ Contentions

The Complainant

The Complainant submits that the Disputed Domain is identical to the Trade Mark, which the Complainant has rights in. This right is also reflected in the Complainant’s company name (“**KEMET** Electronics Corporation”).

The Complainant submits that the Respondent who is the holder of the Disputed Domain has no rights or legitimate interests in respect of the Disputed Domain.

The Complainant submits that the word “KEMET”, being the dominant part of the Disputed Domain, does not in any way reflect the Respondent’s name. (“Divin International Limited”)

The Complainant submits that the Respondent has not registered a company name or business name reflecting “KEMET”, being the dominant part of the Disputed Domain.

The Complainant submits that to the best of the Complainant’s knowledge and information, the Respondent is not commonly known by the term “KEMET”, and is not the owner of any Trade Mark registrations reflecting or corresponding to the Disputed Domain in the Mainland of China or Hong Kong.

The Complainant submits that the Complainant has never authorized the Respondent to use or register any of the Trade Mark or to use or register any domain names consisting of or containing the word “KEMET”, being the dominant part of the Disputed Domain. Such use of the Trade Mark is infringing the Complainant’s trademark rights.

The Complainant further submits that soliciting electronic component orders for the Complainant’s products and Complainant’s competitors’ products without a license or authorization to use Trade Mark cannot be considered bona fide use as per *G.D Searle & Co. v. Entertainment Hosting Services, Inc.*, (NAF,FA 0204000110783). Hence, the Disputed Domain is being used by the Respondent for commercial purposes.

The Complainant further submits that the word “KEMET” is not an ordinary English word. “KEMET” is a made-up word coined by the Complainant, and is distinctive only of the Complainant. The registration and use by the Respondent of the Disputed Domain is no doubt to ride on the reputation and goodwill of the Complainant and to attract members of the public to the Respondent’s site or the pretence that it is owned, related to or endorsed by the Complainant.

The Complainant also submits that in two occasions, the Respondent demanded an exorbitant price of RMB 100,000.00 or USD 15,000.00 from the Complainant as a fee to transfer the Disputed Domain to the Complainant.

The first occasion was in 2009. After the Complaint’s lawyer sent a cease and desist letter to the Respondent on 17 March 2009 to demand the Respondent to stop using the Disputed Domain, the Complainant called the Respondent to discuss whether the Respondent would voluntarily transfer the Disputed Domain to the Complainant. However the Respondent demanded RMB 100,000.00 or USD 15,000.00 for the transfer of the Disputed Domain. As the Complainant believed the Respondent had no rights to make such demand, the Complainant rejected the Respondent’s demand.

The second occasion was on 6 August 2010 at Shenzhen, China. Mr. Yuen, a staff member of the Complainant’s subsidiary in the Mainland of China, met Mr. Jacky Xie, the Respondent’s representative, to discuss again about whether the Respondent would voluntarily transfer the Disputed Domain to the Complainant. During the meeting, the Respondent still demanded RMB 100,000.00 or USD 15,000.00 from the Complainant. An email exchange after the meeting, shows that the Respondent insisted on the amount of RMB 100,000.00 or USD 15,000.00 as the term of transferring the Disputed Domain to the Complainant.

The Complainant submits that the amount shows that the Respondent is fully aware of the value of the Complainant’s rights and interests pertaining to its Trade Marks by virtue of the Complainant’s reputation established worldwide including in Hong Kong and the Mainland of China.

The Complainant further submits that these circumstances indicate that the Respondent registered the Disputed Domain primarily for the purpose of selling, renting, or otherwise transferring the Disputed Domain to the Complainant for valuable consideration significantly in excess of the Complainant’s out-of-pocket expenses in registering and transferring the Disputed Domain.

The Complainant submits that the web site of the Disputed Domain, <http://www.kemet.com.hk>, (“**Disputed Domain Website**”) displays the Complainant’s competitors’ products (i.e. AVX, SANYO and VISHAY) along with the Complainant’s products and the Respondent’s services. Hence, the Respondent has taken advantage of the reputation and goodwill to attract purchasers of electronic components by offering products and services other than Complainant’s products and services.

The Complainant submits that it is fair to assume that a purchaser of Complainant's product in Hong Kong would use "KEMET Hong Kong" to search for the Complainant's representatives or sales offices in Hong Kong. A keyword search using "KEMET Hong Kong" in Bing, Yahoo Hong Kong and Google on 8 October 2010 returns the Disputed Domain Website as the second return, sixth return and ninth return respectively. The Complainant further submits the Respondent is knowingly taking advantage of the normal conduct of the interested public.

The Complainant submits that the Respondent's use of Trade Mark and trademarks of Complainant's subsidiaries (i.e. EPCOS and EVOX RIFA) create a likelihood of confusion as to the source, sponsorship, affiliation or endorsement of the Disputed Domain Website and intentionally attempt to attract, for commercial gain, Internet users, especially those in the electronics industry, to the Disputed Domain Website.

The Complainant submits that the contents shown in the Disputed Domain Website could easily mislead third parties to believe that the Respondent is a branch of, authorized representative of or affiliated with the Complainant. The Complainant further submits that the Respondent could impersonate the Complainant or its authorized representative to induce third parties to enter into a contract and cause injury to third parties.

The Complainant submits that actions stated above constitute bad faith in accordance with numerous decided cases, such as *G.D Searle & Co. v. Entertainment Hosting Services, Inc.*, (NAF, FA0204000110783), *National Collegiate Athletic Association and March Madness Athletic Association, L.L.C. v. Mark Halpern and Front & Center Entertainment (WIPO Case No. D2000-0700)*, and *Alibaba.com Limited v. Chen Huiguang (DHK-1000057)*.

On this basis, the Complainant submits that the Respondent's use of the Disputed Domain is in bad faith and requests the Disputed Domain to be transferred to the Complainant.

The Respondent

The Respondent did not file a Response to the HKIAC within the required timeframe stipulated by the HKIAC in its email of 28 January 2011 and as such has not contested the allegations of the Complaint and is in default.

5. Findings

A. The Language of the Proceedings

The Hong Kong Domain Name Registration Company Limited (“HKDNR”) Domain Name Dispute Resolution Policy (“*Policy*”) Rules of Procedure (“*Rules*”), Paragraph 11(a) provides that:

“Unless otherwise agreed by the Parties, the language of the arbitration proceedings shall be in English for English .hk domain name, and in Chinese for Chinese .hk domain name or .香港 domain name, 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 Registrar was unable to verify the language of the registration agreement for the Disputed Domain after repeatedly requesting the Service Partner to confirm. Also the Parties had not agreed to use a particular language for these proceedings. As this is an “English .hk domain name” then in accordance with Paragraph 11(a) of the Rules “the proceedings shall be in English”. In these circumstances, the Panel considers that it would be appropriate (and without prejudice to any of the parties) for the present proceedings to be conducted in English.

B. Discussion and Findings

Having considered all the documentary evidence before me, and the Respondent’s non-participation in these proceedings after being afforded every opportunity to do so in accordance with Paragraph 5(e) of the Rules the Panel is of the view that it should proceed to decide on the Disputed Domain (“kemet.com.hk”) based upon the Complaint and evidence submitted by the Complainant.

Paragraph 5(e) of the Rules provides 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.”

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**

Paragraph 4(a)(i) of the Policy requires the Complainant to prove that the Disputed Domain is identical or confusingly similar to a trademark or a service mark in Hong Kong in which the Complainant has rights.

The Complainant is the owner of Hong Kong trademark registration number 19771568 (“*Trade Mark*”) with a registration date of 1 October 1976. The Trade Mark relates to a mark made up of the letters “**KEMET**” in bold. The Trade Mark is currently registered in class 9.

Apparently, the trademark “KEMET” is the same as the distinctive part of the Disputed Domain in question. It is the view of this Panel that the Complainant has discharged its burden of proof to establish the element of identical and confusingly similar mark under Paragraph 4 (a)(i) of the Policy.

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

The word “KEMET”, being the dominant part of the Disputed Domain, does not in any way reflect the Respondent’s name (“Divin International Limited”) nor has the Respondent registered a company name or business name reflecting “KEMET”. There is no evidence that the Complainant has authorised the Respondent to use its trademark. The Respondent has never asserted any rights or legitimate interests in the Disputed Domain or replied to the Complaint on the subject. Furthermore, soliciting electronic component orders for the Complainant’s products and Complainant’s competitors’ products without a license or authorization to use the Complainant’s Trade Mark cannot be considered bona fide use

Given that there is no evidence from the Respondent (notably the absence of a Response) on its right and/or interest in the Disputed Domain, this Panel concludes that the Respondent has no rights and/or legitimate interests in respect of the Disputed Domain.

(3). **Bad faith**

Paragraph 4(b) of the HKDNR Domain Name Dispute Resolution Policy (“Policy”) sets down four (4) factors in which the Panel will need to examine to determine whether the Respondent has registered or used the Disputed Domain in bad faith. The four (4) factors are as follows:

“Evidence of Registration and Use in Bad Faith. For the purposes of Paragraph 4(a)(iii), the following circumstances, in particular but without limitation, if found by an Arbitration Panel to be present, shall be evidence of the registration and use of a Domain Name in bad faith:

(i) circumstances indicating that the Registrant has registered or has acquired the Domain Name primarily for the purpose of selling, renting, or otherwise transferring the Domain Name registration to the Complainant who is the owner of the trademark or service mark, or to a competitor of that Complainant, for valuable consideration in excess of the Registrant’s documented out-of-pocket costs directly related to the Domain Name; or

(ii) the Registrant has registered the Domain Name in order to prevent the owner of the trademark or service mark from reflecting the mark in a corresponding Domain Name, provided that the Registrant has engaged in a pattern of such conduct; or

(iii) the Registrant has registered the Domain Name primarily for the purpose of disrupting the business of a competitor; or

(iv) by using the Domain Name, the Registrant has intentionally attempted to attract, for commercial gain, Internet users to the Registrant’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 the Registrant’s web site or location or of a product or service on the Registrant’s web site or location.”

The Respondent in two occasions demanded an exorbitant price of RMB 100,000.00 or USD 15,000.00 from the Complainant as a fee to transfer the Disputed Domain to the Complainant.

The first occasion was in 2009. After the Complaint’s lawyer sent a cease and desist letter to the Respondent on 17 March 2009 to demand the Respondent to stop using the Disputed Domain, the Complainant called the Respondent to discuss whether the Respondent would voluntarily transfer the Disputed Domain to the Complainant. However the Respondent demanded RMB 100,000.00 or USD 15,000.00 for the

transfer of the Disputed Domain. As the Complainant believed the Respondent had no rights to make such demand, the Complainant rejected the Respondent's demand.

The second occasion was on 6 August 2010 at Shenzhen, China. Mr. Yuen, a staff member of the Complainant's subsidiary in the Mainland of China, met Mr. Jacky Xie, the Respondent's representative, to discuss again about whether the Respondent would voluntarily transfer the Disputed Domain to the Complainant. During the meeting, the Respondent still demanded RMB 100,000.00 or USD 15,000.00 from the Complainant. An email exchange after the meeting shows that the Respondent insisted on the amount of RMB 100,000.00 or USD 15,000.00 as the term of transferring the Disputed Domain to the Complainant.

Based on these circumstances it would indicate that the Respondent registered the Disputed Domain primarily for the purpose of selling, renting, or otherwise transferring the Disputed Domain to the Complainant for valuable consideration significantly in excess of the Respondent's documented out-of-pocket costs directly related to the Disputed Domain.

The web site of the Disputed Domain, <http://www.kemet.com.hk>, ("**Disputed Domain Website**") displays the Complainant's competitors' products (i.e. AVX, SANYO and VISHAY) along with the Complainant's products and the Respondent's services. Hence, the Respondent has taken advantage of the reputation and goodwill to attract purchasers of electronic components by offering products and services other than Complainant's products and services.

It is fair to assume that a purchaser of Complainant's product in Hong Kong would use "KEMET Hong Kong" to search for the Complainant's representatives or sales offices in Hong Kong. A keyword search using "KEMET Hong Kong" in Bing, Yahoo Hong Kong and Google on 8 October 2010 returns the Disputed Domain Website as the second return, sixth return and ninth return respectively.

The Respondent's use of Trade Mark and trademarks of Complainant's subsidiaries (i.e. EPCOS and EVOX RIFA) create a likelihood of confusion as to the source, sponsorship, affiliation or endorsement of the Disputed Domain Website and intentionally attempt to attract, for commercial gain, Internet users, especially those in the electronics industry, to the Disputed Domain Website.

The contents shown in the Disputed Domain Website could easily mislead third parties to believe that the Respondent is a branch of, authorized representative of or affiliated with the Complainant thus with the potential to induce third parties to enter into a contract and cause injury to third parties.

The only explanation of what has happened is that the Respondent's motive in registering and using the website ("kemet.com.hk") seems to be, as the Complainant says, simply to disrupt the Complainant's relationship with its customers or potential customers, attempt to attract internet users for potential gain or persuade the

Complainant to buy the Disputed Domain from it for an amount in excess of the Respondent's out-of-pocket expenses. These all constitute evidence of registration and use in bad faith in accordance with Paragraph 4(b) of the Policy.

For these reasons, the Panel is of the view that the Respondent registered and used the contested domain name in bad faith.

6. Conclusions

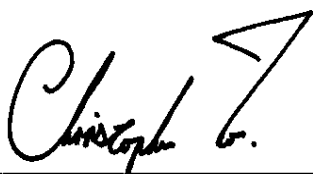
The Complainant has proved its case. It has a registered Hong Kong trademark in the name "KEMET" to which the contested domain name is confusingly similar.

The Respondent has shown no rights or legitimate interest in the Disputed Domain.

The Complainant has proved that the Respondent registered and used the Disputed Domain in bad faith.

For the foregoing reasons and in accordance with Paragraph 4 of the Policy, the Panel concludes that the relief requested by the Complainant be granted and do hereby order that the Disputed Domain "kemet.com.hk" be transferred to the Complainant KEMET Electronics Corporation.

Dated 25th March 2011

A handwritten signature in black ink, appearing to read "Christopher To", with a large, stylized flourish extending upwards and to the right.

Christopher To