

.hk Domain Name Dispute Resolution
ARBITRATION PANEL DECISION

Complainant: Schonbek Worldwide Lighting, Inc.
Respondent: Rich Point Hong Kong Development Limited
Case Number: DHK-1200076
Contested Domain Name: schonbek.com.hk
Panel Member: Matthew Laight

1. Parties and the Contested Domain Name

The Complainant is Schonbek Worldwide Lighting, Inc of 61 Industrial Blvd, Plattsburgh, New York. The Respondent is Rich Point Hong Kong Development Limited of Room C, 19/F Winner Building, 867-885 Canton Road, Mongkok, Kowloon, Hong Kong.

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

2. Procedural History

On 30 March 2012, the Complainant filed a Complaint in this matter with the Hong Kong International Arbitration Centre (“**HKIAC**”), together with the required administrative filing fee. On 11 April 2012, the HKIAC confirmed with the Complainant the receipt of the Complaint and payment of the required administrative filing fee.

On 2 April 2012, the HKIAC notified the Registrar of the Disputed Domain (“**Registrar**”) of the proceedings by email. On the same day, the Registrar confirmed with the HKIAC that, amongst other things, the Respondent is the registered holder of the Disputed Domain.

On 12 April 2012, 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, administrative contact, technical contact and billing contact for the Disputed Domain (as recorded in the Hong Kong Domain Name Registration Company Limited’s WHOIS database). The Notification gave the Respondent 15 business days to file a Response (i.e. by 4 May 2012).

The Respondent filed a Response with the HKIAC on 16 April 2012, a copy of which was forwarded to the Complainant by the HKIAC on the same day.

The Panel, comprising of Matthew Laight as a single panelist, was appointed on 25 April 2012. The papers were delivered to the Panel by email on the same day.

On 25 April 2012, the Complainant requested that it be given an opportunity to submit a supplemental submission.

On 9 May 2012, the Panel allowed the Complainant the opportunity to submit a supplemental submission provided that such submission was filed on or before 16 May 2012. The Panel also provided the Respondent with the opportunity to respond to the supplemental submission, such response to be filed on or before 30 May 2012.

On 14 May 2012, the Complainant filed a supplemental submission ("**Supplemental Submission**") and on 21 May 2012, the Respondent filed a response to the supplemental submission ("**Supplemental Response**").

3. Factual Background

For the Complainant

The Complainant is a corporation incorporated in New York. The Complainant was founded 140 years ago and is the world's leading manufacturer of premium crystal lighting. The Complainant specialises in the creation of custom chandeliers and designing and manufacturing lighting masterpieces. The Complainant has created and provided custom chandeliers to prestigious venues around the world, including the White House and Buckingham Palace. In 2007, the Complainant became a member of the Swarovski company.

The Complainant is the owner of several trade marks for SCHONBEK in various territories around the world, including, relevantly, Hong Kong trade mark registration number 301121471 for SCHONBEK ("**SCHONBEK Trade Mark**") and trade mark registration number 301201797 for 施昂贝克, being the Chinese translation for SCHONBEK ("**Chinese Character SCHONBEK Trade Mark**") (collectively, "**the Trade Marks**"), registered on 21 May 2008 and 16 September 2008 respectively, for the following class 11 goods:

“ornamental electric lighting fixture; chandeliers and chandelier pendants; chandelier parts of glass; lighting apparatus”.

The Complainant asserts that it has been using the SCHONBEK Trade Mark in commerce for over 40 years. Since 1996, the Complainant has been the registered proprietor of the domain name schonbek.com.

The Complainant submitted the following evidence in support of the Complaint:

- i) a summary of argument;
- ii) copies of the trade mark registrations referred to in the Complaint;
- iii) WHOIS records for the Disputed Domain and WHOIS records for the Complainant's Domain schonbek.com;
- iv) representative pages from the Complainant's website and representative pages from the Respondent's website;
- v) a company search of the Respondent;
- vi) a copy of the Hong Kong Domain Name Registration Company Limited, Domain Name Registration Agreement for .hk and 香港 Domain Names, Version 5.0, Effective 22 February 2011;
- vii) a copy of the Electronic Extract of Information on the Business Register issued in respect of Business Registration Number 38632186 under s19A of the Business Registration Ordinance (Cap. 310) in relation to the Respondent; and
- viii) a copy of a Business/Branch Registration Certificate of the Respondent.

The crux of the Complainant's complaint is that as a result of the extensive promotion and use of the Trade Marks in connection with its goods internationally, including in Hong Kong, the Trade Marks signify to consumers the goods of the Complainant.

For the Respondent

The Respondent is a private company and was incorporated in Hong Kong on 25 September 2007. On 13 August 2011, the Respondent registered the Disputed Domain with Hong Kong Domain Name Registration Company Limited.

The crux of the Respondent's response is that it registered the Dispute Domain to provide information about SCHONBEK and Swarovski architecture products in the Hong Kong market,

that it is an agent that carries these items and that its role is to direct customers to purchase Schonbek products.

4. Parties' Contentions

A. Complainant

The Complainant's submissions can be summarised as follows:

- i) the Disputed Domain name is identical to the SCHONBEK Trade Mark as it incorporates the SCHONBEK Trade Mark in its entirety.
- ii) the Respondent does not own any trade mark or service rights in relation to the Disputed Domain and the Respondent is not commonly known by the name of the Disputed Domain.
- iii) the Respondent has no connection or affiliation with the Complainant and the Complainant has not licensed or consented to the Respondent using the Trade Marks in Hong Kong or elsewhere, nor is the Respondent an authorised distributor of the Complainant for the Hong Kong market.
- iv) the website at the Dispute Domain is strikingly similar in appearance to the Complainant's website and the Respondent has used the SCHONBEK Trade Mark and other intellectual property, including text and photographs that have been misappropriated from the Complainant's website, causing confusion and routing customers to the Respondent.
- v) the Respondent has not made a legitimate non-commercial use of the Disputed Domain and has not engaged in bona fide use of the Disputed Domain.
- vi) the Disputed Domain has been registered in bad faith to attract customers searching for authorised SCHONBEK products in Hong Kong to confuse or mislead consumers into believing that the Respondent/the Respondent's website is sponsored, affiliated with or authorised by the Complainant and to divert the Complainant's customers and potential customers away from the Complainant.
- vii) the Disputed Domain was registered after the Complainant's Trade Marks had been registered and used in commerce in Hong Kong.

By the Supplemental Submission, the Complainant submits that the Respondent made misleading representations in its Response as follows:

- i) the Respondent is not, and has never been, an agent of SCHONBEK and is not an authorised dealer of Schonbek's products in Hong Kong or elsewhere and as a result,

- any sale or offer for sale of Schonbek's products is unauthorised by Schonbek and causes further evidence of confusion in the marketplace of the Respondent's conduct.
- ii) the Complainant has not sought or requested any advertising services from the Respondent in Hong Kong or elsewhere and the conduct of the Respondent is not authorised or permitted by the Complainant.
 - iii) the Complainant has never authorised or licensed the Respondent to use the Trade Marks or any of its proprietary products or materials and the Respondent's use of the Trade Marks on the website and its proprietary information is unauthorised and constitutes misappropriation of the Complainant's valuable property.

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 cancelled, or alternatively, transferred to the Complainant.

B. Respondent

The Respondent's Response can be summarised as follows:

- i) the Respondent submits that it does not state anywhere on the website at the Disputed Domain that it is the authorised distributor of SCHONBEK and Swarovski Architecture Products.
- ii) the website at the Disputed Domain is an information website for SCHONBEK and Swarovski Architecture Products in the Hong Kong Market and the Respondent is the agent that carries these items.
- iii) the Respondent's role is to direct customers to purchase Schonbek products. The Respondent submits that it has been providing an advertising service for the Complainant and has Chinese translation on its website which is not contained on the Complainant's website.
- iv) the Respondent submits that it has based the website at the Disputed Domain on the Complainant's website.
- v) the Complainant had the opportunity to purchase the Disputed Domain and failed to do so.
- vi) the Respondent will agree to remove all content from the Disputed Domain.
- vii) the Complainant can obtain the Domain Name by paying a transfer fee and purchasing the Disputed Domain, such purchase price being negotiable.

By the Supplemental Response, the Respondent states that:

- i) it will remove all materials related to the Complainant from the Disputed Domain.
- ii) it registered the Disputed Domain to provide customers with information on where to purchase authentic Schonbek products and to provide convenient information with the Chinese language.
- iii) it did not register the Disputed Domain so that the Complainant could purchase it.
- iv) it is not using the Disputed Domain in bad faith.
- v) the Complainant has the right to own the Disputed Domain.
- vi) the Respondent has subscribed to the Disputed Domain for a year which will end on 15 August 2012 and the Disputed Domain cannot be transferred until the subscription ends.

5. Findings

A. The Language of the Proceedings

The 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 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 of the circumstances of the arbitration proceeding.”

In the present case, the registration agreement for the Disputed Domain is in English. The Registrar is resident in Hong Kong, which has English as one of its official languages, both the Complaint and Response were drafted and filed in English, and furthermore, all correspondence between the HKIAC, Complainant and Respondent were carried out in English without any issue. The Panel therefore considers that the parties are conversant 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

The Policy provides at Paragraph 4(a) that the Complainant must prove that each of the following three elements is present in order for the Complaint to prevail:

- 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 trade mark or service mark in Hong Kong in which the Complainant has rights.

The Complainant has established that it is the registered owner of the SCHONBEK Trade Mark and the Chinese Character SCHONBEK Trade Mark.

The Disputed Domain contains the word SCHONBEK in its entirety and the .com.hk element of the Disputed Domain is to be ignored when considering whether the Disputed Domain is identical or confusingly similar to the Trade Marks (see *Wynn Resorts Holdings, LLC v M3 International Exhibition & Design Limited*, HKIAC Case No. DHK-0900045). Accordingly, the Panel finds that the Disputed Domain is identical to the SCHONBEK Trade Mark and confusingly similar to the Chinese Character SCHONBEK Trade Mark (see *Christie Manson & Woods Limited v Chritrs H.K. International Arts Auction Limited*, HKIAC Case No. DHK-0900043).

(2) Rights or Legitimate Interests of Respondent

Paragraph 4(a)(ii) of the Policy requires the Complainant to prove that the Respondent has no rights or legitimate interests in the Disputed Domain.

For the purposes of Paragraph 4(a)(ii), Paragraph 4(c) of the Policy sets out three specific circumstances (set out below) which can help the Respondent demonstrate it has a right or a legitimate interest in the Disputed Domain. Paragraph 4(c) of the Policy provides that if the Panel considers it proven that, based on its evaluation of all evidence presented to it, the Respondent satisfies any of the following circumstances, the Respondent will have shown that it has a right or legitimate interest in the Disputed Domain:

- i) before the Respondent has any notice of the dispute, the Respondent's use of, or demonstrable preparations to use, the Disputed Domain or a name corresponding to the Disputed Domain is in connection with a bone fide offering of goods or services in Hong Kong; or
- ii) the Respondent (as an individual, business, or other organisation) has been commonly known by the Domain Name, even if the Respondent has acquired no trade mark or service mark rights in Hong Kong; or
- iii) the Respondent is making a legitimate non-commercial or fair use of the Disputed Domain, without intent for commercial gain to misleadingly divert consumers or tarnish the trade mark or service mark at issue.

The onus is on the Complainant to demonstrate that the Respondent has no rights or legitimate interests in the Disputed Domain. Once prima facie evidence has been adduced, the burden shifts to the Respondent to prove otherwise (see *Six Continents Hotels, Inc v Patrick Ory*, WIPO Case No D2003-00098).

The Panel finds that the Complainant has established a prima facie case that the Respondent has no rights or legitimate interest in the Disputed Domain, and the Respondent has not satisfied any of the circumstances (i) to (iii) as set out under Paragraph 4(c) of the Policy. The Panel's reasons are provided below.

The evidence presented to the Panel indicates that the Complainant first registered the domain name schonbek.com on 15 May 1996 and registered trade marks in Hong Kong for SCHONBEK in 2008. It is clear that the Respondent was aware of the Complainant at the time it registered the Disputed Domain due to the extensive use by the Complainant of the Trade Marks in relation to crystal lighting products worldwide and in Hong Kong, and by the Respondent's own admission, the purpose of the website was to provide an advertising service and information to direct customers to where they can purchase Schonbek products. Further, the website at the Disputed Domain has a similar look and feel to the Complainant's website and the Respondent admits that its website is based on the Complainant's website. Despite the assertion made on the Respondent's website that the Respondent offers all Schonbek products and Swarovski products directly from the manufacturer, the Complainant has asserted that the Respondent has not been licensed or authorised to use the Trade Marks or the intellectual property of the Complainant, nor has the Respondent been an authorised distributor of the Complainant's products. There is no

evidence of any commercial relationship between the Complainant and Respondent and the Panel finds accordingly.

By using the Disputed Domain in relation to providing an information service about where to purchase the same goods in which the Complainant deals, i.e. crystal lighting, the Respondent is intentionally seeking to exploit user confusion by diverting internet users away from the Complainant's website to the Respondent's website. Intentionally trading on the fame of a mark cannot constitute bona fide offering of goods or services (see *Madonna v. Parisi*, [WIPO Case No. D2000-0847](#)). Accordingly, the Respondent has not used the Disputed Domain in connection with the bona fide offering of goods or services in Hong Kong.

On this basis, the Panel finds that the Respondent does not satisfy circumstance (i) under Paragraph 4(c) of the Policy. The Panel also finds that the Respondent has registered the Disputed Domain in order to mislead or divert customers from the Complainant. Accordingly, the Respondent has not satisfied circumstance (iii) under Paragraph 4(c) of the Policy.

The Respondent is not commonly known by the Disputed Domain and did not provide any evidence to show that it has any trade mark rights in Hong Kong that are related to the Disputed Domain. The fact that the Respondent might direct consumers as to where they can purchase the SCHONBEK goods does not provide the Respondent with any rights or legitimate interest to use for its own benefit the Trade Marks in a domain name, see *Nokia Corporation v. Nick Holmes t/a Etype Media*, [WIPO Case No. D2002-0001](#).

Further, in the Supplemental Response, the Respondent admits that the Complainant owns the Trade Marks and has the right to own the Disputed Domain. The Panel finds that the Respondent has not satisfied circumstance (ii) under Paragraph 4(c) of the Policy.

(3) *Bad faith*

Paragraph 4(a)(iii) of the Policy requires the Complainant to prove that the Disputed Domain is registered and is being used (by the Respondent) in bad faith.

For the purposes of Paragraph 4(a)(iii), Paragraph 4(b) of the Policy sets out four non-exclusive criteria which, if satisfied, shall be evidence that the Respondent's registration and use of the Disputed Domain is in bad faith:

- i) the Respondent has registered or acquired the Disputed Domain primarily for the purpose of selling, renting, or otherwise transferring the Disputed Domain to the Complainant who is the owner of the trade mark or service mark or to a competitor of that Complainant, for valuable consideration in excess of the Respondent's documented out-of-pocket costs directly related to the Disputed Domain; or
- ii) the Respondent has registered the Disputed Domain in order to prevent the owner of the trade mark or service mark from reflecting the mark in a corresponding domain name, providing that the Respondent has engaged in a pattern of such conduct; or
- iii) the Respondent has registered the Disputed Domain primarily for the purpose of disrupting the business of a competitor; or
- iv) by using the Disputed Domain, the Respondent has intentionally attempted to attract, for commercial gain, Internet users to the Respondent'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 Respondent's web site or location or of a product or service on the Respondent's web site or location.

By the Response, the Respondent admits that the Complainant has the right to the Disputed Domain. The Respondent has offered to sell the Disputed Domain to the Complainant for valuable consideration in excess of the Respondent's out of pocket costs directly related to the Disputed Domain. This in itself is evidence of bad faith.

Further, it is clear that by the registration of the Disputed Domain, the Respondent intended to drive consumers away from the Complainant's website and to the Respondent's website. As a result, the registration of the Disputed Domain was primarily to disrupt the business of the Complainant. In addition, the use of the Complainant's trade mark and intellectual property at the Disputed Domain was intentional to create a likelihood of confusion with the Complainant's Schonbek Trade Mark as to the source, sponsorship, affiliation or endorsement of the Respondent's website. Although the screenshot of the Respondent's website provided by the Complainant shows that the website does contain a statement in fine print that the website is not an authorised website of the Complainant, the use of the SCHONBEK Trade Mark, photographs and the look and feel of the Complainant's website suggest to a consumer otherwise.

It was open to the Respondent to register another domain name that did not include the SCHONBEK Trade Mark and the Respondent has not provided a plausible justification as to why it needed to include the SCHONBEK Trade Mark in the domain name to carry out its business.

Given the above, the Panel finds that the evidence indicates that the Respondent has used the Disputed Domain for the purpose or intention of engaging in the types of conduct as set out in Paragraph 4(b)(i), (iii) and (iv) of the Policy.

For completeness, the Panel has also considered whether the Respondent registered the Disputed Domain in order to prevent the owner of the trade mark or service mark from reflecting the mark in a corresponding domain name. The Panel finds that while the Respondent has registered the Disputed Domain in order to prevent the Complainant from reflecting the SCHONBEK Trade Mark in a corresponding domain name in Hong Kong, there is no evidence before the Panel that demonstrates that the Respondent has engaged in a pattern of such conduct. Accordingly, Paragraph 4(b)(ii) of the Policy is not satisfied.

6. Decision

For the foregoing reasons, the Panel concludes that the Complainant has sufficiently proven all of the three elements set out in Paragraph 4(a) of the Policy. The Complaint is therefore allowed.

As the Complainant is not a Hong Kong company, the Panel has a discretion to transfer or cancel the Disputed Domain. Given the worldwide reputation and use of the Trade Marks by the Complainant, the Panel exercises its discretion to transfer the Disputed Domain to the Complainant or its designated representative in Hong Kong so as to avoid a third party registering the Disputed Domain for improper purposes.

Dated 9 July 2012
Hong Kong

Matthew Laight