

HONG KONG INTERNATIONAL ARBITRATION CENTRE

.hk Domain Name Disputed Resolution

ARBITRATION PANEL DECISION

Case no. DHK-1200084

Complainant : Vemma Nutrition Company
Respondent : Jerry Wang
Domain Name : <vemma.hk>
Panellist : Gabriela Kennedy

1. The Parties

The Complainant is Vemma Nutrition Company of the United States of America

The Respondent is Jerry Wang of the People's Republic of China

2. The Domain Name and Registrar

The disputed domain name <vemma.hk> (the "Disputed Domain Name") is registered with Hong Kong Domain Name Registration Company Limited (the "Registrar").

3. Procedural History

The Complaint was filed with the Hong Kong International Arbitration Centre (the "Centre") on 7 September 2012. On 18 September 2012, the Centre transmitted by email to the Registrar, a request for registrar verification in connection with the Disputed Domain Name. On 19 September 2012, the Registrar transmitted by email to the Centre verification responses confirming that it is the Registrar of the Disputed Domain Name and that the Respondent is listed as the registrant of the Disputed Domain Name, and providing the contact details for the Respondent.

On 28 September 2012, the Centre transmitted by email to the Complainant, a request for a copy of the registration agreement (the "Registration Agreement") with regards to the Disputed Domain Name. The Complainant transmitted by email to the Centre the Registration Agreement on the same day.

The Centre verified that the Complaint satisfied the formal requirements of the Domain Name Dispute Resolution Policy for .hk and .香港 domain names (the "Policy") and the Domain Name Dispute Resolution Policy for .hk and .香港 domain names Rules of Procedure (the "Rules").

In accordance with paragraphs 2(a) and 4(a) of the Rules, the Centre formally notified the Respondent of the Complaint, and the proceedings commenced on 28 September 2012. In accordance with paragraph 5(a) of the Rules, the deadline for the Response was 24 October 2012. The Respondent did not submit a formal Response by 24 October 2012.

The Centre appointed Gabriela Kennedy as the sole panelist in this matter on 6 November 2012. The Panel finds that it was properly constituted. The Panel confirmed on 6 November 2012 of her appointment as the sole panelist in this matter.

On 28 November 2012, the Panel issued Arbitration Panel Order No.1 (the "Order"), inviting the Complainant to submit the following:

1. evidence that prior to the Complaint being filed the Respondent had failed to represent itself as an independent brand partner;
2. further correspondence between the Complainant and the Respondent relating to the Disputed Domain Name prior to the Complaint being filed; and
3. confirmation as to whether the Respondent's status as a brand partner had been suspended or terminated by the Complainant.

The Complainant transmitted by email to the Center its response to the Order on 13 December 2012. The Respondent did not make any further submissions in response.

4. Factual Background

The Complainant is a company based in the United States of America, operating in the liquid nutrition industry in 50 countries, with an annual revenue of greater than US\$1.5 billion. The Complainant is the owner of the "VEMMA" trade mark, which was first registered in the United States of America on 21 February 2006, and subsequently registered in numerous other jurisdictions around the world. The "VEMMA" trade mark was registered in Hong Kong by the Complainant on 14 September 2011. The Complainant is also the registrant of <vemma.com>, as well numerous other domain names incorporating the "VEMMA" trade mark.

The Respondent is a brand partner of the Complainant, and was previously authorised to sell the Complainant's products. Correspondence between the Complainant and the Respondent indicated that the Respondent's status as a brand partner of the Complainant was suspended on 4 May 2012. The Disputed Domain Name was registered on 15 March 2012 and resolves to a website used to advertise the Complainant's products (the "Website"). The Website has a similar colour scheme and layout to that of the official website of the Complainant.

5. Parties' Contentions

A. Complainant

The Complainant's contentions can be summarised as follows:

- (a) The Disputed Domain Name is confusingly similar to the Complainant's "VEMMA" trade mark, in which the Complainant has rights:
 - (i) the Respondent registered the Disputed Domain Name several years after the Complainant had first registered the "VEMMA" trade mark in the United States of America and 6 months after the Complainant registered the "VEMMA" trade mark in Hong Kong;
 - (ii) the Disputed Domain Name incorporates the "VEMMA" trade mark in its entirety;

- (iii) the Website has a similar colour scheme and layout to that of the official website of the Complainant and displays products produced by the Complainant;
 - (iv) the Website provides addresses to several of the Complainant's offices around the world; and
 - (v) the Website displays the Complainant's trade marks "VEMMA" and "VERVE" in several instances.
- (b) The Respondent does not have rights or legitimate interests in the Disputed Domain Name:
- (i) the Respondent did not obtain approval from the Complainant before registering the Disputed Domain Name, as required under the Brand Partner Agreement between the Complainant and the Respondent (the "Agreement").
- (c) The Disputed Domain Name has been registered and is being used in bad faith:
- (i) the Respondent was aware of the Complainant's products and the existence of the "VEMMA" trade mark as he was a brand partner;
 - (ii) the Respondent used the Complainant's materials without permission or consent of the Complainant as required under the Agreement;
 - (iii) the content of the Website was not approved by the Complainant in writing;
 - (iv) the Respondent did not agree to the Complainant's request to transfer the Disputed Domain Name to the Complainant, as required under the Agreement;
 - (v) the Respondent has indicated to the Complainant that he is looking to sell the Disputed Domain Name to the Complainant or a third party; and
 - (vi) by registering the Disputed Domain Name, the Respondent has intentionally attempted to attract Internet users to the Disputed Domain Name for commercial gain.
- (d) The Registrant does not meet the registration requirements for that individual category of Domain Name:
- (i) the Disputed Domain Name is registered by an individual person named Jerry Wang, and does not meet the registration requirements for that individual category of domain name. The trade mark "VEMMA" is not the legal name of the Respondent.

B. Respondent

The Respondent did not submit a formal Response to the Complainant's contentions.

The fact that the Respondent has not submitted a Response does not automatically result in a decision in favour of the Complainant. However, the failure of the Respondent to file a Response may result in the Panel drawing certain inferences from the Complainant's evidence. The Panel may accept all reasonable and supported allegations and inferences following from the Complaint as true (see *Standard Perpetual Precious Metals Limited v. Jiaren Wu*, HKIAC Case No. DHK-1200080, *Entertainment Shopping AG v. Nischal Soni*,

Sonik Technologies, WIPO Case No. D2009-1437 and *Charles Jourdan Holding AG v. AAIM*, WIPO Case No. D2000 0403).

6. Discussion and Findings

According to paragraph 4(a) of the Policy, to succeed in the complaint, the Complainant has the burden of proving all of the following:

- (a) the Disputed Domain Name is identical or confusingly similar to a trade mark or service mark in Hong Kong in which the Complainant has rights;
- (b) the Respondent has no rights or legitimate interests in respect of the Disputed Domain Name;
- (c) the Disputed Domain Name has been registered and is being used in bad faith; and
- (d) if the Disputed Domain Name is registered by an individual person, the Registrant does not meet the registration requirements for that individual category of Domain Name.

A. Identical or Confusingly Similar

The Panel accepts that the Complainant has rights in respect of the "VEMMA" trade mark on the basis of its various registrations for the trade mark around the world dating from 2006, including a Hong Kong registration dated 14 September 2011.

It is a well-established rule that in making an enquiry as to whether a trade mark is identical or confusingly similar to a domain name, the domain extension, in this case <.hk> should be disregarded (see *VeriSign, Inc. v. Kristopher Kent Harris*, HKIAC Case No. DHK-0700012 and *Rohde & Schwarz GmbH & Co. KG v. Pertshire Marketing, Ltd*, WIPO Case No. D2006-0767).

The Disputed Domain Name is identical to the "VEMMA" trade mark. The Panel accordingly finds that the Disputed Domain Name is identical or confusingly similar to the "VEMMA" trade mark in which the Complainant has rights, and that paragraph 4(a)(i) of the Policy is satisfied.

B. Rights or Legitimate Interests

While the wording of the Agreement is somewhat unclear, the Panel is of the view that the intention of the Agreement is such that brand partners are required to obtain approval from the Complainant before creating any online presence relating to the Complainant's "VEMMA" brand. According to the Complainant, the Respondent never sought such authorisation from the Complainant to register the Disputed Domain Name and the Respondent has not submitted any evidence which contradicts this assertion.

As such, the Panel accepts that the Complainant has not authorised the Respondent to use the "VEMMA" trade mark in the Disputed Domain Name. The Panel further accepts that the Respondent has not become commonly known by the Disputed Domain Name. Accordingly, the Panel finds that the Complainant has made out a *prima facie* case that the Respondent lacks rights or legitimate interests in the Disputed Domain Name and the Respondent has the burden of proving that he does possess such rights or legitimate interests. As no Response has been submitted by the Respondent, the Panel will assess

the Respondent's rights in the Disputed Domain Name (or lack thereof) based on the Respondent's use of the Disputed Domain Name in accordance with inferences that can be reasonably drawn from the Complainant's evidence.

As the Respondent has not been authorised by the Complainant to use the "VEMMA" trade mark, and there is no evidence that he has any trade mark rights in respect of the Disputed Domain Name or has become commonly known by the Disputed Domain Name, the only way for the Respondent to acquire rights or legitimate interests in the Disputed Domain Name for the purposes of paragraph 4(a)(ii) of the Policy would be through use of the Disputed Domain Name in connection with a *bona fide* offering of goods or services, or legitimate non-commercial purposes.

Prior to the suspension of his status as a brand partner, the Respondent used the Website to advertise the Complainant's products and received commission for the sale of the Complainant's products. As such, the Respondent is precluded from arguing that he used the Disputed Domain Name for a legitimate non-commercial purpose.

Paragraph 4(c)(i) of the Policy provides that a use of a domain name is legitimate if, before any notice to the registrant of the dispute, the registrant's 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 Panel notes that cases involving the registration/use of a domain name by a reseller/distributor often cite the previous decision of *Oki Data Americas, Inc. v. ASD, Inc.*, Case No. D2001-0903, where the panel stated that it is possible for a reseller to use a disputed domain name in connection with a *bona fide* offering of goods or services, provided that:

- (a) the respondent offers the goods or services at issue;
- (b) the respondent must use the website to sell only the trade marked goods;
- (c) the website accurately discloses the respondent's relationship with the trade mark owner; and
- (d) the respondent must not try to corner the market in all domain names, thus depriving the trade mark owner of reflecting its own mark in a domain name.

The Panel is of the view that the present case differs from the circumstances in *Oki Data*. In *Oki Data*, the reseller agreement was silent on the reseller's right to register domain names. Further, the *Oki Data* principle has been applied in cases whereby no agreement exists between the brand owner and the reseller (see *Philip Morris Incorporated v. Alex Tsykin*, WIPO Case No. D2002-0946 and *Dr. Ing. h.c. F. Porsche AG v. Del Fabbro Laurent*, WIPO Case No. D2004-0481). This is different from the present situation, whereby the Agreement required approval from the Complainant prior to the registration of domain names featuring the "VEMMA" trade mark. Given that the Respondent was required under the Agreement to obtain approval prior to registering the Disputed Domain Name, and such approval was not obtained, the Panel finds that the Respondent cannot be using the Disputed Domain Name in connection with a *bona fide* offering of goods or services.

Even if it was possible for the Respondent to have rights or legitimate interests in respect of the Disputed Domain Name while the Respondent was an active brand partner (which

is not the view taken by the Panel, as discussed above), the Panel is of the view that any such right would have been revoked following the suspension of the Respondent's status as a brand partner.

Accordingly, the Panel finds that there is insufficient evidence that the Respondent can assert rights or legitimate interests in the Disputed Domain Name and therefore finds that the Complainant has satisfied paragraph 4(a)(ii) of the Policy in respect of the Disputed Domain Name.

C. Registered and Used in Bad Faith

Evidence of bad faith includes actual or constructive notice of a well-known trade mark at the time of registration of a domain name by a respondent (see *Samsonite Corporation v. Colony Holding*, NAF Claim No. FA94313). While the Complainant has failed to provide sufficient evidence to show that its "VEMMA" trade mark was well known, it cannot be denied that the Respondent was aware of the Complainant's "VEMMA" trade mark as he was a brand partner of the Complainant at the time the Respondent registered the Disputed Domain Name.

The Respondent registered the Disputed Domain Name without obtaining approval from the Complainant as required under the Agreement is evidence of bad faith registration.

According to evidence submitted by the Complainant in response to the Order, the Respondent's status as a brand partner was suspended on 4 May 2012, prior to the filing of the Complaint. The Agreement states that a brand partner's right to use the Complainant's trade marks exists only if the brand partner is in good standing and in full compliance with the Complainant's policies and that upon suspension, a brand partner ceases to have the right to represent itself as a brand partner. As of the date of this decision, the Panel notes that the Respondent has not removed the Complainant's "VEMMA" trade mark from the Website and continues to represent himself as a brand partner, even though he was aware of the suspension of his status as a brand partner. The Panel finds that this contributes to a finding of bad faith use.

During a series of correspondence with the Complainant, the Respondent offered to sell the Disputed Domain Name to the Complainant and indicated that should the Complainant fail to make an offer to buy the Disputed Domain Name, the Respondent would sell the Disputed Domain Name to a third party. Paragraph 4(b)(i) of the Policy states that where the respondent registered a domain name primarily for the purpose of selling the domain name to the complainant for an amount in excess of the respondent's out of pocket costs, this will be evidence of bad faith (see *Orange Brand Services Limited v. Wang Hui*, HKIAC Case No. DHK-1200078). While the Panel is not convinced that the Respondent registered the Disputed Domain Name for the primary purpose of selling it to the Complainant, the Panel is of the view that the Respondent's refusal to transfer the Disputed Domain Name to the Complainant as required under the Agreement following a request from the Complainant was motivated by the sole purpose of making undue profit from selling the Disputed Domain Name to the Complainant or a third party, which the Panel considers to be further evidence of the Respondent's use of the Disputed Domain Name in bad faith.

The Panel accordingly finds that the Complainant has satisfied paragraph 4(a)(iii) of the Policy in respect of the Disputed Domain Name.

D. If the Disputed Domain Name is registered by an individual person, the Registrant does not meet the registration requirements for that individual category of domain name

As the Disputed Domain Name does not fall into the individual category of domain name, the Complainant is not required to satisfy paragraph 4(a)(iv) of the Policy.

7. Decision

For all the foregoing reasons, in accordance with paragraphs 4(i) of the Policy and 15 of the Rules, the Panel orders that the domain name be transferred to the Complainant.

Gabriela Kennedy

Sole Panellist

Date: 10 January 2013