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

.hk Domain Name Dispute Resolution

ARBITRATION PANEL DECISION

Complainant: **(1) 御美株式会社 (M & M Company Limited); and**

(2) Waimanly International Limited

Respondent: **Mini Pit Limited**

Case Number: **DHK-1400117**

Contested Domain Name: **<iimo.com.hk>**

Panel Member: **Mr. Raymond HO, Sole Panelist**

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1. Parties and Contested Domain Name

The 1st Complainant is 御美株式会社 (M & M Company Limited) , a corporation incorporated and existing under the laws of Japan, whose registered office is situate at 1-Chome, 10-14, Kozu, Chuo-Ku, Osaka City, Soak, Japan; and the 2nd Complainant is Waimanly International Limited, a limited liability company incorporated in Hong Kong, whose registered office is situate at DD92 Kam Tsin, 9 Kam Hang Road, Sheung Shui, New Territories, Hong Kong (collectively, the "Complainants").

The Respondent is MINI PIT LIMITED, a limited liability company incorporated in Hong Kong who registered office is situate at G/F., Shop A, Phase 1, Siu Ying Industrial Building, 1 Yuk Yat Street, To Kwa Wan, Kowloon, Hong Kong.

The authorized representative of the Complainants is Mr. William LAW, ATL Law Offices whose address is situate at 15/F, Fook Lee Commercial Center, 33 Lockhart Road, Wanchai, Hong Kong.

The Contested Domain Name is <iimo.com.hk>, registered by Respondent with Web Commerce Communications Limited DBA Webnic.cc (the "Registrar").

2. Procedural History

On 11 December 2014, the Complainants submitted a Complaint to Hong Kong International Arbitration Centre ("HKIAC") pursuant to the Domain Name Dispute Resolution Policy, adopted by the Hong Kong Domain Name Internet Registration Corporation Limited ("HKIRC") on 22 February 2011 (the "Dispute Resolution Policy"), the HKIRC Domain Name Dispute Resolution Policy Rules of Procedure, approved by HKIRC on 22 February 2011 (the "Rules of Procedure") and the HKIAC Supplemental Rules effective from 1 March 2011. The Complainants elected a single member panel to deal with this case.

On 11 December 2014, HKIAC transmitted by email to the Registrar a request for registrar verification in connection with the Contested Domain Name. On the same day, the Registrar transmitted by email to HKIAC its verification response, confirming that the Respondent is the registrant of the Contested Domain Name and providing other relevant WHOIS information.

On 12 December 2014, the Complainants submitted to HKIAC a revised Complaint.

On 23 December 2014, HKIAC issued by email a notification of commencement of proceeding and notified the Respondent to submit a Response by 16 January 2015.

The Respondent did not file any Response; and on 19 January 2015, HKIAC issued by email a notification of the Respondent's default.

On 20 January 2014, after having received a Declaration of Impartiality and Independence and a Statement of Acceptance, HKIAC notified the

parties that Mr. Raymond HO had been selected for appointment as the sole member of the Arbitration Panel in this case. On the same day, the file was transferred to the Arbitration Panel.

After having reviewed the file, the Arbitration Panel noted that on 11 September, 2014, another sole panelist, Mr. David Kreider, had rejected a similar complaint filed by the Complainants against the Respondent in relation to the same domain name under DHK-1400109 (the "Previous Complaint"); and that it was a re-filed Complaint in the present action.

On 21 January 2015, the Arbitration Panel issued Procedural Order No. 1, directing (1) the Complainants to file, within the next 14 days, submissions as regards the legal basis for the Complaints to re-file the Previous Complaint and to re-arbitrate the dispute in relation to the Contested Domain Name before the present Arbitration Panel; and (2) the Respondent may respond to the Complainants' submissions within 14 days thereafter; and (3) the question as whether the Complainants may re-arbitrate the dispute be reserved.

On 9 February 2015, the Complainants through their authorized representative, Mr. William LAW, filed the Complainants' submissions to the Arbitration Tribunal out of time. No response has been received by the Respondent to these submissions within 14 days thereafter, i.e. by 23 February 2015.

3. Preliminary issue as to whether the Complainants may re-file the Previous Complaint in the present action

Before dealing with the substantive issues in this case, it is first necessary to consider the preliminary question as to whether the Complainants may re-file the Previous Complaint in the present action.

A. Complainants' Submissions

As the Respondent did not respond to the Complainants' request for extension of time to file the submissions under Procedural Order No. 1, the Arbitration Panel therefore grants abridgment of time for the Complainants to file their submissions on 9 February 2015.

The Arbitration Panel sets out in full the submissions of the Complainants below:

(1) The Previous Complaint was dismissed on the ground that the Complainants failed to establish the requirement under paragraph 4(a)(ii) of the Dispute Resolution Policy.

(2) The Arbitration Panel rightly observed that the Dispute Resolution Policy is a mandatory arbitration proceeding, which is a different regime from the mandatory administrative proceeding under the UDRP, and that an award made is final and binding on the parties and any person claiming through or under any of the parties as stipulated in s.73 (1) of the Arbitration Ordinance (CAP 609).

(3) Further to the Arbitration Panel's observations, the Complainants note the following:

(a) The Rules of Procedure contain a preamble that "Arbitration proceedings for the resolution of disputes under the Domain Name Dispute Resolution Policy shall be governed by these Rules of Procedure, the HKIAC Supplemental Rules, and the Arbitration Ordinance (Chapter 341) including any statutory modification thereof for the time being in force." Arbitration Ordinance, CAP 341 has been repealed and the Arbitration Ordinance CAP 609 is being in force.

(b) The Dispute Resolution Policy, unlike the UDRP, contains no express provisions for parties to the arbitration to resort disputes to a court of competent jurisdiction for independent resolution before such mandatory proceeding is commenced or after such proceeding is concluded. Equally, neither the Dispute Resolution Policy nor the Rules of Procedure nor the HKIAC Supplemental Rules have any express prohibition to divest the availability of court proceedings for parties to the arbitration.

(4) Therefore, the subject of res judicata arises and, more precisely, the issue for consideration is whether res judicata has any application to the re-filed Complaint in the present action.

The Dispute Resolution Policy Approach

(5) The Complaints first draw the Arbitration Panel's attention to clause 15(a) of the Rules of Procedure:

"An Arbitration Panel shall decide a complaint on the basis of the statements and documents submitted to it and in accordance with the Dispute Resolution Policy, the Rules of Procedure, the HKIAC Supplemental Rules, the eligibility requirements of the relevant domain name category and the law which the Arbitration Panel deems applicable."

(6) According to the above, the Complainants submit that the arbitration panel shall decide a complaint in accordance with; inter alia, the law which the arbitration panel deems applicable. The Complainants invite the Arbitration Panel to consider VeriSign, Inc. v Kristopher-Kent Harris in respect of <verisgn.hk> (DHK-0700012) on the issue of res judicata in respect of a disputed domain complaint. It was also a case concerning a re-filed complaint in which the panelist had considerable discussions on the principles of application of res judicata under the Dispute Resolution Policy regime.

(7) In VeriSign, Inc. v Kristopher-Kent Harris, the Complainants submit, the panelist, after considering the similar rule at the time being as that of Clause 15(a) of the Rules of Procedure, and the fact that there was no procedure or express prohibition under Dispute Resolution Policy regime to deal with re-filing of complaint, adopted the broad principle found in most common law jurisdiction as enunciated in the WIPO decision under UDRP in Creo Products Inc. v Website In Development (Case No. D2000-1490), i.e. "once a party has been given a defended hearing in a court and

a decision rendered, then a case cannot be re-litigated unless either the decision is overturned on appeal; or limited grounds for rehearing or reconsideration the first-instance court." The panelist then continued with the limited circumstances that warrant for re-litigation or reconsideration of matters, including (i) availability of relevant new actions since the original decision; or (ii) a breach of natural justice or of due process, or (iii) serious misconduct by the panel or the parties in the original case; or (iv) discovery of material evidence that was unavailable or known at the first-instance decision.

(8) The Complainants submit that such approach in Creo Products Inc. v Website In Development concerning the re-filing of a complaint has been widely accepted in several WIPO decisions and a consensus view was published in WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Second Edition ("WIPO Overview 2.0"), which states:

"A refiled case concerns the complainant submitting a second complaint involving the same domain name(s) and the same respondent(s) as in an earlier complaint that had been denied. A refiled case may only be accepted in limited circumstances. These circumstances include when the complainant establishes in the complaint that relevant new actions have occurred since the original decision, or that a breach of natural justice or of due process has occurred, or that there was other serious misconduct in the original case (such as perjured evidence). A refiled complaint would usually also be accepted if it includes newly presented evidence that was reasonably unavailable to the complainant during the original case."

(9) In VeriSign, Inc. v Kristopher-Kent Harris, the Complainants submit, the panelist, bearing in mind the different nature between the UDRP and the Dispute Resolution Policy proceedings, accepted the re-filed complaint on the ground that new actions have occurred since the original decision. The Complaints submit that, following VeriSign, Inc. v Kristopher-Kent Harris, there is a breach of natural justice or due process if the present case is not accepted for re-filing.

(10) The Complainants submit that as mentioned in the re-filed Complaint, with all due respects, the panelist in the Previous Complaint ("Previous Panelist") had a gross misunderstanding and indeed a wrong finding of facts of the Previous Complaint that leads to a breach of natural justice and/or due process if the present action were not accepted for consideration on merits. In addition to what was contained in the re-filed Complaint, the Complainants further elaborate and add the following submissions:

10.1. The Previous Panelist wrongly found that the 2nd Complainant granted the Respondent re-selling right pursuant to an Exclusive Agency Agreement despite that the Complainants have clearly pleaded in the Complainants' submission that the Exclusive Agency Agreement was an agreement between the 1st and 2nd Complainants by which the 1st Complainant appointed the 2nd Complainant as the exclusive agent;

10.2. The Previous Panelist failed to recognize the submissions of the Complainants in relation to what "incorrect information" was contained in the domain of the Contested Domain Name (the "Disputed Domain") and wrongly concluded the Complainants had made the relevant allegations in vague and conclusory terms despite the Complainants made crystal clear submissions that the Respondent failed to indicate in the Disputed Domain that the Respondent is no longer an authorized re-seller in respect of the iimo products; and the Respondent failed to reveal its relationship with the Complainants but merely stating M & M is a manufacturer, and that the header of the Disputed Domain is incorrectly named as "iimo| Official Site" even after the termination of business relationship and/or re-selling rights. Such statements were supported by evidence in Annexure 6 in the Previous Complaint;

10.3. Probably flowing from his misunderstanding of the relationship between the parties and rights granted, the Previous Panelist unnecessarily insisted in ascertaining the nature and scope of the granted "re-selling and other rights" despite the Complainants maintained throughout the submissions and undisputed by the Respondent (as the Respondent attempted to file a reply but rejected by the Previous Panelist

because it was filed out of time for a few days only) in the Previous Complaint that all such rights (whether implied or not), even if granted, had been effectively terminated and the Respondent had knowledge of it by the latest on 30 May 2014.

10.4. The Previous Panelist failed to exercise discretion to request statements or documents from the parties as provided under Clause 12 of the Rules of Procedure. The Complainants accept that it is in the arbitration panel's sole discretion to do so. But the Complainants contend that in the circumstances where the panel has difficulty in understanding a party's submissions or suspicions on the statements or documents of either party to a degree that renders the panel find it difficult or uncomfortable to make reasonably well-evidenced and just findings of facts or principles, the panel should exercise its discretion to invite parties to make further submissions. In the present case, it appears that the Previous Panelist was uncertain about the relationship between the disputed parties and then rushed to conclude that the Complainants had failed to prove that the Respondent did not have legitimate interests without making further inquiry.

10.5. As a result of his (properly incorrect) conclusion on paragraph 4(a) (ii) requirement of the Dispute Resolution Policy about the Respondent's rights or legitimate interests in respect of the Disputed Domain Name, the Previous Panelist failed to properly consider the bad faith requirement under paragraph 4(a) (iii) of the Policy applicable to the unique circumstances of the case, in particular, a question of law, whether a renewal by a no longer authorized re-seller, knowing that the distribution right had been terminated and after receiving lawyer's letter at the time of renewal, constitutes to a new registration for the purpose of determining bad faith.

For the above reasons, the Complainants submit that the Previous Complaint was not properly and adequately considered and adjudicated and that it prejudiced the Complainants to a fair and just adjudication opportunity. In addition, the Complainants submit there is no procedure or express prohibition under the Dispute Resolution Policy that forbids

the re-filing of a complaint between the same parties and in relation to the same domain, in particular, in the circumstances where justice renders it proper to do so. As such, the Complainants respectfully ask the Arbitration Panel to accept this re-filed Complaint.

(11) For the reasons set out above, the Complainants submit that the Previous Complaint was not properly and adequately considered and that it does not only prejudice the Complainants to a fair and just arbitration opportunity, but also constitutes to material irregularity as if the central issues of the Complaint have not been considered and dealt with. The Complainants submit that they will be deprived of the right to bring a genuine complaint to arbitration if the re-filed Complaint were not allowed and therefore, the Complaints respectfully ask the Arbitration Panel to accept the re-filed Complaint in the present action in the interest of justice and due process.

English Common Law Position

(12) In addition to the Dispute Resolution Policy precedent, and alternatively, the Complaints submit the English common law position on the subject of res judicata for the Arbitration Panel's consideration and contend that there is a parallel "final and binding" nature to both judicial and arbitral decisions:

12.1. The Complainants submit that there is a long standing history of judicial discussions on the doctrine of res judicata and its application in a variety of scenarios. The doctrine has its strong roots and justifications that there needs to be a balance of public interest in finality of judicial decisions and private justice of protecting individuals from repetitive litigations, and that emphasis on efficiency and economy in the conduct of litigation should be reinforced as a matter of public policy. The English law recognizes the res judicata effect in four forms: cause of action estoppel, issue estoppel, merger/former recovery and abuse of process. Today, the court however appears to accept that the four forms can be

explained by the objective of preventing abuse of the court process and resources, which is further discussed below.

12.2. The well-known rule laid down by Sir James Wigram V-C in Henderson v Henderson (1843) 3 hare 100 at 114-115 was the usual starting point for analysis of res judicata, in particular, as a form of abuse of process:

"In trying this question I believe I state the rule of the Court correctly when I say that, where a given matter becomes the subject of litigation in, and of adjudication by, a court of competent jurisdiction, the Court requires the parties to that litigation to bring forward their whole case, and will not (except under special circumstances) permit the same parties to open the same subject of litigation in respect of matter which might have been brought forward as part of the subject in contest, but which was not brought forward, only because they have, from negligence, inadvertence, or even accident, omitted part of their case. The plea of res judicata applies, except in special cases, not only to points upon which the Court was actually required by the parties to form an opinion and pronounce a judgment, but to every point which properly belonged to the subject of litigation, and which the parties, exercising reasonable diligence, might have brought forward at the time."

12.3. In a later Privy Council decision, Brisbane City Council v A-G for Queensland [1978] 3 All ER30 at 36 expressly recognized abuse of process as the basis for the doctrine:

"This is the true basis of the doctrine and it ought only to be applied when the facts are such as to amount to an abuse, otherwise there is a danger of a party being shut out from bringing forward a genuine subject of litigation."

12.4. In fact, such view was further reinforced in the recent House of Lord decision, Johnson v Gore Wood & Co. (a firm) [2001] 1 All ER in which Lord Bingham approved:

"But Henderson v. Henderson abuse of process, as now understood, although separate and distinct from cause of action estoppel and issue estoppel, has much in common with them. The underlying public interest is the same: that there should be finality in litigation and that a party should not be twice vexed in the same matter. This public interest is reinforced by the current emphasis on efficiency and economy in the conduct of litigation, in the interests of the parties and the public as a whole."

12.5. The Henderson v Henderson principle that, the plea of res judicata prima facie applies to subsequent proceeding arising from the same subject matter which could have brought in the previous proceeding, was a strict one which scope and limits were widely explored, debated and evolved in numerous judicial decisions over the years, which details are not repeated here. The Henderson position was revisited in Johnson v Gore Wood & Co. (a firm) , and in Lord Bingham's leading judgment, it was ruled that the overriding principle of justice must lead the court to adopt a more flexible approach and hence the preferable test should be:

"Whether in all the circumstances a party's conduct is an abuse than to ask whether the conduct is an abuse and then, if it is, to ask whether the abuse is excused or justified by special circumstances" which is "a valuable part to play in protecting the interest of justice."

12.6. Lord Bingham further adds that the burden to prove abuse of process should be rested on the party alleging abuse:

"The bringing of a claim or the raising of a defence in later proceedings may, without more, amount to abuse if the court is satisfied (the onus

being on the party alleging abuse) that the claim or defence should have been raised in the earlier proceedings if it was to be raised at all. I would not accept that it is necessary, before abuse may be found, to identify any additional element such as a collateral attack on a previous decision or some dishonesty, but where those elements are present the later proceedings will be much more obviously abusive, and there will rarely be a finding of abuse unless the later proceeding involves what the court regards as unjust harassment of a party. It is, however, wrong to hold that because a matter could have been raised in early proceedings it should have been, so as to render the raising of it in later proceedings necessarily abusive. That is to adopt too dogmatic an approach to what should in my opinion be a broad, merits-based judgment which takes account of the public and private interests involved and also takes account of all the facts of the case, focusing attention on the crucial question whether, in all the circumstances, a party is misusing or abusing the process of the court by seeking to raise before it the issue which could have been raised before."

12.7. Johnson v Gore Wood & Co. (a firm) was considered and approved in the Court of Appeal of Hong Kong in Ngai Few Fung v Cheung Kwai Heung [2008] 2 HKC 111, CA:

"[abuse of process] being the true basis of the [Henderson] principle then one can see immediately that it is not permissible to adopt a mechanistic approach by simply saying that since the cause of action or defence could have been raised in an earlier proceedings the it should have been so raised so that the subsequent raising of those issues in the later proceedings will necessarily become abusive".

12.8. Similar to judicial proceeding, arbitration proceeding has the final and binding nature, and therefore the Complainants contend that current judicial position on the application of res judicata is applicable to arbitration proceeding. In the Complainants' opinion, the broad and flexible approach in Johnson v Gore Wood & Co. (a firm) indeed echoes, and is an even wider and through rule that encompasses and complements the four limited grounds as adopted in the Dispute

Resolution Policy decision in VeriSign, Inc. v Kristopher-Kent Harris and it should be adopted in the present action.

12.9. Complainants observe that the Arbitration Panel may have the concern of arousing floods of re-arbitration upon adopting the liberal test in Johnson v Gore Wood & Co. (a firm), in particular under circumstances where the non-contesting party to the arbitration, for whatever reasons, fails or is unable to file submissions to prove abuse of process. However, Lord Bingham's test neither alter the final and binding nature of arbitral or judicial proceedings nor automatically allow the applicant to have its case re-opened. It appears, where a party contests the re-filing of a complaint, the burden is on the party alleging abuse to prove the abuse of process and the Arbitration Panel has to consider whether in all the circumstances there is an abuse. Where there is no contest raised by the opposing party in a re-filing complaint, the applicant is still subjected to the Johnson v Gore Wood test in deciding whether to entertain a re-filing application. The test laid down by Lord Bingham is a flexible and powerful rule that empowers the court or arbitration panel to look at all the party's conduct in all circumstances; it does not give any party to re-open decided cases as of right, but does confer the court or arbitration panel the power to consider whether to accept the plea of res judicata on a case-by-case basis in the interest of justice.

12.10. As such, the Complainants submit that the correct question to ask in the present action should be whether in all circumstances the Complainants' conduct is an abuse of the arbitral process for re-filing the Complaint and the burden of proof is on the Respondent if it alleges abuse. The Complainants further submit that the present refiling of the Complaint is not an abuse of the arbitral process at all, but the Complaints' mere pursuit of defending their rights to a fair and just opportunity to have their case properly considered for the reasons stated in paragraph 10 above.

Statutory Considerations

(13) Further and alternatively, the Complainants invites the Arbitration Panel to consider the grounds for challenging arbitral award as provided under Arbitration Ordinance, CAP 609 and the relevant provisions include:

13.1. Section 73 of CAP609 reads:

(1) Unless otherwise agreed by the parties, an award made by an arbitral tribunal pursuant to an arbitration agreement is final and binding both on—

(a) the parties; and

(b) any person claiming through or under any of the parties.

(2) Subsection (1) does not affect the right of a person to challenge the award—

(a) as provided for in section 26 or 81, section 4 or 5 of Schedule 2, or any other provision of this Ordinance; or

(b) otherwise by any available arbitral process of appeal or review.

13.2. The Complainants note that the recourses to challenge arbitral award under s.73(2)(a) are empowered to the court, not an arbitration panel. However, as mentioned previously, the Complainants submit that under clause 15(a) of the Rules of Procedure an arbitration panel shall decide a complaint in accordance with the law which the arbitration panel deems applicable. The Complainants further submit that as the Dispute Resolution Policy is governed by the Arbitration Ordinance, the Arbitration Panel shall have regard to the grounds as provided by the Arbitration Ordinance and relied upon by the Complainants in these submissions when determining whether the re-filed Complaint should be entertained.

13.3. Section 4 (1) of Schedule 2 of CAP609 provides that a party to arbitral proceedings may apply to the Court challenging an award in the arbitral proceedings on the ground of serious irregularity affecting the tribunal, the arbitral proceedings or the award. And the Complainants submit that the relevant serious irregularity includes:

13.3.1. Failure by the arbitral tribunal to deal with all the issues that were put to it under s. 4(2)(d); or

13.3.2. Irregularity in the conduct of the arbitral proceedings under s. 4(2)(i)

for the particulars set out in paragraph 10 above, in particular, the Previous Panelist failed to deal with the relationship of the disputed parties, allegations of incorrect information on the Disputed Domain and the question of law under the bad faith head based on the Complainants' submissions and the Previous Panelist's glaring misunderstanding of the Complainants' submissions that constituted serious irregularity as if the central issues of the case had not been appropriately considered.

13.4. The Complainants also submit that as a result of the matters submitted in paragraph 10 above, there was a breach of natural justice and a denial of Complainants' right to have their case properly heard, which would be contrary to the public policy that citizens are not to be barred from bringing genuine subject of litigation to a competent court, and thus would be liable to be set aside under:

13.4.1. s.4 (2)(g) of Schedule 2: the way in which the arbitration procured is contrary to public policy ; or

13.4.2. S. 81(2)(b)(ii): the award is in conflict with the public policy of [the Member State of the UNCITRAL Model Law].

Conclusion

(14) For the matters set out above, the Complainants invite the Arbitration Panel to follow the decision in VeriSign, Inc. v Kristopher-Kent Harris in determining whether re-arbitration of a compliant is accepted; further and alternatively, to adopt the broad merits-based common law approach in Johnson v Gore Wood & Co. (a firm) to ask whether in all the circumstances a party's conduct is abusive and the burden of proof is on the party alleging abuse; further and alternatively, to have regard to the grounds for setting aside arbitral award as stipulated in the Arbitration Ordinance CAP609.

(15) The Complainants submit that considering from all the above perspectives, res judicata has no application in the present re-filed Complaint and submit that the re-filed Complaint should be accepted by the Arbitration Panel.

B. Respondent's submissions

The Respondent did not make any submissions in response to the Complainants' submissions.

C. Findings and Opinion of the Arbitration Panel

As a first principle, one must not lose sight of Articles 1 and 4(a) of the Dispute Resolution Policy which provides as follows:

Article 1 - "This Domain Name Dispute Resolution Policy (the "DNDRP") is incorporated by reference into the agreement between the Registrant and the Registrar (the "Registration Agreement") as part of the mandatory terms required by the Hong Kong Internet Registration Corporation Limited ("HKIRC") in relation to the registration and use of a domain name in the .hk and .香港 country code top level domains (a "Domain Name"). This DNDRP sets forth the terms and conditions in connection with a dispute between the Registrant and any party other than HKIRC and the Registrar in regard to the registration and use of a Domain Name."

Article 4 (a) - "The Registrant is required to submit to a mandatory arbitration proceeding in the event that a third party (a "Complainant") asserts to the applicable Provider, in compliance with the Rules of Procedure and the Supplemental Rules of such Provider, that:

(i) the Registrant's Domain Name is identical or confusingly similar to a trademark or service mark in Hong Kong in which the Complainant has rights; and

(ii) the Registrant has no rights or legitimate interests in respect of the Domain Name; and

(iii) the Registrant's Domain Name has been registered and is being used in bad faith, and

(iv) if the Domain Name is registered by an individual person, the Registrant does not meet the registration requirements for that individual category of Domain Name."

In other words, it is by agreement that the Respondent is required to submit to a mandatory arbitration proceeding when the Complainants assert that their complaint meet the above "four elements" in relation to the Contested Domain Name. This agreement is the legal basis for the mandatory arbitration proceeding in the Previous Complaint in DHK-1400109.

As noted by the Arbitration Panel in Procedural Order No.1, the Dispute Resolution Policy is a mandatory arbitration proceeding, which is a different regime from the mandatory administrative proceeding under the UDRP, and that an award made by an arbitral tribunal pursuant to an arbitration agreement is final and binding on the parties and any person claiming through or under any of the parties pursuant to s.73 (1) of the Arbitration Ordinance (CAP 609). It is precisely this mandatory arbitration proceeding stipulated in the Dispute Resolution Policy that explains why there is no procedure for the re-filing of a complaint different from that under the UDRP.

Now, the Arbitral Tribunal considers the various grounds raised by the Complainants in their submissions.

First, the Arbitration Panel considers that VeriSign, Inc. v Kristopher-Kent Harris does not assist the Complainants' case. In that case, on pages 15-16 of the decision, the panel "considers that a distinction has to be made between those re-filed complaints that concern acts which formed the same basis of the previous complaint and those that concern acts which have occurred subsequent to the decision on the previous complaint. In relation to complaints in the latter category, [the panel in that case] is of the view that the concept of res judicata does not arise. There has been .....a standing agreement to submit disputes to be settled by the mandatory arbitration proceeding under the [Dispute Resolution Policy], whenever any third party submits a complaint thereunder. As a result of the presence of acts that occurred after the previous decision, no adjudication has yet been made in relation to the new complaint and the new complaint is indeed a new set of action under the [Dispute Resolution Policy]. In such circumstances, the panel should approach the merits of the complaint de novo, as required under the [Dispute Resolution Policy] when a complaint is made out, and should not be restrained by the findings of fact or conclusions reached in the decision of the previous complaint. The logic for that seems quite obvious. Being a new action, the [Dispute Resolution Policy] calls for determination of the complaint in the same manner as any new complaint.... Of course, the question of whether sufficient grounds exist for entertaining a re-filed complaint, even within this category, must be determined on a case-by-case basis. Adopting the above, [the panel in that case] believes that the burden, which is a high one, rests on the Complainant to establish that this Complaint should be entertained for determination under the [Dispute Resolution Policy] and the justifications for that should be clearly identified in the Complaint."

In the present action, the grounds or circumstances relied upon by the Complainants to justify the re-filing of the Previous Complaint are completely different in nature and substance from those in VeriSign's case. There is no allegation that a new set of action has arisen since the decision made on the Previous Complaint. The Arbitration Panel does not read the passage in VeriSign's case (at pages 14-15 of the decision and reproduced below) as supporting the Complainants' submission that when

a breach of natural justice or of due process has occurred, or that there was other serious misconduct by the panel or the parties in the original case (such as perjured evidence) it is open to the Complainants to rely on such grounds to re-arbitrate their case under the Dispute Resolution Policy.

> **"As per paragraph 12(a) of the Rules, "[a]n Arbitration Panel shall decide a Complaint on the basis of the statements and documents submitted to it and in accordance with the Dispute Resolution Policy, the Rules of Procedure, the Provider's Supplementary Rules and the law which the Arbitration Panel deems applicable." For this, as put in the WIPO decision under the UDRP in Creo Products Inc. v. Website In Development (Case No. D2000-1490), there is of application the broad principle as likewise found in most other common law jurisdiction that, once a party has been given a defended hearing in a court and a decision rendered, then a case cannot be re-litigated unless either the decision is overturned on appeal, or limited grounds for rehearing or reconsideration by the first-instance court have been established. Such limited grounds are usually specified in rules of court and can include, for example: serious misconduct on the part of a judge, juror, witness or lawyer; perjured evidence having been offered to the court; the discovery of credible and material evidence which could not have been reasonably foreseen or known at trial; and a breach of natural justice. Applying these principles to domain name disputes under the UDRP, a re-filed case may only be accepted in limited circumstances. These circumstances include that the complainant establishes in the complaint that relevant new actions have occurred since the original decision, or that a breach of natural justice or of due process has occurred, or that there was other serious misconduct by the panel or the parties in the original case (such as perjured evidence). A re-filed complaint will also be accepted if it includes newly presented evidence that was unavailable to the complainant during the original case."**

There are the words "such limited grounds are usually specified in rules of court and can include, for example: serious misconduct…" in the above passage. There is nothing shown in the Dispute Resolution Policy, nor the Rules of Procedure, nor the HKIAC Supplementary Rules that provides for any of these limited grounds. Therefore, the Arbitration Panel rejects

the Complainants' submission that a breach of natural justice or of due process, or serious misconduct by the panel would justify the re-filing of a previous complaint for re-arbitration before another panel under the Dispute Resolution Policy.

<u>Second,</u> the Arbitration Panel finds that the Complainants' submission in paragraph 10 against the Previous Panelist is unmeritorious and is therefore rejected. The Arbitration Panel notes that paragraph 10.4 above is a new ground not having been raised in the re-filed Complaint.

(1) The record of the decision of the Previous Complaint states:

> **"The 1st Complainant appointed the 2nd Complainant Waimanly International Limited ("Waimanly") as the exclusive agent for M&M worldwide under an Exclusive Agency Agreement entered into on 31 November 2010. After becoming the Exclusive Agent for M&M, Waimanly sold to the Respondent some tricycles for further re-sell in Hong Kong until 1 June 2014, after Waimanly found out that the Respondent had made some defamatory statement to the public regarding the quality of the products. It has come to Waimanly's attention that the website made up with Dispute Domain Name contained incorrect information. Waimanly requested the Respondent to transfer the Disputed Domain Name but the Respondent did not comply with such request."**

The Previous Panelist clearly took note of the Exclusive Agency Agreement between the Complainants. In his findings under paragraph 4(a)(ii) of the Dispute Resolution Policy, the Previous Panelist states:

> **"The Complainants admit that the Respondent had been an authorized re-seller of the First Complainant's products, viz. children's tricycles and that Respondent enjoyed a "business cooperation relationship" with Complainants, but does not say when the relationship commenced, or whether the commercial relationship was pursuant to a written or verbal agreement. Additionally, while the Complaint makes clear that the Respondent had been granted its "re-selling and other rights" in and to the iimo products from the Second Complainant pursuant**

to a purported Exclusive Agency Agreement entered into on 31 November 2010, the evidence submitted by Complainants does not include any written proof of such agency agreement. The record does, however, evidence that the Second Claimant is the registered owner of the "iimo" trademark in Hong Kong. The Complaint alleges that the Respondent's "re-selling and other rights" were terminated on or about 1 June 2014, pursuant to a "termination notice", yet, once again, Complainants have not provided a copy of the purported termination notice (assuming that the notice was written, and not verbal); or even an email; a contemporaneous memorandum; or an item of correspondence to evidence the alleged termination. The Complaint alleges, in vague and conclusory terms, that the Respondent had been found to have made "some defamatory statement to the public regarding the quality of the products"; that Respondent's website included "incorrect" information; and that the Respondent had failed to clearly state or reveal the Respondent's "real relationship" with the iimo brand proprietor.

In sum, the Complainants have provided no evidence to assist this Panelist in determining the nature and scope of the "re-selling and other rights", or to evidence how such rights came to vest in the Second Complainant and in the Respondent, or to establish that the rights have been legitimately terminated. Mere allegations set out in an unsworn Complaint do not constitute evidence. For the above reasons, this Panelist finds that Complainants have failed to satisfy the requirements of 4(a)(ii) of the Policy by proving that the Respondent has no right or legitimate interest in respect of the domain name."

Upon reading the re-filed Complaint and the decision of the Previous Panelist, it is obvious to the Arbitration Panel that documentary evidence in relation to the "termination notice" given in the re-filed Complaint as Annexures 11 (the termination letter dated 12 May 2014 to the Respondent), 12 (the reply letter dated 22 May 2014 by the Respondent) and 13 (the letter dated 30 May 2014 from the 2nd Complainant's solicitors) were missing in the Previous Complaint. The Complainants did not allege in the re-filed Complaint nor in the submissions that notwithstanding this documentary evidence, the Previous Panelist found that "Complainants have not provided a copy of the purported

termination notice (assuming that the notice was written, and not verbal); or even an email; a contemporaneous memorandum; or an item of correspondence to evidence the alleged termination".

The Arbitration Panel also considers that it might be missing in the Previous Complaint the "Termination Announcement" (undated) in Chinese issued by the Respondent in relation to "iimo x Macaron Edition Tricycle" (at Annexure 5 to the re-filed Complaint) that was referred to in the letter dated 30 May 2014 from the 2nd Complainant's solicitors. It was a matter of finding based on evidence before him for the Previous Panelist to reject the Complainants' submission in the Previous Complaint that the Respondent had failed to indicate in the Disputed Domain (as shown at Annexure 6 of the Previous Complaint which became Annexure 10 of the re-filed Complaint) that "the Respondent is no longer an authorized re-seller in respect of the iimo products" despite "the statement that M & M is a manufacturer in the Disputed Domain" that bears the description of "iimo| Official Site".

On totality of the evidence, the Arbitration Panel considers that the Previous Panelist has taken into consideration all materials before him in reaching his decision in the Previous Complainant. With a finding of no evidence to substantiate paragraph 4(a)(ii), the Complainants were bound to fail without any need for a finding of bad faith under paragraph 4(a)(iii) of the Dispute Resolution Policy.

(2) Bearing in mind that the burden is on the Complainants to prove their case, it is improper for any panelist to step into the arena and use his discretionary power under the Rules of Procedure to call for additional evidence in order to support either party's case. The Arbitration Panel therefore rejects the submission that there is impropriety on the part of the Previous Panelist for not using his discretion to request statements or documents from the parties as provided under Clause 12 of the Rules of Procedure. The Arbitration Panel also rejects that it was improper for the Previous Panelist to refuse the late filing of the reply by the Respondent thereby denying the Complainants the opportunity of relying on the Respondent's admissions in their favour.

(3) Based on the foregoing, the Arbitration Panel rejects the submission that there is serious irregularity in the decision of the Previous Complaint.

Third, the Arbitration Panel considers that save and except s.73 (1) of the Arbitration Ordinance (CAP 609), the statutory consideration in the submissions is irrelevant to the question before the Arbitration Panel. There are statutory options available to the Complainants if they want to challenge the decision of the Previous Complaint in a court of law. The Arbitration Panel also considers that clause 15(a) of the Rules of Procedure does not assist the Complainants' case either.

Fourth, the Arbitration Panel's opinion on the Complainants' submissions on the common law doctrine of res judicata is set out hereunder.

(1)The Arbitration Panel accepts on the authorities cited that the doctrine of res judicata has its strong roots and justifications that there needs to balance of public interest in finality of judicial or arbitral decisions and private justice of protecting individuals from repetitive litigations or arbitrations, and that emphasis on efficiency and economy in the conduct of litigation or arbitration should be reinforced as a matter of public policy.

(2)The law on res judicata in so far as it applies in Hong Kong is clearly summarized by Cheung JA in Ngai Few Fung v Cheung Kwai Heung [2008] 2 HKC 111 (cited by the Complainants in their submission). Of relevant consideration to the present action are His Lordship's statements in the judgment at paragraphs 20-22, reproduced below:

> **"[20] In Chen Ray v Wan Ching Lam Anita & Anor [2006] 1 HKC 454, Ma J (now Ma CJHC) after comprehensively reviewing various decisions from Henderson to Johnson stated that:**
>
> > **'The case of Yat Tung poses special problems unique to the courts in Hong Kong. Being a decision of the then highest court in Hong Kong and also having been followed on numerous occasions at all levels of courts here, Yat Tung is binding on me. The broad statements of principles contained**

in that case to which I have already referred, are therefore binding.'

[21] Yat Tung is, of course, binding on this court. However, I do not regard the subsequent decisions of the Privy Council in Brisbane City Council and the House of Lords in Johnson changed the law decided in Yat Tung. The strength of the common law to which Hong Kong subscribes is that it is an evolving system. At any one time a judicial pronouncement cannot be expected to cover every argument or every aspect of the issue in dispute. The decision is subject to explanation and refinement as case law develops. Unless there is an express statement that a previous decision is wrong, I would not readily subscribe to the view that a later decision is to be treated as a departure from a previous approach. This will apply to the Henderson or Yat Tung principle. I do not regard, for the purpose of precedent, the law is crystallised by and remains static after Yat Tung and that the Hong Kong Courts should not pay heed to the subsequent cases after Yat Tung.

[22] The Privy Council in Brisbane City Council has identified that the true basis of the Henderson or Yat Tung principle is based on abuse of process. This being the true basis of the principle then one can see immediately that it is not permissible to adopt a mechanistic approach by simply saying that since the cause of action or defence could have been raised in an earlier proceedings then it should have been so raised so that the subsequent raising of those issues in the later proceedings will necessarily become abusive."

(3)The Arbitration Panel notes that the narrow issue in that appeal is whether by reason of the doctrine of estoppel, the plaintiff was precluded from bringing the 2nd action for the partition of the property. The defendant's case for striking out the 2nd action is that the plaintiff could have and should have asked for partition and sale of the property in the 1st action and he should not be permitted to raise the issue again in the 2nd action. In the present case, however, the re-filed Complaint does not involve any issue not already dealt with by the Previous Panelist in the Previous Complaint. Therefore, the Arbitration Panel does not consider Ngai Few Fung v Cheung Kwai Heung is any assistance to the Claimants' case.

(4)At this junction, it may be of assistance to consider the broad statements of principles of His Lordship, Ma J (as he then was) in Chen Ray v Wan Ching Lam Anita & Anor [2006] 1 HKC 454. These broad statements of principles of res judicata are at paragraphs 22-27 of the judgment and are reproduced below:

> **"22. I begin with a statement of the general principles:**
>
> **(1) Res judicata in its narrow sense simply means that a party will not be permitted to relitigate in subsequent proceedings issues which have already been adjudicated upon in previous proceedings by a court of competent jurisdiction. This form of abuse of process is often known as a res judicata proper or res judicata in its classic or narrow sense.**
>
> **(2) Res judicata in its so-called wider sense is the principle that "the court requires the parties to that litigation to bring forward the whole case, and will not (except under special circumstances) permit the same parties to open the same subject of litigation in respect of matters which might have been brought forward as part of the subject in context, but which was not brought forward, only because they have, from negligence, inadvertence, or even accident, omitted part of their case." : see Henderson v. Henderson [1843] 3 Hare 100, at 115 per Sir James Wigram VC. In Yat Tung Investment Company Limited v. Dao Heng Bank Limited [1975] AC 581, Lord Kilbrandon said at 590A-B, "But there is a wider sense in which the doctrine may be appealed to, so that it becomes an abuse of process to raise in subsequent proceedings matters which could and therefore should have been litigated in earlier proceedings".**
>
> **23. As regards res judicata in its wider sense, there have since Yat Tung was decided been numerous cases in which the width of the principles stated in that case has been questioned. In Bradford and Bingley Building Society v. Seddon Hancock [1999] 1 WLR 1482, the English Court of Appeal questioned the need in the case of res judicata in its wider sense, to show**

"special circumstances". Rather, it was for the party alleging abuse (in the present case, the defendants) to show that there was in fact an abuse of the process of the court in litigating matters that could have been litigated in earlier proceedings. As Auld LJ put it at 1490F-H:

" In my judgment, it is important to distinguish clearly between res judicata and abuse of process not qualifying as res judicata, a distinction delayed by the blurring of the two in the courts' subsequent application of the above dictum [of Wigram V-C in Henderson v. Henderson]. The former, in its cause of action estoppel form, is an absolute bar to relitigation, and in its issue estoppel form also, save in 'special cases' or 'special circumstances:' see Thoday v. Thoday [1964] P.181, 197-198, per Diplock L.J. and Arnold v. National Westminster Bank Plc. [1991] 2 A.C. 93. The latter, which may arise where there is no cause of action or issue estoppel, is not subject to the same test, the task of the court being to draw the balance between the competing claims of one party to put his case before the court and of the other not to be unjustly hounded given the earlier history of the matter."

24. The emphasis on the court looking at the overall picture to see whether an abuse exists in litigating issues which could have been raised in earlier proceedings is now the prevalent view in many common law jurisdictions : see, e.g. Brisbane City Council v. Attorney General For Queensland [1979] AC 411, where at 425, Lord Wilberforce said that the true basis for the doctrine was abuse of process "and it ought only to be applied when the facts are such as to amount to an abuse : otherwise there is a danger of a party being shut out from bringing forward a genuine subject of litigation".

25. A recent statement in relation to res judicata in its wider sense (in Hong Kong, often referred to as the "Yat Tung" principle; sometimes also referred to as "Henderson v. Henderson" abuse of process) is contained in the decision of the House of Lords in Johnson v. Gore Wood & Co. (a firm) [2001] 2 WLR 72 where at 90A-E, Lord Bingham of Cornhill said :

"... But Henderson v Henderson abuse of process, as now understood, although separate and distinct from cause of action estoppel and issue estoppel, has much in common with them. The underlying public interest is the same: that there should be finality in litigation and that a party should not be twice vexed in the same matter. This public interest is reinforced by the current emphasis on efficiency and economy in the conduct of litigation, in the interests of the parties and the public as a whole. The bringing of a claim or the raising of a defence in later proceedings may, without more, amount to abuse if the court is satisfied (the onus being on the party alleging abuse) that the claim or defence should have been raised in the earlier proceedings if it was to be raised at all. I would not accept that it is necessary, before abuse may be found, to identify any additional element such as a collateral attack on a previous decision or some dishonesty, but where those elements are present the later proceedings will be much more obviously abusive, and there will rarely be a finding of abuse unless the later proceeding involves what the court regards as unjust harassment of a party. It is, however, wrong to hold that because a matter could have been raised in earlier proceedings it should have been, so as to render the raising of it in later proceedings necessarily abusive. That is to adopt too dogmatic an approach to what should in my opinion be a broad, merits-based judgment which takes account of the public and private interests involved and also takes account of all the facts of the case, focusing attention on the crucial question whether, in all the circumstances, a party is misusing or abusing the process of the court by seeking to raise before it the issue which could have been raised before. As one cannot comprehensively list all possible forms of abuse, so one cannot formulate any hard and fast rule to determine whether, on given facts, abuse is to be found or not."

26. The following important points arise from Johnson*:*

(1) First, it rejects as too dogmatic what has long been one of the criticisms of Yat Tung, namely, the statement in Lord Kilbrandon's speech that an abuse of process occurs "to raise

in subsequent proceedings matters which could and therefore should have been litigated in earlier proceedings" (emphasis added): see Johnson at 90D per Lord Bingham of Cornhill; at 118G-119A per Lord Millett. The test of whether there is abuse should be "a broad, merits-based judgment which takes account of the public and private interests involved and also which takes account of all the facts of the case, focusing attention on the crucial question whether, in all the circumstances, a party is misusing or abusing the process of the court by seeking to raise before it the issue which could have been raised before": see Johnson at 90D. I note that in one Court of Appeal judgment in Hong Kong, it seems to have been assumed that merely because a point could or might have been taken in previous proceedings did not automatically mean that it should have been taken : see Tsang Yu v. Tai Sang Container Cold Storage and Wharf Limited [2000] 1 HKLR 780 at 784A-I.

(2) Secondly as to what constitutes an abuse of process, while it is obviously undesirable to set out an exhaustive list (see Hunter v. Chief Constable of the West Midlands Police [1982] AC 529, at 536 per Lord Diplock), chief among the factors that the court should consider is whether the bringing of new proceedings constitutes an unjust harassment of the other party: see Johnson at 90C-D.

27. The case of Yat Tung poses special problems unique to the courts in Hong Kong. Being a decision of the then highest court in Hong Kong and also having been followed on numerous occasions at all levels of courts here, Yat Tung is binding on me. The broad statements of principles contained in that case to which I have already referred, are therefore binding. That said, I leave open for argument in a future case whether these statements of principle can properly be reconciled with other authorities from common law jurisdictions, some of which I have also referred to above. This is ultimately a matter for a higher court to resolve. The reason why I am content to deal with it in this way is because whether the present application is dealt with solely by reference to Yat Tung principles or to what are arguably less

rigid principles, the result is the same: the present action in my view is an abuse of the process of the court and should be struck out."

(5)Having considered the re-filed Complaint, the Arbitration Panel finds that the Complainants are simply asking for a re-arbitration of the issues already raised and adjudicated in the Previous Complaint, though not in their favour. The evidence introduced by the Complainants in the re-filed Complainants is not new evidence that came into existence after the Previous Complaint and should have been produced to the Previous Panelist in the Previous Complaint. The Arbitration Panel regards that the doctrine of res judicata in its classic sense applies to the re-filed Complaint with full force. The Complainants are therefore not permitted to re-arbitrate in the present action issues that have already been raised and adjudicated upon by the Previous Panelist in the Previous Complaint under the Dispute Resolution Policy. The decision of the Previous Panelist is an arbitration award that is final and binding on the Complainants and the Respondent. Johnson's case is in relation to res judicata in its wider sense and the Arbitration Tribunal considers it not applicable to the present action. The Arbitration Panel therefore rejects the Complainants' submission that the Respondent bears the burden to raise, and to prove, abuse on the part of the Complainants in re-filing the Previous Complaint in the present action before the doctrine of res judicata can be considered by the Arbitration Panel.

4. DECISION

Based on the aforesaid reasons, the Arbitration Panel ORDERS that the re-filed Complaint be struck out and that the present action by the Complainants be dismissed.

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ARBITRATION PANEL

Sole Panelist: Raymond HO

Dated 24th February 2015