



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

.hk Domain Name Dispute Resolution

ARBITRATION PANEL DECISION

Case No.	:	DHK-0600010
Complainant	:	Birdland (Hong Kong) Limited
Respondent	:	James Ware

1. THE PARTIES AND CONTESTED DOMAIN NAME

The Complainant is Birdland (Hong Kong) Limited of 5/F West, Warwick House, Taikoo Place, 979 King's Road, Hong Kong. The authorised representative of the complainant in this matter is P.C. Woo & Co. of 12/F, Prince's Building, 10 Charter Road, Central, Hong Kong.

The Respondent is James Ware of 23 fenton close speke 124 3uh Liverpool, United Kingdom.

The domain name at issue (the "Disputed Domain Name") is "kfc.hk", registered on 7 September 2005 by the Respondent via Eurdons with the Hong Kong Domain Name Registration Company Limited of Unit 2002-2005, 20/F ING Tower, 308 Des

Voeux Road, Central, Sheung Wan, Hong Kong.

2. PROCEDURAL HISTORY

A complaint in respect of “kfc.hk” was filed with the Hong Kong International Arbitration Centre (“HKAC”) in terms of the prescribed Form A on 24 July 2006 under the Hong Kong Domain Name Registration Company Limited (“HKDRN”) Domain Name Dispute Resolution Policy (“the Policy”), the HKDRN Domain Name Dispute Resolution Policy Rules of Procedure (“the Rules”) and the HKIAC Supplemental Rules therefor (“the Supplemental Rules”).

On 15 August 2006, the HKIAC received payment for Domain Name Dispute Complaint fee in connection with the case.

On 12 September 2006, the Respondent was notified of the commencement of the proceedings and was requested to submit a response within 15 business days. No response was submitted within the required period of time.

On 2 November 2006, the three-member Panel was appointed. On 9 November 2006, the case was passed to the Panel for decision and the Panel was requested to render a decision on or before 28 November 2006.

3. FACTUAL BACKGROUND

For Complainant

The Complainant is the franchisee of YUM! Restaurants Asia Pte Limited (formerly known as Tricon Restaurants International) with the exclusive right to operate the Kentucky Fried Chicken (“KFC”) restaurants in Hong Kong since December 1996 and to use the KFC logos and trademarks in Hong Kong. The Complainant is authorized by the YUM! Restaurants Asia Pte Limited to register the domain name www.kfc.hk in Hong Kong.

YUM! Restaurants Asia Pte Limited has registered a series of trademarks in Hong Kong for KFC whereby the word “KFC” is used as a prominent feature in various logos and trademarks. Most of these trademarks were registered in Hong Kong as early as 1992.

For Respondent

The Respondent registered the Disputed Domain Name via Eurdots on 07.09.2005 for the duration of one year. The website with the Disputed Domain Name was automatically re-directed to <http://www.domaintradercenter.net> on that day. Since 05.2006, the Disputed Domain Name is re-directed to <http://www.heartinternet.co.uk/prices-d.shtml>.

4. PARTIES' CONTENTIONS

For Complainant

The complainant stated that Kentucky Fried Chicken, known as KFC in brief, is one of the most famous fast food chains in the world and that KFC's success is so phenomenal that it is constantly expanding with 11,000 restaurants in more than 80 countries and territories around the world. Also, the complainant said that it currently operates 60 KFC stores in Hong Kong.

According to the complainant, the original franchisee of KFC in Hong Kong was Swire Marketing Limited, which was incorporated in Hong Kong on 10.12.1985 to run the KFC restaurants in Hong Kong. The company was re-named Birdland (Hong Kong) Limited on 22.01.1997. Currently, KFC is part of Yum! Brands, Inc. which is the world's largest restaurant system with over 32,500 KFC, W&W All-American Food, Taco Bell, Long John Silver's and Pizza Hut restaurants in more than 100 countries and territories around the world. In Hong Kong and elsewhere, KFC promotes and markets its restaurants, food and services under the marks "KFC" or marks in which the word KFC prominently features. KFC also conducts business worldwide using its domain name www.kfc.com. KFC's businesses are synonymous in the industry with the name "KFC" under which it has acquired an extensive goodwill. Each year, the complainant spends 5% of annual turnover on marketing and advertising.

Therefore, the complainant was of the view that these signify to the customer and the general public of the goods and services exclusively by the complainant in Hong Kong and, since the word "KFC" forms the entirety of the Disputed Domain Name, the use of the Disputed Domain Name by the respondent would inevitably cause

widespread confusion that the website is connected with KFC. Thus, the complainant strongly believes that such confusion should not arise and that the complainant should obtain the ownership of the Disputed Domain Name.

The complainant asserted that the Disputed Domain Name is identical or confusingly similar to a trademark or service mark in which the complainant has rights for the reasons below. First, the logos and trademarks of “KFC” which prominently feature the word “KFC” have been registered by YUM! Restaurants for many years and as early as 1992 in Hong Kong. Also, the complainant spends a substantial amount of money each year on the marketing and advertising of the name of “KFC” which is famous and well-established in Hong Kong and internationally. Further, the Disputed Domain Name contains the word “KFC” and is identical to the complainant’s business name “KFC”. Moreover, it is also identical to KFC’s domain name www.kfc.com since the “.hk” part should be disregarded when considering whether there is any confusion between two domain names, as per the case of *Croatia Airlines d.d v. Modern Empire Internet Ltd* (WIPO D2003-0455) and *HMV (IP) Limited v. Sutton-tech* (HKIAC, DHK-0500006). In addition, the complainant relies on the common law rights to the trademark “KFC” and stated that the use of the Disputed Domain Name by the respondent infringes the trademarks of the complainant which also constitute passing-off under the laws of Hong Kong, citing the case of *Marks & Spencer Plc & Others v. One in a Million Limited* [1998] FSR 265. Apart from the above, the complainant further asserted that the respondent had in fact registered a series of domain names and had offered them for sale for excessive amounts on its website.

On the issue of whether the respondent should be considered as having no rights or legitimate interests in respect of the Disputed Domain Name, the complainant relied

on the matters set out below. Above all, internet users who type the Disputed Domain Name are automatically diverted to other websites which are populated with domain names for sale. On the basis that the respondent is not affiliated to the complainant or the word “KFC” in any way, not being an authorized agent or licensee of the complainant’s products or services, nor having any permission from the complainant to use or register the Disputed Domain Name, the complainant is of the view that the respondent has no legitimate interests in respect of the Disputed Domain Name. Furthermore, the complainant stated that the registration of the Disputed Domain Name by the respondent appears to have the intention of exploiting the complainant’s “KFC” trademarks or business names rather than using it in a bona fide manner for offering foods or services or a legitimate non-commercial use without intent for commercial gain. Also, the complainant relied on the various email correspondences between the complainant and the respondent to show that the respondent has offered to sell the Disputed Domain Name to the complainant on several occasions and further that the respondent has no legitimate interest in using the Disputed Domain Name. These, according to the complainant, satisfy the requirements under paragraph 4 of the Policy in that the respondent had registered or acquired the Disputed Domain Name primarily for the purpose of selling, renting, or otherwise transferring the same to the complainant as the owner of the trademark or service mark for a valuable consideration in excess of the respondent’s documented out-of-pocket costs directly related to it; the respondent has registered the Disputed Domain Name in order to prevent the owner of the trademark or service mark from reflecting the mark in a corresponding domain name; and the Respondent has engaged in a pattern of such conduct in which it has undertaken similar conduct with respect to various other domain names.

Also, the complainant stated that the respondent has registered and used the Disputed

Domain Name in bad faith. In gist, the complainant relied on the following:-

- (a) First, the respondent is running a passive/non-active website from the Disputed Domain Name and this constitutes bad faith on the basis of the cases of *Telstra Corporation Limited v. Nuclear Marshmallows* (WIPO, D2000-0003) and *Mary-Lynn Mondich and American Vintage Wine Biscuits, Inc. v. Shane Brown, doing business as Big Daddy Antiques* (WIPO, D2000-0004). The complainant further contended that the respondent has not and is unlikely to be able to provide evidence of any actual or contemplated good faith use by it of the Disputed Domain Name and that the bad faith on the part of the respondent is also evidenced by its having registered and stocked other domain names on the Disputed Domain Name, based on the cases of *Sankyo Limited v. Zhu Jiajun* (WIPO, D2000-1791) and *The Dow Chemical Company, Inc. v. Iryu Keiei Kenkyusho Limited* (eResolution, AF-0747).
- (b) Second, the respondent had registered the Disputed Domain Name primarily for the purpose of selling it for a profit, disrupting the complainant's business and using it in such a way to intentionally attempt to attract users for a commercial gain. Indeed, the respondent had offered to sell the Disputed Domain Name to the complainant for HK\$269,380, which is clearly in excess of the amount required to recoup administration and other fees incurred in obtaining the registration for the Disputed Domain Name, when knowing clearly the business need by the complainant in maintaining ownership of the Disputed Domain Name.
- (c) Third, the "KFC" name or mark is an invented mark and not a term commonly used in the English language. Thus, the respondent is riding on the reputation of the complainant and uses the Disputed Domain Name deliberately to attract for commercial gain, since it is not possible that the respondent is unaware of the complainant's rights in the mark.

- (d) Fourth, visitors to the website of the Disputed Domain Name could be easily misled into believing that the complainant is associated with the website when no such association exists and can be a misrepresentation.
- (e) Lastly, all the above factors preventing the complainant from using the Disputed Domain Name as the legitimate owner are indicative of bad faith on the part of the respondent.

In the circumstances, the complainant asked for the transfer of the Disputed Domain Name to the complainant.

For Respondent

The Respondent did not file in any response within the stipulated period of time.

5. DISCUSSION AND FINDINGS

Pursuant to paragraph 4(a) of the Policy, the complainant has the burden of proving that:-

- (i) the respondent'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 respondent has no rights or legitimate interests in respect of the domain name; and
- (iii) the respondent's domain name has been registered and is being used in bad faith.

The respondent has not filed in a response. By paragraph 14 of the Rules, in the event that a party, in the absence of exceptional circumstances as determined by the Panel in its sole discretion, does not comply with any of the time periods established by these Rules, the Panel shall proceed to a decision on the Complaint; and if a party, in the absence of exceptional circumstances as determined by a Panel in its sole discretion, does not comply with any provision of, or requirement under, these Rules, the Panel may draw such inferences therefrom as it considers appropriate.

Whether Identical or Confusingly Similar to a Trademark or Service Mark in Hong Kong in which the Complainant has Rights

The complainant states that the Disputed Domain Name is identical or confusingly similar to the name or mark of “KFC” in Hong Kong which the complainant has rights.

The Panel agrees that the name or mark “KFC” is not in the daily use of the English language. The Panel also agrees that the part of the Disputed Domain Name “.hk” is the ccTLD for Hong Kong and, as such, should be of descriptive nature. Thus, the distinctive part of the Disputed Domain Name is “kfc”, which the Panel finds to be identical or confusingly similar to the name or the mark of “KFC”.

In this regard, the Panel however notices that, in the trademark information report dated 03.05.2001, conducted for Tricon Restaurants International and currently relied on by the complainant, the proprietor of the “KFC” mark in Hong Kong was

Kentucky Fried Chicken International Holdings, Inc.. Further, the franchise agreement conferring rights over the “KFC” mark or name upon the complainant has not been submitted with the complaint; documentary evidence regarding the change of the name of Tricon Restaurants International, according to the complainant, to Yum! Restaurants is not presented to the Panel; there is no registration showing the exclusive or other rights of the complainant over the “KFC” mark or name.

Also, the Panel observes that the name of the complainant does not show any direct relationship with the “KFC” mark or name.

In the circumstances, notwithstanding the absence of a response from the respondent, the Panel finds that the complainant has not proved that it has acquired trademark or service mark rights of “KFC” under legislation or the common law, based on the evidence of the complainant.

Therefore, the Panel finds that the complainant has not discharged the burden on its part to establish this element under paragraph 4(a)(i) of the Policy.

Whether the Respondent has no Rights or Legitimate Interests in respect of the Domain Name

The complainant alleges that the respondent has no rights or legitimate interest in respect of the Disputed Domain Name.

Paragraph 4(c) of the Policy provides that the respondent may demonstrate its rights to and legitimate interests in the Disputed Domain Name by proving any one of the following circumstances:-

- (i) before any notice to the respondent of the dispute, the respondent's use of, or demonstrable preparations to use, the Disputed Domain Name or a name corresponding to the Disputed Domain Name in connection with a bona fide offering of goods or services in Hong Kong; or
- (ii) the respondent (as an individual, business, or other organisation) have been commonly known by the Disputed 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 Name, without intent for commercial gain to misleadingly divert consumers or to tarnish the trade mark or service mark at issue.

From the name of the respondent, the Panel notices that there is no direct link between it and the distinctive part of the Disputed Domain Name, that is to say "kfc". To the various allegations of the complainant regarding the respondent having no right in the Disputed Domain Name, there is no submission from the respondent or evidence to the contrary. The Panel also finds no evidence to support a finding of any of the circumstances in paragraph 4(c) of the Policy as aforesaid. As a matter of fact, the Panel is of the view that the evidence relied on by the complainant indicated quite the opposite.

Therefore, taking into consideration of the overall evidence, the Panel accepts that the respondent has no right or legitimate interests in respect of the Disputed Domain

Name, as required under paragraph 4(a)(ii) of the Policy.

Whether the Respondent's Domain Name has been Registered and is being Used in Bad Faith.

Pursuant to paragraph 4(b) of the Policy, for the purposes of Paragraph 4(a)(iii) of the Policy, the following circumstances, in particular but without limitation, if found by the Panel to be present, shall be evidence of the registration and use of a Disputed Domain Name in bad faith:

- (i) circumstances indicating that the respondent has registered or acquired the Disputed Domain Name primarily for the purpose of selling, renting, or otherwise transferring the Domain Name registration to the complainant who is the owner of the trademark or service mark or to a competitor of that complainant, for valuable consideration in excess of the respondent's documented out-of-pocket costs directly related to the Disputed Domain Name; or
- (ii) the respondent has registered the Disputed Domain Name in order to prevent the owner of the trademark or service mark from reflecting the mark in a corresponding Disputed Domain Name, provided that you have engaged in a pattern of such conduct; or
- (iii) the respondent has registered the Disputed Domain Name primarily for the purpose of disrupting the business of a competitor; or
- (iv) by using the Disputed Domain Name, 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.

The test for bad faith here is conjunctive and there must be evidence that the Disputed Domain Name has been registered in bad faith and used in bad faith.

The complainant contends that the respondent's registration and use of the Disputed Domain Name is both with bad faith. To this, there is no contrary submission or evidence from the respondent.

On this aspect, the complainant states that the website of the Disputed Domain Name had been automatically re-directed to websites offering various domain names for purchase or re-sells and submits emails with one "jay will", calling himself "james" and stating to be the owner of the Disputed Domain Name, at the email address of liverpool1777@hotmail.com, which was shown in one of the re-directed websites. These emails referred to the possibility for the complainant to make an offer for the Disputed Domain Name, with the price of £20,000 or HKD269,380 for the Disputed Domain Name; and the suggestion of a rental arrangement with the Disputed Domain Name. The Panel observes that, on documents, the email address is different from those shown in the registration information of the Disputed Domain Name and there is no other evidence connecting "jay will" with the respondent.

Also, the Panel notes that, based on the evidence presented by the complainant, the complainant has not shown that the respondent has engaged in a pattern of such

conduct as per paragraph 4(b)(ii) of the Policy. The only domain name shown to be in issue by the complainant is the Disputed Domain Name. Other than directing the Disputed Domain Name to the said websites, there is no further evidence to show any relationship between these websites with the respondent.

To the submission that it is not possible that the respondent is unaware of the complainant's rights in the "KFC" mark or name, the complainant has not produced any supporting data or documents regarding its use of the "KFC" name or name in Hong Kong, United Kingdom or other places of the world. The Panel is not presented with the sales figures or marketing expenses throughout the years regarding the same; there is no other evidence before the Panel to show that the complainant (rather than the brand "KFC") was well known in relation to the "KFC" mark or name. Given the finding of the Panel that the complainant has not discharged the burden on its part to establish this element under paragraph 4(a)(i) of the Policy, the Panel finds that the complainant has not established in evidence the circumstances under paragraph 4(b) of the Policy or other circumstances regarding the requirements of bad faith.

Therefore, as between the complainant and the respondent, taking into consideration of the overall evidence as it presently stands, the Panel finds that the complainant has not established that the respondent has registered and used the Disputed Domain Name in bad faith, as required under paragraph 4(a)(iii) of the Policy.

6. ARBITRATION DECISION

In view of the evidence presented to the Panel and the findings as set out above, the Panel finds that the complainant has failed to prove that all of the 3 elements of Paragraph 4(a) of the Policy are present. Therefore, this complaint fails and is hereby dismissed.

Gary Soo, Presiding Panelist
Norris Yang, Co-Panelist
Peter Bullock, Co-Panelist

Date: 24 November 2006