



Hong Kong International Arbitration Centre

香港國際仲裁中心

.hk Domain Name Dispute Resolution

ARBITRATION PANEL DECISION

Case No. DN-0300008
Complainant: Sony Computer Entertainment Inc
Respondent: Fortune Success Trading Limited (the 1st Respondent)
Innovative Polymer Solutions Limited (the 2nd Respondent)
Rainbow International Industrial Limited (the 3rd Respondent)

1. THE PARTIES AND CONTESTED DOMAIN NAME

The Complainant is Sony Computer Entertainment Inc. of 1-1, Akasaka 7-chome, Minato-ku, Tokyo 107-0052 Japan.

The Respondents are Fortune Success Trading Limited (the 1st Respondent) of Room B, 1st Floor, 81 Chatham Road South, TST Kowloon, Hong Kong; Innovative Polymer Solutions Limited (the 2nd Respondent) and Rainbow International Industrial Limited (the 3rd Respondent) both of 2 Dai Li Street, Tai Po Industrial Estate, Tai Po, New Territories, Hong Kong.

The domain name at issue (the "Disputed Domain Name") is "**ps.com.hk**", registered by the 1st Respondent with the Hong Kong Domain Name Registration Co. Ltd or HKDNR (previously administered as HKNIC) of 306A, HKITC, 72 Tat Chee Avenue, Kowloon Tong, Hong Kong on 15th March 2000.

2. PROCEDURAL HISTORY

A complaint in respect of "**ps.com.hk**", was filed with the Hong Kong International Arbitration Centre ("HKIAC") in terms of the prescribed Form A on 5th May 2003.

A Response in terms of the prescribed Form B was filed with the HKIAC on 17th June 2003 within the prescribed time and extensions consented to by the Complainant.

The three-member Panel was appointed on the 8th July 2003.

3. FACTUAL BACKGROUND

For Complainant

The Complainant has provided the following factual background to support its complaint:

The Complainant is one of the world's leading video game console manufacturers. It launched its PlayStation video game system in 1996. The Complainant established

its subsidiary Sony Computer Entertainment Hong Kong Limited ("SCEH") in December 1997 to promote the sales of its products in Hong Kong.

Since launch, the Complainant has sold many millions of units of its PlayStation, PSone and PlayStation 2 consoles world wide, including in Hong Kong. The Complainant has also sold, in even greater numbers, games software for use with these consoles.

The Complainant has applied for and registered a large number of trademarks around the world relating to the PlayStation system. In particular, the Complainant has applied for and/or registered the following trade marks in a number of jurisdictions, including Hong Kong: PS (stylized), PS Device, PSone (stylized), PS2, PS two, PlayStation, and PS2 PlayStation 2. The Complainant has made two pending trademark applications in Hong Kong for PS in simple text (4th April 2003).

The PS Device trade mark is a graphical 3 dimensional representation of the letters "P" and "S" which is used as the corporate logo of the Complainant. All PlayStation products of the Complainant bear this trade mark. The PS Device is also used extensively by the Complainant on its websites and in its promotional materials.

SCEH is the registrant and operator of the domain names **psone.com.hk**, **ps2.com.hk** and **playstation.com.hk**. The Complainant (or one of its subsidiaries) is also the registrant of the domain names **psone.net**, **ps2.net**, **ps2.info**, **ps2.biz**, **ps3.com**, **playstation.net**, **playstation.com**, **playstation.org**, **playstation.biz**, **playstation.info**, and **playstation2.com**.

The Complainant asserts that its PlayStation products are commonly referred to in the video game industry, and by the public in general, as "PS" and "PS2", a short form for "PlayStation". The Complainant has supplied the following evidence in support:

- Complainant's marketing brochure referring to the PlayStation platform by the name "PS".
- Articles from a number of newspapers (including Sing Pao Daily News, Ming Pao Daily, Singtao Daily, Apple Daily), and trade magazines (such as Game Players and Game Tactic), between the period of December 1998 to August 2002 which refer to the Complainant's PlayStation products by the name "PS". It is notable that a majority of the newspaper articles also mention the "Sony" house mark or the "PlayStation" brand name in addition to "PS".
- Hong Kong-based trading companies such as Lik Sang which operate websites selling the Complainant's products or products for use with the Complainant's products and which refer to the Complainant's products as "PS".

The Complainant says that, based on various searches/enquiries which the Complainant has undertaken, the Disputed Domain Name does not appear to have been used by the 1st Respondent for linking to any active website or otherwise to conduct any business

activities.

Investigations carried out by the Complainant's agents suggested that while the 1st Respondent appeared to be conducting business through a company called Rainbow Latex Ltd (which deals in latex products) and Online Hong Kong Limited (an internet service provider), the 1st Respondent did not of itself appear to be engaged in any business activities using either the Disputed Domain Name or its own name.

On 6 December 2001, the Complainant (through its representative) wrote to the 1st Respondent requesting that it transfer the Disputed Domain Name to the Complainant and offered to reimburse the 1st Respondent its reasonable administrative costs associated with the transfer. The Complainant did not receive any reply from the 1st Respondent. The Complainant sent a reminder letter to the 1st Respondent on 11 April 2002.

On 23 April 2002, the 1st Respondent wrote to the Complainant stating that it had been using the Disputed Domain Name for "other than web-related purposes" since shortly after it was registered and that a website at www.ps.com.hk had never been activated. Finally, the 1st Respondent stated that if the Complainant was interested in buying the Disputed Domain Name, the Complainant was to make a reasonable offer to the 1st Respondent. This letter is headed "without prejudice" and may in any event be privileged.

The Complainant wrote to the 1st Respondent on 5 August 2002 and requested the 1st Respondent to transfer the Disputed Domain Name to the Complainant, and invited the 1st Respondent to respond with suggested terms for transfer. The Complainant did not receive any response from the 1st Respondent to that letter.

For Respondent

The Respondent has provided the following factual background to oppose the Complainant's claim:

The Respondent states that, in fact, there are three respondents to this complaint (described below). They will be referred to collectively herein as the "Respondent".

The 1st Respondent is a company incorporated in Hong Kong which acts as a holding company for Mainland Chinese ventures, none of which relate to the business of the Complainant, and it does not engage in business activities in Hong Kong.

Innovative Polymer Solutions Limited The 2nd Respondent is a company incorporated in Hong Kong and carries on business as a specialist in providing "polymer solutions" by way of formulating combinations of different chemicals and plastics in a solution package and providing the same to its customers (the "Polymer Solutions Business").

The Respondent says that the 1st Respondent registered the Disputed Domain Name as of 15th March 2000. When the 1st Respondent registered the Disputed Domain Name, it was in anticipation of the establishment of the 2nd Respondent, which at that time did not exist as a legal entity and could not therefore register the name itself. The 1st Respondent registered the Disputed Domain Name with the intention to license and did in fact license the right to use the Disputed Domain Name to the 2nd Respondent.

Mr. Yau Yat Wu, David ("Wu") has been trading in chemicals since the late 1970's and is

one of the founders of the Respondent group of companies. Wu holds an equity interest in the 1st, 2nd and 3rd Respondents. He is also a director of the 1st, 2nd and 3rd Respondents.

No formal written License Agreement exists between the 1st and 2nd Respondents to use the Disputed Domain Name. It was deemed unnecessary at the time since Wu was involved in the business operations of both the 1st and 2nd Respondents.

The 2nd Respondent commenced business on 21st July 2000 providing innovative polymer solutions to its customers. It ceased business on 31st July 2001 and was "de-registered" on 5th July 2002. The Polymer Solutions Business of the 2nd Respondent was transferred to an associated company, Rainbow International Industrial Limited (the "3rd Respondent"), also incorporated in Hong Kong. The Respondent says that the Disputed Domain Name was part of the Polymer Solutions Business, such that the 2nd Respondent's license to use it was also transferred to the 3rd Respondent. The Respondent has not submitted any documents to support this, however.

The 3rd Respondent has continued to provide "polymer solutions" to its customers including, but not limited to, "the supply of cocktails of antioxidants to prevent discolouration of plastics; heavy metal free chemical stabilizer solutions to the PVC Industry; environmentally friendly and bio-degradable solvents to the toy industries; environmental friendly water-based inks to reduce or eliminate chemical health hazard to workers by the replacement of carcinogenic solvents with water-based polymers." The Respondent says this business continues to be known to its customers as "Polymer Solutions" or "PS" as its abbreviation. In addition, the initials "PS" are the chemical industry-recognized abbreviation for Polystyrene.

The 2nd Respondent was subsequently "re-registered" on 11th June 2003 (albeit as a company with a separate legal personality to the first company which originally bore the same name). The Respondent says that it intends that the Polymer Solutions Business including the right to use the Disputed Domain Name, will be transferred from the 3rd Respondent back to the 2nd Respondent.

The Respondent asserts that the Disputed Domain Name was independently derived from the name of the 2nd Respondent and the acronym for polystyrene. It was adopted as a domain name to represent the business of the Respondents.

The Disputed Domain Name was first used by the 2nd Respondent in or around September 2000 and since then has been in continuous use by the 2nd Respondent and subsequently by the 3rd Respondent to carry out the Polymer Solutions Business operations. The 3rd Respondent does not have a public website linked to the Disputed Domain Name. However, the Respondent says that it does operate a private website which can be accessed at <https://ps.com.hk>. It operates as an Internet email server configured to send and receive email for the Respondent's staff and customers. The email server makes email accessible by the Respondent's staff and customers via any computer which has an internet link. The Respondent has submitted some examples of email traffic using this system. The website cannot be accessed by the public. The Respondent also says that it operates a web-based calendar/appointment system using "ps.com.hk" which, again, is only accessible by its staff.

The business turnover generated from the 2nd and 3rd Respondents was HK\$1,269,530.58

for 2000/2001 (2nd Respondent) and HK\$3,351,623.00 for 2001/2002 is (3rd Respondent).

The Respondent points out that the Complainant is not the registrant of a number of relevant domain names including, but not limited to, **ps.com**, **ps.com.tw**, **ps.net**, **ps.co.jp**, **ps.co.uk** and **ps.org**. The Respondent also provided copies of searches made at www.checkdomain.com, which indicated that the domain names **ps.net.jp**, **ps.com.jp** and **ps.com.uk** were still available for registration. The Respondent stated that a search of the WIPO active cases database does not reveal that the Complainant has taken any action in respect of **ps.com** or **ps2.com** whilst the Complainant has won the case for **psone.com**

Finally, the Respondent states that the 1st Respondent is not the registered holder of any domain names other than the Disputed Domain Name. The 2nd and 3rd Respondents do not own any domain names.

4. PARTIES' CONTENTIONS

The Complainant

The Complainant contends that the registration of the domain name should be transferred to it. The Complainant has filed evidence to support its Complaint.

The Respondent

The Respondent contends that the Complaint be dismissed and the registration of the domain name remains with the registrant, the 1st Respondent. The Respondent has filed evidence to support its case.

5. DISCUSSION AND FINDINGS

General

According to paragraph 4(a) of the HKDNR Domain Name Dispute Resolution Policy (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. Respondent's Domain Name has been registered and is being used in bad faith.

Identical / Confusing Similarity

The Complainant alleges that the disputed domain name is identical or confusingly similar to a trademark in Hong Kong in which the Complainant has rights. The Panel does not find the letters "PS" inherently distinctive. The Respondent has clearly shown that the letters "PS" can denote many other meanings including "Polystyrene" (chemical industry-recognized abbreviation), "post script",

"PostScript" (trade mark of Adobe).

Whilst the Complainant has presented evidence of numerous registrations of "PS" in stylized and device forms in numerous jurisdictions, it does not have any registrations of purely textual "PS". The Panel noted that the Complainant has two pending applications for registration of the textual trademark "PS" in Hong Kong but that these applications were only made on 4th April 2003 - more than 3 years after the registration by the Respondent of the disputed domain name. If indeed the Complainant has rights to the letters "PS" by virtue of these two registrations, as the registration of the domain name predates the trademark application, there is no bad faith on the part of the Respondent. (see John Ode d/ba ODE and ODE Optimum Digital Enterprises v. Intership Limited [WIPO case D2001-0074] "There are ample authorities supporting the view that a trademark which did not exist at the time the disputed domain name was registered cannot serve as the basis for a claim under the ICANN policy, since it is impossible for the domain name to have been registered in bad faith").

The Panel also noted that the Complainant does not own the domain names **ps.com**, **ps.com.tw**, **ps.net**, **ps.co.jp**, **ps.co.uk** and **ps.org** nor did the Complainant present any evidence it has registered any domain names with only the letters "PS" coupled with the more obvious gTLD or ccTLD. The Respondent provided copies of searches made at www.checkdomain.com, which indicated that the domain names **ps.net.jp**, **ps.com.jp** and **ps.com.uk** were still available for registration as at 16th June 2003. The Panel noted that domain names **xxx.net.jp**, **xxx.com.jp** and **xxx.com.uk** does not exist. The ccTLD for Japan does allow **xxx.ne.jp** and **xxx.co.jp**. For the United Kingdom, **xxx.co.uk** is allowed. The Presiding Panelist conducted the same search on 29th July 2003 and found that **ps.co.jp** and **ps.ne.jp** still available for registration. If the Complainant contends it has rights to the trademark or service mark "PS", then surely the Complainant would have endeavored to register as many domain names with "PS" as available.

The Panel finds that the Complaint has not proved that it has acquired trade mark or service mark rights of "PS" in textual form under statute or common law at the time of the registration of the disputed domain name and based on the evidence of the Complainant, save by this complaint has not registered any domain names with only the letters "PS" coupled with a suitable gTLD or ccTLD.

Right or Legitimate Interests of the Respondent

The Complainant alleges that the Respondent has no right or legitimate interest in respect of the disputed domain name by relying on, inter alia, that the Respondent does not appear to be using the disputed domain name. Given that there are no tools of discovery available under the relevant Rules, the Complainant was unable to find out the use, if any, of the domain name by the Respondent.

Paragraph 4 (c) of the Policy states that the Respondent may demonstrate its Rights to and Legitimate interests in the Domain Name (Paragraph 4(a)(ii)) by proving any one of the circumstances below:

- iv. before any notice to the Respondent of the dispute, the Respondent'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; or
- v. the Respondent (as an individual, business, or other organization) has been commonly known by the domain name, even if the Respondent has acquired no trade mark or service mark rights in Hong Kong; or
 - vi. the Respondent is making a legitimate non-commercial or fair use of the domain name, without intent for commercial gain to misleadingly divert consumers or to tarnish the trademark or service mark at issue.

It transpires from the Respondent's Response that the disputed domain name has been used by the Respondent, its employees and customers as an email service with addresses in the format of abc@ps.com.hk. There is produced in the Response copies of email messages using the "**ps.com.hk**" domain name. Though the evidence is limited there is no reason to doubt the authenticity of the email copies filed.

The Respondent contends that the 1st Respondent registered the disputed domain name on 15th March 2000 in anticipation of the incorporation of the 2nd Respondent (21st July 2000). They also submit that the letters "PS" are an abbreviation of "Polymer Solutions" (being part of the name of the 2nd Respondent) and the chemical "polystyrene" (being part of their business).

The Panel noted that the 2nd Respondent ceased business on 31st July 2001, was "de-registered" on 5th July 2002 and now "re-registered" on 11th June 2003 after this complaint has been filed. The Respondent also presented evidence of significant business activities of the 2nd and 3rd Respondent in the chemical business.

The Panel finds that the Respondent has made use of the domain name in its email service to employees and customers and that the Complainant has not proved that the Respondent has no rights or legitimate interest in the domain name.

Bad Faith

The test for bad faith is conjunctive and there must be evidence not only that the domain name has been registered in bad faith, but also that it is being used in bad faith.

Paragraph 4(a)(i) of the Policy provides a number of relevant questions to ask for the purposes of finding evidence of the registration and use of a domain name in bad faith:

- vii. are there circumstances indicating that the Respondent has registered or acquired the domain name primarily for the purpose of selling, renting, or otherwise transferring the domain name registration to the Complainant who is the owner of the trademark or service mark or to a competitor of that Complainant, for valuable consideration in excess of the Respondent's documented out-of-pocket costs directly related to the domain name; or
- viii. was the domain name registered in order to prevent the owner of the trademark or service mark from reflecting the mark in a corresponding

- domain name, provided that the Respondent has engaged in a pattern of such conduct; or
- ix. was the domain name registered primarily for the purpose of disrupting the business of a competitor; or
 - x. by using the domain name, has the Respondent intentionally attempted to attract, for commercial gain, Internet users to its 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 its web site or location?

The Panel noted that the Respondent (meaning the 1st, 2nd and 3rd Respondents) has no involvement in the business area of the Complainant. The 1st Respondent does not have business activities in Hong Kong. The 2nd and 3rd Respondents deal with chemicals or "polymer solutions". The Respondent states that 1st Respondent is the registered owner of only one domain name (the Disputed Domain Name) and the 2nd and 3rd Respondents do not own any domain names. Whilst the Respondent may have invited the Complainant to make a reasonable offer to transfer the name, it is clear from the evidence that the Respondent is not in the business of "selling" domain names as the three companies only own one domain name, which they use privately without allowing access to the public.

The Complainant has not shown that the Respondent has engaged in a pattern of registering a domain name to prevent the owner of a trademark or service mark from reflecting the mark in a corresponding domain name nor was there any evidence that the domain name was used to disrupt the business of a competitor (the Respondent and the Complainant are in totally different lines of business) or that the Respondent may have caused any likelihood of confusion with the Complainant's mark.

The Complainant has not shown any other evidence of bad faith on the part of the Respondent.

The Panel does not find that the Respondent has registered and used the disputed domain name in bad faith.

6. ARBITRATION DECISION

In view of the evidence presented to the Panel and the findings set out above, the Panel finds that the Complainant has failed to prove each of the 3 elements of Paragraph 4(a) are present. The Complaint fails and is dismissed.

Norris Yang, Presiding Panelist
Nigel Francis, Co-Panelist
Andrew Law, Co-Panelist

Dated: July 30, 2003