



**ASIAN DOMAIN NAME DISPUTE RESOLUTION CENTRE
(HONG KONG OFFICE)**

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Decision Submission

English

Print

Version
 Decision ID DE-0900226
 Case ID HK-0900249
 Disputed Domain Name www.phillipcapital.com
 Case Administrator Ricky Wong
 Submitted By M Scott Donahey
 Participated Panelist

Date of Decision 11-07-2009

Language Version : English

The Parties Information

Claimant Phillip Securities Pte Ltd
Respondent Yue Hoong Leong

Procedural History

The complainant in this case is Phillip Securities Pte Ltd, a company resident in Singapore and a member of the Phillip Capital group of companies ("Complainant").
 The respondent is Yue Hoong Leong, Blk 220 Boon Lay Ave, #05-141, Singapore ("Respondent").

The domain name in dispute is <phillipcapital.com>. The Registrar of the domain name is GoDaddy.com, Inc. (the "Registrar"). Complaint, Annex 1.

On 13 April 2009, pursuant to the Uniform Domain Name Dispute Resolution Policy ("the Policy"), the Rules for the Uniform Domain Name Dispute Resolution Policy ("the Rules") and Hong Kong International Arbitration Centre Supplemental Rules ("the HKIAC Supplemental Rules"), the Complainants submitted a complaint in the English language to the Hong Kong International Arbitration Centre (the "HKIAC"), an office of the Asian Domain Name Dispute Resolution Centre and elected this case to be dealt with by a one-person panel. On 17 April 2009, Hong Kong International Arbitration Centre sent to the complainants by email an acknowledgement of the receipt of the complaint and reviewed the format of the complaint for compliance with the Policy, the Rules and the HKIAC Supplemental Rules. All correspondence to and from the HKIAC described herein was in the English language.

On 17 April 2009 the HKIAC sent a request to the registrar to verify that the Respondent identified by Complainant was the registrant of the domain name at issue. On that same date, the Registrar confirmed that the Respondent identified in the Complaint was the registrant of record of the domain

name at issue and that the language of the registration agreement was English.

On 7 May 2009 the HKIAC notified the Respondent of the commencement of the action. Respondent was informed that Respondent had until 27 May 2009 to submit a response to the Complaint.

On 11 June 2009, the HKIAC notified the Complainants, with a copy to the Respondent, that the Respondent had failed to submit a Response.

Since the Respondent did not file a response in accordance with the time specified in the Rules the HKIAC Supplemental Rules, and the Notification, the HKIAC informed Complainant and Respondent by email about the default, stating that, as Respondent did not file a response within the required time, the HKIAC would appoint the panelist to proceed to render the decision, in the absence of a response by Respondent.

On 23 June 2009 the HKIAC notified the parties that the Panel in this case had been selected, with M. Scott Donahey acting as the sole panelist. The Panel determines that the appointment was made in accordance with Rule 6 and Articles 8 and 9 of the Supplemental Rules.

On 25 June 2009, the Panel received the file from HKIAC.

Factual Background

For Claimant

Complainant is a corporation headquartered in Singapore and is a member of the Phillip Capital group of companies. The Phillip Capital group of companies was established in 1975, and has more than 2800 employees located in Singapore, the United Kingdom, France, China, Hong Kong, Thailand, Japan, Australia, Malaysia, and Indonesia. In Singapore alone, The Phillip Capital group, in addition to Complainant, includes Phillip Securities Research, Phillip Futures, Phillip Financial, Phillip Capital Management, Cyberquote, Phillip Private Equity, Phillip Trading, IFS Capital Limited, and ECICS Limited. Its current shareholder funding is in excess of US\$ 600 million. Complainant has a trademark for the mark PHILLIP CAPITAL issued by the trademark authorities of Singapore on 6 August 2008. Complaint, Annex 2. Complainant's mark may have attained common law trademark status well prior to the date of the issuance of the registration in Singapore, but Complainant has failed to submit any evidence of common law trademark status.

On 13 July 2005, Respondent registered the domain name at issue. Complaint, Annex 1. The domain name at issue resolves to a web site at which the domain name "PHILLIPCAPITAL.COM" is displayed prominently and which contains "Sponsored Listings" which include links to firms which offer services directly competitive with those offered by Complainant. Complaint, Annex 4. The web site also currently contains "Related Searches" links, with one link identical to complainant's business name. However, when a user clicks on that link, he is not taken to Complainant's web site, but rather is taken to another "PHILLIPCAPITAL.COM" web page at which other businesses which include the word "phillip" in their name are listed under "Sponsored Links."

Complainant has not authorized Respondent to use its mark.

On 15 January 2009 Nikki Goh in Corporate Communications at Complainant emailed Respondent and expressed a desire to purchase the domain name at issue on Complainant's behalf. On 21 January 2009, Respondent replied as follows:

Hi Nikki,

How have you been? Thank you for your email.

For the domain, the price I quote will be 55,000 USD.

Cheers and Happy New Year to you!

Regards
Yue Hoong

Complaint, Annex 3

Complainant submitted proof of service of the Complaint on Respondent on 13 April 2009.
Complaint, Annex 5.

For Respondent

Respondent has failed to file a response in this matter.

Parties' Contentions

Claimant

Complainant asserts that the domain name at issue is identical to Complainant's PHILLIP CAPITAL mark.

Complainant further alleges that Respondent has no rights or legitimate interests in respect of the domain name, and that Respondent's domain name has been registered in bad faith and is being used in bad faith since it resolves to a web site that contains links to commercial entities not related to Complainant which include competitors of Complainant offering directly competitive services to those offered by Complainant.

Respondent

The Respondent did not file a response.

Findings

Paragraph 15(a) of the Uniform Rules instructs the Panel as to the principles the Panel is to use in determining the dispute: "A Panel shall decide a complaint on the basis of the statements and documents submitted in accordance with the Policy, these Rules, and any rules and principles of law that it deems applicable."

Paragraph 4(a) of the Policy directs that the Complainant must prove each of the following:

- 1) that the domain name registered by the Respondent is identical or confusingly similar to a trademark or service mark in which the Complainant has rights; and
- 2) that the Respondent has no rights or legitimate interests in respect of the domain name; and
- 3) that the domain name has been registered and is being used in bad faith.

Identical / Confusingly Similar

The Panel finds that the domain name <phillipcapital.com> is identical to Complainant’ s registered mark PHILLIP CAPITAL.

Rights and Legitimate Interests

Complainant has in a credible way alleged that Respondent has no rights or legitimate interests in respect of the domain name at issue. Respondent has failed to show that Respondent has any rights or legitimate interests in respect of the domain name at issue. This entitles the Panel to infer that Respondent has no rights or legitimate interests in respect of the domain name at issue. *Alcoholics Anonymous World Services, Inc. v. Lauren Raymond*, WIPO Case No. D2000 0007; *Ronson Plc v. Unimetal Sanayi ve Tic. A.S.*, WIPO Case No. D2000 0011. Accordingly, the Panel finds that Respondent has no rights or legitimate interests in respect of the domain name.

Bad Faith

The domain name at issue was registered some three years prior to the issuance of Complainant’ s registered PHILLIP CAPITAL mark and Respondent is shown as the registrant in the Registrar’ s Whois. Complainant made no attempt to establish that it had common law rights in the PHILLIP CAPITAL mark, or when such rights, if established, first arose.

The generally accepted panel view is that, absent certain limited exceptions not applicable here, the registration of a domain name prior to the establishment of trademark rights precludes the finding that the registration was in bad faith. See, e.g., *PC Mall, Inc. v. Pygmy Computer Systems, Inc.*, WIPO Case No. D2004-0437. However, based on the inconsistencies which have arisen in panel decisions on the issue of bad faith registration, and based on a close analysis of the landmark decision in *Telstra Corporation Limited v. Nuclear Marshmallows*, WIPO Case No. D2000-0003 (finding that under certain facts and circumstances “passive use” of a domain name could constitute bad faith use) and a careful reading of the language of the Policy, the Panel is convinced that this majority view is neither consistent with the Telstra approach, nor with the language of the Policy itself.

Logical inconsistencies in bad faith registration analysis

In attempting to reconcile the consensus view with the actions taken by respondents in various cases, panel decisions have reached inconsistent and often contradictory results in the requirements for bad faith registration. In generally rejecting the concept of constructive notice of the existence of trademark rights, panels have held that a domain name registrant has no obligation to conduct a trademark search prior to the registration of a domain name in order for the registration to have been done in good faith. *Alberto Culver Company v. Pritpal Singh Channa*, WIPO Case No. D2002-0757. On the other hand, when faced with the bulk registration of domain names using automated software programs, decisions have found that a domain name registrant involved in such bulk registrations cannot be willfully blind to the fact that some of the domain names registered infringe valid trademarks. *Grundfos A/S v. Texas International Property Associates*, WIPO Case No. D2007-1448. It seems at a minimum inconsistent to require a registrant registering multiple domain names to perform some kind of trademark search in order to establish good faith registration, while a registrant registering only one or two domain names is not required to do any search whatsoever.

Moreover, a transfer of the domain name is held to be a new “registration,” such that the good faith of the registration must be evaluated as of the date of the transfer. However a renewal of the registration is not considered a new registration, so that the renewing registrant’ s good faith is to be evaluated as of the date of the original registration even where, at the time of the renewal, the

registrant is well aware of the trademark and is using or intends to use the domain name in the future to trade on the good will inherent in the mark. *Weatherall Green & Smith v. Everymedia.com*, WIPO Case No. D2000-1058. It is not logical to place a transferee (in many cases a bona fide purchaser) in a worse position than the registrant who elects not to sell, but who is using or intends in the future to use the domain name to trade on the good will established by a mark holder.

A review of the Telstra decision

In *Telstra*, the respondent had registered the domain name *telstra.org*, and the second level name “telstra” was identical to the mark held by complainant, which was the largest company listed on the Australian stock exchange and the largest telecommunications provider in Australia. The problem for the panel was that the domain name at issue neither resolved to a Web site nor had any other online presence. Nor had the respondent made any offer to sell the name to complainant or to anyone else. In such a situation, how could it be said that the domain name was being used in bad faith?

The panel looked at the four examples given under the UDRP that by definition constituted evidence of registration and use in bad faith. Those four, non-exclusive examples enumerated in paragraph 4 (b) of the UDRP are:

- (i) circumstances indicating that you have registered or you have 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 your documented out-of-pocket costs directly related to the domain name; or
- (ii) you have registered the domain name in order to prevent the owner of the trademark or service mark from reflecting the mark in a corresponding domain name, provided that you have engaged in a pattern of such conduct; or
- (iii) you have registered the domain name primarily for the purpose of disrupting the business of a competitor; or
- (iv) by using the domain name, you have intentionally attempted to attract, for commercial gain, Internet users to your 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 your web site or location or of a product or service on your web site or location.

1. After a careful examination of the four non-exclusive examples, the panel ultimately found, that, based on the available facts and circumstances, the registration and use of the domain name could be said to have been made in bad faith.

As far as bad faith use, the panel noted that only factor 4 of paragraph 4(b) of the Policy involved a positive action taken in respect of the domain name in the post registration period. Thus, the panel found that the first three factors seemed to contemplate the concept of passive use and that inaction or passive holding can constitute the use of a domain name in bad faith. The panel found that each case must be evaluated on its facts to determine whether the passive use constituted use in bad faith. In *Telstra*, the panel found that the following facts established that the passive use constituted bad faith use:

1. The trademark was widely known in Australia and other countries.
2. The respondent furnished no evidence of actual or intended good faith use of the domain name.
3. The respondent took active steps to conceal its identity.
4. The respondent breached the registration agreement by providing and failing to correct false contact details.

5. It is impossible to conceive of a use of the domain name at issue which would be legitimate. Thus the panel determined that the UDRP contemplated passive use and that a panel facing a situation involving passive use must analyze the relevant facts and circumstances to determine whether such passive use was in bad faith.

Application of the Telstra Analysis to Bad Faith Registration

As discussed above, three of the four non-exclusive UDRP examples of bad faith registration and use do not discuss use at all, but rather focus on the state of mind of the registrant at the time that it registered the domain name at issue. Conversely, the fourth example focuses entirely on use without regard to the registrant's state of mind as of the date of registration. Under paragraph 4(b)(iv) of the Policy a respondent that uses the domain name to attract Internet users to its Web site or online location by creating a likelihood of confusion with the complainant's mark and its sponsorship of the Web site is acting in bad faith, without reference to the respondent's state of mind at the time that the registrant registered the domain name. Clearly, as under the Telstra analysis, bad faith registration and use can occur without regard to the state of mind of the registrant at the time of registration, if the domain name is subsequently used to trade on the goodwill of the mark holder, just as bad faith use can occur without regard to the fact that the domain name at issue has not been or has been only passively used.

Panelists, including this panelist, seem to have largely overlooked the language of the Policy regarding the respondent's representations and warranties. This language negates the temporal distinction suggested by ¶ 4(a)(iii) of the Policy ("has been registered . . . in bad faith") by requiring the registrant to make warranties as to the registrant's future conduct. Section 2 of the Policy, entitled "Your Representations," provides in pertinent part: "[Y]ou will not knowingly use the domain name in violation of any applicable laws or regulations. It is your responsibility to determine whether your domain name infringes or violates someone else's rights." Emphasis added.

This provision not only imposes a duty on the part of the registrant to conduct an investigation at the time of registration, but also includes a representation and warranty by the registrant that it will not now or in the future use the domain name in violation of any laws or regulations. This effectively imposes on the registrant a continuing duty to insure that the domain name is not used in violation of another's rights and clearly covers intellectual property rights and the laws protecting them, including copyright and trademark. This representation and warranty is not limited to the moment at which the registrant registers the domain name; rather, it extends to any use of the domain name in the future. This obligation is an integral part of the Policy, and it cannot be ignored. A party can register or acquire a domain name in good faith, yet use the domain name in the future in such a way that the representations and warranties that the registrant made as of the time of registration are violated. If a party uses the domain name in the future so as to call into question the party's compliance with the party's representations and warranties, there may be retroactive bad faith representation.

Just as in the Telstra analysis of passive use, whether the future use of a domain name constitutes retroactive bad faith registration will necessarily depend on an analysis of the facts and circumstances of any given case. In the present case, the panel finds that the language of the policy and the Telstra approach require the panel to examine the facts and circumstances of the case to determine whether the registration of the domain name could be said to be retroactively in bad faith.

Analysis of the facts and circumstances

In the present case, the respondent is located in Singapore where Complainant has its headquarters and where ten companies of the Phillip Capital group of companies are operating. Claimant had actual knowledge of Phillip Capital and its trade name at least as early as 15 January 2009 when he received the purchase interest email which was signed on behalf of "Phillip Securities Pte Ltd (A member of PhillipCapital)" above the logo "PhillipCapital, Your Partner in Finance." Since the

Phillip Capital group of companies began operations in 1975, Respondent may well have known of their existence much sooner. In response to Complainant's email, Respondent quoted a price to Complainant of US\$ 55,000.00 for the domain name without attempting to justify the price in respect of the costs Respondent had incurred in the registration and development of the domain name. Respondent continues to the present to use the domain name at issue to resolve to a web site which contains under the heading "Sponsored Listings" links to companies who offer services directly competitive with those offered by Complainant. Respondent's web site also contains a link entitled "Phillip Securities Pte Ltd" under the heading "Related Searches." When a user clicks on that link, he is taken not to Complainant's web site, but rather to another "PHILLIPCAPITAL.COM" web page at which businesses other than Complainant's that include the word "phillip" in their names are listed under "Sponsored Links." Finally, despite clearly having been served with the Complaint and having had ample opportunity to submit a response, Respondent failed to respond at all to the allegations in the Complaint, which included the allegations that Respondent had no rights or legitimate interests in respect of the domain name, and that Respondent had registered and was using the domain name in bad faith.

Under the above facts and circumstances, the Panel concludes that Respondent has registered and is using the domain name at issue in bad faith.

Status

www.phillipcapital.com Domain Name Transfer

Decision

For all of the foregoing reasons, the Panel decides that the domain name at issue, <phillipcapital.com>, should be transferred to Complainant.

M. Scott Donahey
Sole Panelist

DATED: 30 June 2009