



# ASIAN DOMAIN NAME DISPUTE RESOLUTION CENTRE

— A charitable institution limited by guarantee registered in Hong Kong

(Hong Kong Office)

## ADMINISTRATIVE PANEL DECISION

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<b>Case No.</b>	<b>HK-1100407</b>
<b>Complainant:</b>	<b>Disney Enterprises, Inc.</b>
<b>Respondent:</b>	<b>Prestige Club Inc.</b>

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### 1. The Parties and Contested Domain Name

The Complainant is Disney Enterprises, Inc., a company incorporated in the United States and having its principal place of business at 500 S Buena Vista Street, Burbank, CA 91521, USA, represented by Mr. William Law of ATL Law Offices, Hong Kong.

The Respondent is Prestige Club Inc. / Connie Lam of 1302-1305, 13/F, Manulife Provident Funds Place, 345 Nathan Road, Hong Kong, self-represented.

The contested domain name is <disneykorea.com>, registered with Instra Corporation Pty Ltd.

### 2. Procedural History

The Complaint was filed with the Hong Kong office of the Asian Domain Name Dispute Resolution Center (the “Center”) on November 22, 2011. On that same day the Center transmitted by email to Instra Corporation Pty Ltd a request for registrar verification in connection with the domain name at issue.

A reminder needed to be sent to Instra Corporation Pty Ltd on November 30, 2011. A further reminder had to be sent on December 5, 2011. Finally, on December 6, 2011, Instra Corporation Pty Ltd replied to the Center with information which appears to have been only partly accurate. In particular, the Center has asked Instra Corporation Pty Ltd, amongst other matters, to confirm that Prestige Club Inc. / Connie Lam were the registrants of the contested domain name. Instra Corporation Pty Ltd replied that “as per the WHOIS info, we can confirm that Connie Lam is the owner of this domain name.” Publicly available WhoIs information does not show that to be the case and the Center concludes that the information provided by the registrar is inaccurate and for the purposes of these Administrative Proceedings will continue to treat the named Respondent as the correct party. The Center had to seek further clarification from the registrar that English was the language of the registration agreement.

These matters delayed the processing of the Complaint however the Center was ultimately able to verify that the Complaint satisfied the formal requirements of the Uniform Domain

Name Dispute Resolution Policy (the “Policy”), the Rules of Procedure under the Policy (the “Rules”), and the Center’s Supplemental Rules.

In accordance with the Rules, the Center formally notified the Respondent of the Complaint, and the proceedings commenced on December 6, 2011. In accordance with the Rules, the due date for Response was December 26, 2011.

On December 6, 2011, the Center received an email from Connie Lam which stated that:

“... I am not in a position to proceed the subject complaint. Because I am the staff of Hong Kong Office of Prestige Club Inc. which is registered in Seoul, Korea and I already transferred the ownership of the domain, disneykorea.com to the head office, Prestige Club Inc. in Korea last month. So you could proceed the complaint against disneykorea.com domain with Prestige Club Inc. and family company DISNEYKOREA WAREHOUSE INC. in Korea.”

The Center reminded Connie Lam of the Policy and Rules and a timely Response was submitted on December 26, 2011.

On January 3, 2012, the Complainant filed a set of Additional Submissions to the Response following which both parties made further rounds of submissions which were admitted to the record and which the Panel considered in reaching its decision.

The Center appointed Debrett G. Lyons as sole panelist in this matter on January 6, 2012. The Panel finds that it was properly constituted and has acted impartially in reaching its conclusion.

### **3. Factual background**

#### **A. For Complainant**

1. The Complainant is one of the oldest and largest producers of movies and moving animation. It opened the now famous “Disneyland” themed park and resort in Los Angeles in 1955. Similar “Disneyland” themed parks now operate in Orlando, Tokyo, Paris and Hong Kong and construction has commenced upon another park in Shanghai.
2. The Complainant holds numerous trade mark registrations for both DISNEY and DISNEYLAND, including registrations for DISNEY in China, Hong Kong and South Korea. These were provided in evidence.
3. The Complainant has not licensed or otherwise permitted the Respondent to use the trademark or to register or use any domain name incorporating the trademark.
4. The Complainant petitions the Panel to order transfer the contested domain name from the Respondent to the Complainant.

#### **B. For Respondent**

5. The Respondent registered the contested domain name on March 6, 1999.
6. The contested domain name is not in use and has never been used.

### **4. Parties’ Contentions**

## **A. Complainant**

The Complainant asserts rights in the trademark DISNEY and states that the contested domain name is confusingly similar to the trademark.

The Complainant alleges that the Respondent has no rights or legitimate interests in the contested domain name.

The Complainant alleges that the Respondent registered and used the contested domain name in bad faith.

## **B. Respondent**

The Respondent broadly denied the Complainant's contentions. In its Response, it chose to identify itself as "Prestige Club Inc DISNEYKOREA ASSET INC", a company incorporated in South Korea having a principal place of business at 206/207, 81, Convensia-Daero Yeonsu-gu, Incheon, Korea.

The Response states that:

"the companies, Prestige Club Inc and DISNEYKOREA ASSET INC., have nothing to do with the business nature of Disney Enterprises Inc by the following facts: First, Prestige Club Inc has been founded and registered in Korea as an accommodation and food service business category complying with relevant Korean Commercial Law in 2002, which is indigenous Korean restaurant with the signboard name of DISNEYKOREA, written in Korean not English. There exist a "Certificate of Business Registration of Prestige Club Inc" and a "Declaration of Business Registry" to Incheon, Korea, where the said business has been located and operated since 2002."

... ..

"Second, DISNEYKOREA ASSET INC ... has been engaged in real estate business since 2005, registered in Incheon, Korea complying with relevant Korean Commercial Law, that can be attested by the "Certificate of Business Registration of DISNEYKOREA ASSET INC". Since DISNEYKOREA ASSET INC is a subsidiary of Prestige Club Inc, registered address of such business is shown the same as Prestige Club Inc.

The Respondent offers an explanation of its alleged legitimate interest in the contested domain name which is reproduced in its own words as follows:

"Prestige Club Inc as well as DISNEYKOREA ASSET INC have been active in business since its foundation in 2002 and 2005 respectively. The companies decided to expand its business scope up to a global market and therefore tried to transfer its domain name <disneykorea.com> from Korean local domain name registrar NETPIA.com Inc to Instra Corporation Pty Ltd, one of the world's most experienced and trusted domain name registrars. During the process for such activity, the company found a business coordinator, Connie Lam who would be able to help for overseas business matters on behalf of

Prestige Club Inc in a global market, and who has own independent business entity not associated with Prestige Club Inc. For the matter of convenience, the address of Prestige Club Inc is registered with the address of Ms. Lam's separate business, Smart Kid's Club Ltd in Hong Kong."

### **C. Additional Submissions**

As indicated, both parties made Additional Submissions which can be summarized as follows:

#### **(i) Complainant**

The Complainant reacted to the Response by noting that on Respondent's own account of the facts, it was founded in South Korea in 2002, three years after the contested domain name was registered.

In any case, the Complainant contended that the Respondent had shown no legitimate interest in the contested domain name since there was no evidence of the claimed "DISNEYKOREA" restaurant services provided with the Response.

The Complainant provided evidence that the Hong Kong address of the Respondent given in the publicly available WhoIs data is the address of a business called the "WALL STREET INSTITUTE SCHOOL OF ENGLISH".

#### **(ii) Respondent**

The Respondent relied on certain business certificates from South Korea which are said to support its legitimate interests. These are later discussed.

The Respondent also explains that it has various business interests and that for a period worked in Hong Kong on an IT venture during which time, as explained in its own words below:

"...I have been used a room in Ms. Connie Lam's office as my company's(Prestige Club Inc) Hong Kong office ... But after stopping of the targeted [IT] project, I, June Ho Jeon, came back to Seoul, Korea, and at the same time I closed the spatial office in Hong Kong, but I have been still keeping an Liason office for the communication purpose with the companies in Hong Kong and China in favor with Ms. Connie Lam even when Ms. Connie Lam moved her office to the current address from that time on."

## **5. Findings**

Paragraph 4(a) of the Policy states that each of three findings must be made in order for a Complainant to prevail:

- i. Respondent's domain name must be identical or confusingly similar to a trademark or service mark in which Complainant has rights;

- ii. 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.

#### **A) Identical / Confusingly Similar**

Paragraph 4(a)(i) of the Policy requires a two-fold enquiry – a threshold investigation into whether a complainant has rights in a trademark, followed by an assessment of whether the contested domain name is identical or confusingly similar to the trademark.

The Complainant has provided conclusive evidence that it is the owner of valid and subsisting international trademark registrations for DISNEY. Panel finds that Complainant has trademark rights in that name.

The Panel also finds that the contested domain name is confusingly similar to the DISNEY trademark. The top-level domain name “.com” can be disregarded for the purposes of comparison. The contested domain name wholly incorporates the Complainant's trademark and merely adds a geographic indicator that would lead any reasonable Internet user to assume that they had located the Complainant's homepage for its activities in Korea<sup>1</sup>.

Panel finds that the Complainant has established the first limb of the Policy.

#### **B) Rights and Legitimate Interests**

The Complainant has the burden to establish that the Respondent has no rights or legitimate interests in the contested domain name. Nevertheless, it is well-settled that the Complainant need only make out a *prima facie* case, after which the onus shifts to the Respondent to rebut such *prima facie* case by demonstrating rights or legitimate interests.

On the face of it, the Panel finds that the Complaint shows a *prima facie* case that Respondent lacks rights or legitimate interests in the contested domain name and so the Respondent now bears the burden to show, on the balance of probabilities, that it has a legitimate interest in the name.

Paragraph 4(c) of the Policy states that any of the following circumstances, in particular but without limitation, if found by the Panel to be proved based on its evaluation of all evidence presented, shall demonstrate rights or legitimate interests to a domain name for purposes of paragraph 4(a)(ii) of the Policy:

- “(i) before any notice to you of the dispute, your 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; or
- (ii) you (as an individual, business, or other organization) have been commonly known by the domain name, even if you have acquired no trademark or service mark rights; or
- (iii) you are making a legitimate noncommercial or fair use of the domain name, without intent for commercial gain to misleadingly divert consumers or to tarnish the trade mark or service mark at issue.”

On the facts before the Panel, these Administrative Proceedings turn focally on the question set out in paragraph 4(c)(i) – before notice of this dispute, had the Respondent used or made preparations to use the contested domain name in connection with a *bona fide* offering of goods or services? For the sake of completeness, the Panel observes here that neither of paragraphs 4(c)(ii) or (iii) have any application on the facts as presented.

In essence, the Respondent seeks to show that it has a legitimate interest in the contested domain name because it proposes to use it in connection with a *bona fide* offering of services, being Korean restaurant and accommodation services.

In that regard, the Panel notes the following:

- That the formulation of the Response appears to muddle together the Respondent with a party, namely DisneyKorea Inc., which is not an owner of the contested domain name and has no relevance to these Administrative Proceedings in terms of the proper application of the Policy and Rules;
- That Connie Lam, co-owner of the contested domain name according to WhoIs information, incorrectly states that she had, before the time of filing of the Complaint, transferred ownership of the contested domain name to Prestige Club Inc.
- That the contested domain name was registered in 1999 and, to date, has not been used;
- That the Respondent has offered the explanation that the contested domain name “will be used after analyzing the cost-effectiveness analysis of the usage”. It is said that it will be used “for the homepage web site of the company, DISNEYKOREA ASSET INC, or to use for the service web site of Korean style restaurants, DISNEYKOREA in the near future”;
- That at the time of registration of the contested domain name neither the Respondent nor DisneyKorea Asset Inc. were incorporated, nor were they incorporated for some years to come;
- That there is no cogent evidence of actual restaurant services offered in South Korea or elsewhere under a name corresponding with the contested domain name;
- That the document entitled “Certificate of Business Registration” dated December 13, 2011 refers to a restaurant (and other) business in Incheon, Korea conducted since 2002 but gives only a Korean language name of the business style.
- That even if it is accepted that the Korean language name can be transliterated into English as “Disney Korea”, that does not establish relevant use of a name corresponding with the contested domain name for the purposes of the Policy;
- That a business name registration, without more, is not proof of use;
- That the WhoIs address for the Respondent in Hong Kong and does not correspond with any address used by the Respondent or any one of the businesses;

- There is nothing in law to provide a connection between the alleged or proposed business activities in South Korea with the named Respondent, nor to show that they are one and the same legal entity;
- That there is no convincing evidence of preparations to use the domain name for the purposes of paragraph 4(c)(i) of the Policy.

Weighing the evidence as a whole, the Panel finds that the Respondent has no rights or legitimate interests in the contested domain name and therefore the Complainant has satisfied the second element of the Policy.

### **C) Bad Faith**

Paragraph 4(b) of the Policy sets out the circumstances which shall be evidence of the registration and use of a domain name in bad faith. They 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 website 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 website or location or of a product or service on your website or location.

Paragraphs 4(b)(i)-(iv) of the Policy are all cases of *per se* registration and use in bad faith. It is logical to first consider their possible application to the facts and in that regard the Complaint asserts that "Respondent's bad faith is established under paragraphs 4(b)(iii) and 4(b)(iv)."

The argument based on paragraph 4(b)(iii) requires for its success that the parties be competitors. That, in turn, requires the Panel to find that the Respondent's alleged activities in South Korea are bogus and a subterfuge for the Respondent's real intentions which were, with the aid of Connie Lam in Hong Kong, to offer children's products competitive with those offered by the Complainant.

Whilst evidence which might cause that suspicion on that direction is before the Panel<sup>ii</sup>, the matter can be more readily considered under paragraph 4(b)(iv) since the Panel has already

found the contested domain name and the trademark to be confusingly similar and thus the domain name is more likely than not to cause the relevant confusion.

Given the less than satisfactory account of the Respondent's, as yet, unfulfilled plans for the domain name, the Panel finds that a more compelling inference can be drawn that the Respondent registered the domain name to benefit from the Complainant's reputation and so the Panel finds that it is more likely than not that the domain name was registered for commercial gain.

All that remains to be said of paragraph 4(b)(iv) of the Policy is that it hinges on notional use of the contested domain name and, as the Complainant has correctly argued, actual proof of use has not in the past been required by panelists applying this aspect of the Policy for the reasons well laid out in the leading case of *Telstra Corporation Limited v. Nuclear Marshmallows* WIPO Case No. D2000-0003.<sup>iii</sup>

The Panel finds that the Respondent registered and used the contested domain name in bad faith and so finds that the Complainant has satisfied paragraph 4(a)(iii) of the Policy.

## 6. Decision

Having established all three of the elements required under the Policy, the Panel decides that relief shall be **GRANTED**. The Panel Order that the domain name <disneykorea.com> be transferred from the Respondent to the Complainant.

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Debrett G. Lyons

Panelist

Dated: January 18, 2012

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<sup>i</sup> The Complainant refers to numerous parallel cases where a similar finding has been made, eg., <hkdisney.cn>, <hkdisney.com.cn>, <hongkongdisney.cn>, <hongkongdisney.com.cn>, <hongkongdisneyland.cn>, <disneyshanghai.cn>, ADNDRC cases [HK-0800203](#) <香港迪士尼樂園.com>, [HK-0800204](#) <香港迪士尼.com> & <香港迪士尼.net>, [HK-0800208](#) <香港迪斯尼乐园.com>, [HK-0800209](#) <香港迪斯尼.com> & [HK-0900259](#) <beijingdisney.com>.

<sup>ii</sup> Amongst other matters, Connie Lam's message to the Center indicating that in her opinion the proper respondents should be Prestige Club Inc. "and family company DISNEYKOREA WAREHOUSE INC."

<sup>iii</sup> That case considered in detail the issue of so-called 'passive holding' and held that because of the repute of the complainant's trade mark, "it is not possible to conceive of any plausible actual or contemplated active use of the domain name by the Respondent that would not be illegitimate, such as by being a passing off, an infringement of consumer protection legislation, or an infringement of the Complainant's rights under trademark law". On the evidence, the Panel adopts that same reasoning in this case and finds that the contested domain name was 'used' in bad faith.