

(Kuala Lumpur Office)

ADMINISTRATIVE PANEL DECISION

Case No.	Re: KLRCA/ADNDRC-385-2016 <faizrice.com>.
Complainant:	Faiz Rice Sdn Bhd (1054580-U)
Respondent:	Syarikat Faiza Sdn Bhd
Disputed Domain Name:	<faizrice.com> .

1. The Parties and Contested Domain Name

The Complainant is Faiz Rice Sdn Bhd (1054580-U), a company incorporated in Malaysia, of Lot PTD 8303, Jalan Budi 14, Taman Industri Wawasan, Off Jalan Tanjung Labuh, 83000 Batu Pahat, Johor, Malaysia.

The authorized representative of the Complainant is Arlene Tan Eng Guat of 30-3, Jalan Bangsar Utama 1, 59000 Kuala Lumpur, Malaysia.

The Respondent is Syarikat Faiza Sdn Bhd of PLO 442, Jln Wawasan 16, Kawasan Perindustrian Sri Gading 2, 83300 Batu Pahat, Johor, Malaysia

The domain name at issue is <faizrice.com>. The domain name is registered with Onlinenic Inc.

2. Procedural History

On 22 April 2016 the Complaint was filed with the Asian Domain Name Dispute Resolution Centre ("the Centre"). On 22 April 2016 the Complainant paid the appropriate case filing fee by means of telegraphic transfer and the Centre received the said filing fee.

On 25 April 2016 the Centre transmitted by email to Onlinenic Inc. a request for Registrar verification in connection with the registrant of the disputed domain name.

On 25 April 2016 Onlinenic Inc. transmitted by email its verification response that the registrant of the disputed domain name is Syarikat Faiza Sdn Bhd and that its email address is mantere@faizarice.com. A duly amended Complaint was sent by the Complainant to the KLRCA on 9 May 2016. The Complaint satisfied the formal requirements of the Uniform Domain Name Dispute Resolution Policy (the "Policy" or "UDRP"), the Rules for Uniform Domain Name Dispute Resolution Policy (the "Rules"), and the ADNDRC Supplemental Rules for Uniform Domain Name Dispute Resolution Policy (the "Supplemental Rules"). On 11 May 2016 the Centre served the Respondent by forwarding to it, by email addressed to the Respondent at mantere@faizarice.com and to the registrar at ben@onlinenic.com, complaints@onlinenic.com, Onlinenic-enduser@onlinenic.com and feedback@onlinenic.com and to ICANN at udrp@icann.org, the Written Notice herein together with the Complaint and the annexures thereto. The Written Notice stated that the date of commencement of the proceedings was 11 May 2016 and that the due date by which the Respondent was required to file its Response was 31st May 2016. On May 31 2016 the Respondent filed its Response with the Centre and on 1 June 2016 the Centre notified the parties of that fact.

On 1 June 2016 the Centre appointed The Honourable Neil Anthony Brown QC as Panelist in the administrative proceeding. The Panel finds that it was properly constituted. The Panel has submitted the Statement of Acceptance and Declaration of Impartiality and Independence, as required by the Centre to ensure compliance with the Rule 7.

The Panel finds that the Asian Domain Name Dispute Resolution Centre has performed its obligations under Rule 2(a) of the Rules "to employ reasonably available means calculated to achieve actual notice to Respondent". Accordingly, the Panel is able to issue its decision based on the documents submitted and in accordance with the ICANN Policy, ICANN Rules, the Asian Domain Name Dispute Resolution Centre Supplemental Rules and any rules and principles of law that the Panel deems applicable, without the benefit of any response from the Respondent.

3. Factual background

The following statement of matters giving rise to the factual background are taken from the parties' submissions and would appear, in part, to be common ground. However, there are many other matters of dispute between the parties. The Panel will refer to those matters of dispute where necessary in the later sections of this decision.

The Complainant is a company incorporated pursuant to the laws of Malaysia. It is a producer and distributor of rice. The Complainant says that it has been so engaged in that industry since 2014.

The Respondent is a company incorporated pursuant to the laws of Malaysia. It is also a producer and distributor of rice. It says that it began operating in 1980. It is the registrant of the disputed domain name <faizrice.com>. It is also the registrant of a similar domain name, <faizarice.com>. The disputed domain name <faizrice.com> does not resolve to an active website

The parties are clearly in competition with each other in their field of the production and distribution of rice.

There is a series of disputes between the parties, one of which relates to the parties' respective trademarks and related matters and another of which relates to disputed domain name. The latter has now come before the Panel for determination.

However, the Respondent has instituted proceedings, namely two court proceedings in Malaysia. The proceedings are (a) WA-22IP-09-03/2016 and (b) WA-22IP-13-03/2016 and are in the Dalam Mahkamah Tinggi Malaya Di Kuala Lumpur, Dalam Wilayah Persekutan, Malaysia (Bahagian Dagang) (hereinafter referred to as "the court proceedings"). The Plaintiffs in each of those proceedings are the present Respondent in this UDRP proceeding, Syarikat Faiza Sdn Bhd and Faiza Bawumi Binti Sayed Ahmad and the Defendants are Faiz Rice Abu Bakar, the present Complainant and Fikri Bin Abu Bakar.

4. Parties' Contentions

A. Complainant

The Complainant's contentions are as follows:

1. The Complainant has been a leading rice producer in Malaysia since 2014. Its products are widely distributed and sold under the name and trademark FAIZ which it has promoted heavily
2. Its proprietor was formerly the General Manager of the Respondent until they had a falling out in 2014. The proprietor then formed the Complainant company, adopting part of the name of its director En Muhammad Faiz Bin Surip.
3. The disputed domain name is identical or confusingly similar to a trademark in which the Complainant has rights, namely the common law or unregistered trademark FAIZ.
4. The Complainant does not have a registered trademark for FAIZ, but it has applied for one and it is presently pending registration.
5. However, it is not necessary for the Complainant to show a registered trademark. It is adequate if it can show common law trademark rights in FAIZ, which it can do, as it has continuously used that common law mark in commerce since 2014.
6. The common law FAIZ trademark in which the Complainant has rights, has been used by the Complainant continuously since 2014 as the Complainant has made extensive use of the mark in the market, which is shown by evidence tendered by the Complainant.
7. The Respondent has merely added the generic word "rice" to the Complainant's FAIZ common law trademark which does not adequately distinguish the domain name from the trademark. Accordingly, the disputed domain name is confusingly similar to the FAIZ trademark in which the Complainant has rights.
8. The Respondent has no rights or legitimate interests in the disputed domain name. That is so because the Complainant has filed for registration of its FAIZ trademark in various forms and operates its business as FAIZ and/or FAIZ RICE and the Respondent does not have any trademark, service mark, corporate name, trade name or shop sign for FAIZ and/or FAIZ RICE. The Complainant's rights were established first in time, as it filed for its trademarks on 24 February 2015 and the Respondent did not register the disputed domain name until 4 January 2016.
9. The Respondent has never used the disputed domain name for a *bona fide* offering of goods or services or shown an intention to do so and has not used it for a noncommercial or fair use, but has passively held it, which does not give rise to a right or legitimate interest.
10. It is solely being used as an address for a parking page which does not give rise to a right or legitimate interest.

11. Nor is there any other consideration showing a right or legitimate interest in the disputed domain name on the part of the Respondent.

12. The disputed domain name was registered and has been used in bad faith.

13. The Respondent had actual knowledge of the Complainant and its FAIZ mark when it registered the disputed domain name as the parties are in competition and the Respondent also registered the Malaysian country code domain name <faizrice.com.my>.

14. Also, the Respondent has made no use of the domain name.

15. Moreover, the Respondent's conduct shows that it was actuated by malice.

B. Respondent.

The Respondent's contentions are as follows:

1. The Respondent began operating in 1980, using the FAIZA trade name and using the word "Faiza" in its product names. Its products are commonly referred to as Faiza Rice or Beras Faiza.

2. The Respondent is also the registered proprietor of FAIZA trademarks more particularly set out in Respondent's Annexure A

3. In July 2015, the Respondent discovered that the Complainant had been incorporated and was selling rice using trademarks and brand names identical or confusingly similar to the Complainant's trade marks and brand names and with substantially similar packaging.

4. The Respondent also owns the domain name <faizarice.com> and the Complainant is trying to infringe the Respondent's rights by using the domain name <faizrice.com>.

5. The Respondent adduces in evidence Writs, Statement of Claim and affidavits that have been used in the court proceedings between the parties and the Complainant has failed to disclose those proceedings. The proceedings are (a) WA-22IP-09-03/2016 and (b) WA-22IP-13-03/2016 and are in the Dalam Mahkamah Tinggi Malaya Di Kuala Lumpur, Dalam Wilayah Persekutan, Malaysia (Bahagian Dagang) ("the court proceedings"). The Plaintiffs in each of those proceedings are the present Respondent in this UDRP proceeding, Syarikat Faiza Sdn Bhd and Faiza Bawumi Binti Sayed Ahmad and the Defendants are Faiz Rice Abu Bakar, the present Complainant and Fikri Bin Abu Bakar.

6. The Complainant has also failed to disclose that the Complainant's pending trademarks are in dispute in the court proceedings and liable to be expunged.

7. The Respondent also denies that the Complainant has rights in its alleged marks, which in any event are under challenge. The Complainant's pending trademarks are also confusingly similar to the Respondent's registered trademarks.

8. The Complainant has no common law trademark rights.

9. These issues are pending in the High Court.

10. The disputed domain name is confusingly similar to the Respondent's name and its domain name <faizarice.com> which has been registered since 10 March 2005. Thus, the disputed domain name is identical to a trademark in which the Respondent has rights and to the Respondent's domain name.

11. The Respondent disputes the Complainant's claim that it has continuously used the mark it relies on in commerce since 2014 and the Complainant has not proved that proposition.

12. There should be a finding of Reverse Domain Name Hijacking.

13. The Complainant has been actuated by malice and a desire to prevent the Respondent from registering a domain name that is identical or confusingly similar to the Respondent's domain name. The Complainant has also imitated the Respondent's business by using similar marks and packaging to those of the Respondent to confuse the trade and the public and to divert the Respondent's business. In the present case, the alleged passive holding does not show bad faith registration or use.

14. In all the circumstances the Panel should suspend or terminate this proceeding. The domain name dispute is only ancillary to the wider dispute submitted to litigation and this proceeding is not a clear case of cybersquatting. This proceeding is thus beyond the jurisdiction of the Panel as the Panel could not render a decision without determining the Complainant's claim to have a trademark in FAIZ.

5. Findings and Discussion of the Issues

This proceeding is brought under the ICANN Uniform Domain Name Dispute Resolution Policy and that is the only jurisdiction that the Panel has. If the Panel finds that the proceeding is beyond the limited jurisdiction conferred upon it by the UDRP, the proceeding will have to be suspended, terminated or dismissed. It is clear from the facts of the case revealed by both sides that there is a wide-ranging dispute between the parties and the question therefore arises whether that dispute puts the present proceeding outside the jurisdiction of the UDRP and hence of the Panel. That preliminary question must be dealt with before continuing to deal with the requisite elements that must be considered under a valid UDRP claim.

PRELIMINARY ISSUE: JURISDICTION OF THE PANEL

If there were one matter on which all users of and commentators on the UDRP agree, it is that the UDRP has a limited jurisdiction which is confined to what are often referred to, including in the Respondent's submissions, as clear cases of cybersquatting. If the real and substantive issue or the real dispute between the parties is over an entitlement to register a domain name, whether the registrant had any right to register it and, above all, if this was done in bad faith, that dispute is within the jurisdiction of the UDRP and hence of the Panel appointed under it. If, however, the dispute is a wider one and the issue of the entitlement to the domain name is a consequence of

the resolution of the wider dispute or merely ancillary to it, the dispute is outside the jurisdiction of the UDRP panel. That is so for very good reasons, including the following.

First, the domain name dispute resolution settlement embodied in the UDRP was meant to be a limited one and was designed to meet a limited need. The perils of international litigation and what are often its unsatisfactory and expensive results, showed starkly that a limited process was required to solve domain name disputes quickly and economically. So the UDRP was crafted so that it would be confined to its true but limited purpose. It has always, since its inception, been regarded and used in that light. That notion has been embodied many times in the expression that the UDRP can only entertain clear cases of cybersquatting, meaning not cases that are clear because they are open and shut cases where there is no defence, but cases where the domain name entitlement is the real or substantive issue between the parties. Accordingly, UDRP claims that are brought under colour of their being domain name disputes when in reality the real dispute is about something else, are just as much outside the jurisdiction of the UDRP as are cases that are patently not domain name disputes.

The second reason for the rule is that the procedure of the UDRP is so limited and restricted that panels could never get to the bottom of wider commercial disputes if they tried to do so using the limited powers of a UDRP panel, they being the only powers that UDRP panels have. There are in practical terms no hearings (there seems never to have been a hearing), there are no witnesses giving evidence where they can be scrutinized by the tribunal or cross-examined on their statements or depositions by the other side, there are no oral submissions and no discovery by the parties (although there is a right for panels to ask for further statements or documents). These limitations on the procedural powers of a UDRP panel make it clear that it would be virtually impossible for a panel to resolve complex commercial disputes and if, nevertheless, an order were made for the transfer of a domain name as a mere ancillary or consequential order to a commercial dispute, there would be a serious risk of doing an injustice to the losing party and of giving rise to further litigation.

That last point brings to mind an important submission made by the Respondent in the present case, an issue often overlooked in UDRP proceedings. That point is that the UDRP is a summary proceeding, which excludes the parties from having a traditional trial. One could add that it is a summary proceeding which has, when a domain name is transferred, the result of depriving a party of private property without a trial. As such, its powers must always be read carefully and limited to their true and limited scope to avoid any injustice being done.

There are many UDRP decisions to the above effect and it is not necessary to set them out here. There is also a substantial discussion of this issue in Levine, *Domain Name Arbitration*, Legal Corner Press, New York, 2105, pp75-90 where the principles and cases are discussed. The principal points made by the author are that the UDRP is not a trademark court resolving trademark disputes, or trademark infringement, dilution and invalidity claims, business and civil disputes or family disputes over inheritance. The same applies to claims of passing off, misleading and deceptive conduct and the myriad of statutory commercial causes of action that are now available.

The present case is one where it is beyond doubt that the dispute, as presented to the Panel and revealed for what it is in the papers, is outside the jurisdiction of the UDRP and hence the Panel. It is clearly a trademark dispute with rival and diametrically opposed claims about the parties' rival trademarks and it has overtones of the entitlement to engage in trade under the name FAIZE and similar names. There are allegations of passing off, imitation, deception, trading under confusing names and malice.

The court proceedings described above also seek to expunge the Complainant's trademarks, which are an essential basis for its present UDRP claim.

The problem is shown perhaps most starkly by the fact that even if the Panel were to embark on a regular UDRP inquiry, it would not get far because the Complainant does not have a registered trademark on which it can rely. That being so, the Complainant would have to prove that it had an appropriate common law trademark and it makes that allegation. But the Respondent denies this and has foreshadowed an attack on the evidence the Complainant relies on. The Respondent says there is no basis for finding a common law trademark and in particular that the Complainant has not adduced evidence to show secondary meaning. The Panel is not going to make judgments on the adequacy or otherwise of this evidence, to avoid any possible injustice to the parties when the matter comes to court and in any event such issues are outside the jurisdiction of the UDRP and the Panel. But the issues raised are substantial and, judging from the complex history revealed so far, it seems that they will only be resolved with *viva voce* evidence at a hearing, cross-examination, discovery, submissions and argument, processes that a panel cannot properly undertake and which will only result in a just result if undertaken by the courts.

Moreover, it should not be overlooked that there is already litigation on foot over these matters. A panel will not shy away from making a decision solely because court proceedings have been issued and each case must be judged on its own circumstances. But the particular circumstance of this case shows that the court proceedings are the real dispute between the parties and the entitlement to the domain name is ancillary, as the Respondent submits, and cannot be resolved without previously resolving the substantial issues in the commercial and trademark dispute.

For all of the foregoing matters, the dispute put before the Panel in this proceeding is outside the jurisdiction of the UDRP and hence of the Panel.

SUSPENSION OR TERMINATION?

Paragraph 18(a) of the Rules gives the panel discretion to suspend, terminate or continue a UDRP proceeding where the disputed domain name is the subject of other pending legal proceedings. It provides:

“(a) In the event of any legal proceedings initiated prior to or during an administrative proceeding in respect of a domain-name dispute that is the subject of the complaint, the Panel shall have the discretion to decide whether to suspend or terminate the administrative proceeding, or to proceed to a decision.”

In the exercise of its discretion the Panel decides to terminate the administrative proceeding. That is so for the following reasons. The principal dispute between the Parties is so significant and the domain name proceeding so incidental and ancillary, compared to the principal dispute, that it is in the interests of the parties to have the substance of the dispute resolved first and by the court, using all of the forensic tools available to the court which are not available to the Panel. The resolution of the issues by the court is also more likely than not to resolve the domain name dispute as a consequence. No prejudice will be done to either party if the substance of the dispute is left to the court. In case it is necessary to have an order from an administrative panel concerning the domain name at some time in the future, the Panel will make a further order that the termination of the present administrative proceeding is without prejudice to the Complainant to re-file a complaint under the UDRP relating to the domain name <faizrice.com>, if and when the court proceedings are finalized.

It should also be noted that the Panel has refrained from reaching any conclusions or making judgments on any of the factual matter alleged in this proceeding.

6. Decision

Having considered all of the foregoing circumstances, the Panel concludes that this administrative proceeding be terminated. Accordingly, it is ORDERED that the administrative proceeding be terminated without prejudice to the right of the Complainant to refile a further UDRP complaint relating to the domain name <faizrice.com>, pending resolution or discontinuation of the court proceedings.

A handwritten signature in blue ink, appearing to read 'Neil Anthony Brown', is written above a horizontal line.

The Honourable Neil Anthony Brown QC

Dated: June 6, 2016