

**REGIONAL CENTRE
FOR ARBITRATION KUALA LUMPUR**



ADMINISTRATIVE PANEL DECISION

Administrative Panel Decision

In the matter of

Between

William R. Hague Inc. dba Hague Quality Water International

And

Water N Boss Marketing Sdn. Bhd.

Case No rca/dndr/2006/09

1. The Parties

The Claimant is William R. Hague Inc. dba Hague Quality Water International of Columbus, Ohio, United States of America, represented by Miranda & Samuel of Kuala Lumpur, Malaysia.

The Respondent is Water N Boss Marketing Sdn. Bhd. of Kuala Lumpur, Malaysia, represented by Goh Wong Pereira of Kuala Lumpur, Malaysia.

2. The Domain Name and Registrar

The disputed domain name is www.waterboss.com.my registered with Malaysian Network Information Centre (MYNIC).

3. Procedural History

The Complaint was filed with the Regional Centre for Arbitration, Kuala Lumpur (the "Centre") on 4 July, 2006 (hard copy). On 4 July, 2006, the Centre transmitted by email to MYNIC a request for registrar verification in connection

with the domain name at issue. On 5 July, 2006, MYNIC transmitted by email to the Centre its verification response, confirming that the Respondent is listed as the registrant and providing the contact details for the administrative, billing, and technical contact. The Centre verified that the Complaint satisfied the formal requirements of MYNIC's (.my) Domain Name Dispute Resolution Policy (the "Policy"), the Rules for Uniform Domain Name Dispute Resolution Policy (the "Rules"), and the Centre's Supplemental Rules (the "Supplemental Rules").

In accordance with the Rules, the Centre formally notified the Respondent of the Complaint, and the proceedings commenced on 7 July, 2006. In accordance with the Rules, the Respondent submitted a Response on 14 August 2006. The Complainant submitted a Reply on 23 August 2006 (hard copy).

On 28 August 2006, the Centre appointed The Hon. Sir Ian Barker, QC as Presiding President and Mr. Hariram Jayaram and Ms. Harini Narayanswamy as Co-Panellists. The Complainant and the Respondent had requested a 3-member Panel.

The Panel finds that it was properly constituted. The Panel has submitted Statements of Acceptance and Declarations of Impartiality and Independence, as required by the Centre. The parties were notified of the appointment of the Panel on 28 August 2006.

4. Factual Background

The Complainant was established in 1956 in Columbus, Ohio, United States of America and operates a business of selling water-softening systems, water-filters and parts, distributing water coolers/filters, as well as providing advisory and consultancy services in relation to water filtration systems in the United States of America and elsewhere. It has expended considerable resources in promoting its trademarks and domain names, although the Complaint is not specific as to where the resources have been expended. In Malaysia, it distributes through an agent.

The Complainant is the owner of the "WATERBOSS" trade mark for which it has registrations in the United States of America (Registration No. 1,644,760 filed on 28 November 1989 and registered on 14 May 1991 and Registration No. 2722473 filed on 21 November 2001 and registered on 3 June 2003). It also owns Community Trade Mark Registration No. E3037918 (filed on 14 February 2003 and registered on 16 November 2004).

The Complainant has also filed on 17 February 2003, an application in the Registry of Trade Marks in Malaysia under Registration No. 2003-01799 with the following description of goods:

“Water supply installations, water purification installations, water softeners, water filtration units, water purifiers and water deionization units; all included in Class 11”.

The “**WATERBOSS**” Product was launched in Malaysia in April, 2002. The sales figures as supplied in the Complaint are modest. They range from US\$2,750 in February 2002 to US\$634 in September 2003 (when the disputed domain name was registered).

The Complainant owns the Domain Name www.waterboss.com having registered it on 27 October 1996. It publicizes its trademark “**WATERBOSS**” on this website.

The disputed domain name was registered on 24 September 2003. The present Respondent was not registered as a company under Malaysian law until 27 October 2004. The MYNIC records show the Respondent as registrant as at 24 September 2005. It is possible that the directors of the Respondent who had been registered as a partnership known as “Water Boss Trading” on 24 July 2002, procured the transfer of the disputed domain name. The MYNIC records show the initial registrant as at 24 September 2003 was Qi-Net Computer Sdn Bnd. (Qi-Net).

Although no date of transfer is given, there must have been a transfer of registration from Qi-Net to the present Respondent before 24 September 2005 and after the Respondent’s incorporation. There is ample authority in the WIPO jurisprudence that the date of the transfer of a domain name to the registrant who is the Respondent at the time a proceeding is brought, is the date of registration of the domain name for the purposes of the ICANN Policy. The Panel assumes at best for the Respondent that the date of registration of the disputed domain name, therefore, is 27 October 2004, probably later.

The liability of a transferee of a domain name such as the Respondent has been discussed in *Webjet Marketing Pty Ltd v. Brad Norrish* (WIPO D2005-1096) which held that the fact that the Respondent was not the first registrant does not preclude a finding that the disputed domain name was registered and used by the transferee in bad faith. See also *Audio Visual Services Corporation v SIA Netex Galaxy* (NAF FA0605000713767 – 27 June 2006).

Advertising material was produced by the Respondent displaying the name “Water Boss” as presenting FILTER FIRST and BLUE STEEL products.

The Respondent has filed for Trademark registration in Malaysia for the name ‘FILTER FIRST’. The Respondent is the authorised distributor of a water cooler product called ‘SMART FILTER’ as well as for FILTER FIRST. Both of these products are made in the USA.

The Respondent applied for Malaysian Trademark registration for the name WATER BOSS on 13 October 2005.

5. Parties Contentions

The Complainant contends as follows:

The disputed domain name is identical to the Complainant's "WATERBOSS" trade mark to which the Complainant has had rights to since 1989.

The Respondent has registered the disputed domain name in bad faith.

The Respondent is a Company established only in 2004. Although its trading name and domain name use the name "WATERBOSS", it does not deal with any products bearing the WATERBOSS brand. Rather, it is the authorised distributor of other US brands.

The Respondent is not engaged in a *bona fide* offering of products and services. Its website offers products bearing the brand name SMART FILTER and its trademark application is for the mark "FILTER FIRST".

Apart from using the mark "WATERBOSS" in its trading name and domain name, the Respondent is not dealing with WATERBOSS Products at all. Hence, the Respondent is not commonly known by the Domain Name.

Through being in the water-filtration industry, the Respondent must have knowledge of the Complainant's reputation and recognition in water-filtration systems. The products offered by the Complainant and the Respondent are similar (i.e water treatment equipment). Therefore, the Respondent's act of registering and using the disputed domain name has misled, attracted and/or diverted Internet Users, for commercial gain by utilising a domain name which is confusingly similar to that of the Complainant's.

The Respondent must have had knowledge of the Complainant's US registered "WATERBOSS" trade mark and acted in bad faith to register the disputed domain name.

There is no evidence to demonstrate that the Respondent is making a legitimate non-commercial or fair use of the disputed domain name. Rather, the Complainant asserts that the Respondent is engaged in a "for-profit" enterprise using the disputed domain name.

By registering the disputed domain name, the Respondent has prevented the Complainant from using the domain name which is similar to its Trade Mark Application in Malaysia.

The Respondent's use of the disputed domain name will cause confusion amongst the public and/or Internet users in that the web site is operated or authorised by, or otherwise connected with, the Complainant and/or its trade mark.

There is no connection between the parties and the Complainant has not licensed or otherwise permitted the Respondent to register the disputed domain name incorporating its trademark.

No legitimate use can or should be assumed from the registration of the domain name, which displays an element of bad faith whereby the Respondent has offered to sell the disputed domain name;

The Respondent denies these contentions and asserts as follows:

The Complainant must have rights in a trademark which is registered in Malaysia and which antedates the date when the domain name in issue was registered.

An application for registration of the mark in Malaysia was made in February 2003. The application is still pending.

In *Funskool (India) Ltd v funschool.com Corporation (WIPO Case No D2000-0796)*, although the Panel held that the Policy places no limitation on the operative extent of a trademark, that decision can be distinguished. The domain name in question "funskool.com" was a ".com" name and confers a right that is global in effect. In this case, the domain name is ".com.my" which in effect limits the geographical effect and applicability to Malaysia only. In the circumstances, the Complainant's trademark must be registered in Malaysia before it can claim a right to the same. This contention is further supported by the fact that the Complainant brought this proceeding against the Respondent only **after** its mark had been accepted for gazetting purposes.

The trademark in question **must** necessarily predate the domain name as in the case of *John ode d/ba ODE and ODE-Optimim Digital Enterprises v Intership Limited (WIPO Case No. D2001-0074)*. Otherwise, the Respondent could not be said to have infringed any mark.

The Complainant's real complaint is that the registration and the use of the domain name by the Respondent is an infringement of the Complainant's trade/service mark rights and/or an attempt to pass off its goods and services as those of the Complainant's, which is not within the scope of this forum and neither is the Policy appropriate to resolve it. See *The Bear Stearns Companies Inc. v Pacific Residential WIPO Case No D2004-0314* and *Credit Management Solutions, Inc v Collex Resource Management (WIPO Case No D2000-0029)*.

In line with paragraph 7 of the Policy, the Respondent contends that before any notice was given to the Respondent of the dispute, its use of the domain name was

in connection with a *bona fide* offering of goods and services and that the Respondent has been commonly known by the domain name.

The Respondent has another related business known as Water Boss Trading, (registered as a partnership on 24 July 2002) which shares the same place of business as the Respondent. The owners of Water Boss Trading are the directors and shareholders of the Respondent. Both the Respondent and Water Boss Trading are known by the disputed domain name.

Both the Respondent and the said Water Boss Trading are in the water filter, purifier and filtration system business. The Respondent first thought about the name WATER BOSS prior to 2002, when one of its directors, Mr Yeoh Zhee Keang attended a seminar on multi-layer marketing (MLM) system. The idea of “BOSS” was introduced during the seminar to the participants, including Mr Yeoh. During the seminar, the word “BOSS” denoted “Business Opportunity System Success”. With the idea disseminated from “BOSS”, Mr Yeoh set up his business known as Water Boss Trading in 2002. As he was in the water filtration business, he thought that by using the word “BOSS” would entail a variety of business opportunities involved with water, such as filter, pump, piping and tank storage.

The present directors of the Respondent had not then heard of the Complainant nor was the Respondent aware of the product “WATERBOSS”.

The Respondent’s flyers, brochures and pamphlets clearly display the disputed domain name, together with the Respondent’s name and Water Boss Trading. The Respondent is offering goods and is generally known by its domain name. Substantial advertisement costs and charges had been undertaken by the Respondent and its related business, Water Boss Trading, to promote their businesses as well as the disputed domain name.

The Complainant has merely exhibited one invoice dated 23 April 2003 from the Complainant to PCA Industries Sdn Bhd. This is not evidence of alleged sales figure as suggested by the Complainant.

The Complainant’s agent in Malaysia, PCA Energy Products Sdn Bhd was incorporated on 4 December 2001 with a primary business of importing household products. No accounts have been filed with the Companies Commission of Malaysia since its date of incorporation. It is therefore questionable as to how active the said company is in trading and selling the Complainant’s product.

The Complainant, via their solicitors, had issued a letter to the Respondent on 21 July 2005, some 2 years after the Respondent had registered the disputed domain name. This letter was not produced to the Panel.

As to the Complainant's suggestion of bad faith on the part of the Respondent in offering to sell its domain name to the Complainant, the communication between the parties was made on a strictly without prejudice basis and for this reason alone, should be disregarded.

The offer made was in response to an inquiry from the Complainant and in the circumstances, does not constitute bad faith, particularly where the Respondent asserts that it has a legitimate interest in the domain name. The Respondent was not offering to sell the disputed domain name to the Complainant but instead, to request that the Complainant reimburse the Respondent as to the costs of setting up its entire business. The Respondent refers to the decision of *John ode d/ba ODE and ODE-Optimum Digital Enterprises v Intership Limited* (Supra).

The Complainant had initiated an offer to pay the costs of changing the Respondent's company name. This goes to show that the Complainant believes that it did not have a legitimate right in the domain name, albeit for a nominal sum.

The Respondent applied on 13 October 2005 for the registration of the trademark Water Boss under Class 11.

In its Reply, the Complainant re-asserted in various ways its main propositions and replied to the Respondent's submissions as follows:

A trademark in which a Complainant "has rights under the Policy" does not have to be a registered mark. Nor does the mark have to be operative in the country of residence or incorporation of the registrant of the disputed domain name.

It would have been impossible for people in the water-filter business in 2002 to have no knowledge of the Complainant. No evidence was given in relation to the alleged seminar at which the acronym for 'BOSS' was conceived. To the contrary, the Respondent's trading name is not based on some multi-layered marketing seminar but is an attempt to ride on the Complainant's goodwill in the water-filtration market.

Applying WIPO Case D2006-0003, *Costamar Travel Cruises & Tours Inc v Maya World S.C.*, the Respondent has no rights or legitimate interests in the words Water Boss – albeit common words but in a particular order.

The Respondent is better known for *Filter First* and *Smart Filter* brands than for Water Boss for which the Complainant is better known.

The Respondent has failed to discharge the burden of showing that it has rights or interests in the disputed domain name.

The documents produced as advertising material by the Respondent either are irrelevant or relate to *Smart Filter*.

The Respondent's application for a trademark for Water Boss is an act of bad faith. The Respondent failed to heed a 'cease and desist' letter from the Complainant.

6. Decision

Rule 17 of the MYDRP instructs the Panel to decide the proceeding based on the documents and evidence submitted by the Parties, the Policy and Rules as well as any other rules and principle of law which are applied in Malaysia.

Paragraph 5 of the MYDRP Policy provides that the Complainant must establish BOTH of the following elements in the Complaint:-

- (i) The Domain Name is identical or confusingly similar to a trade mark or service mark to which the Complainant has rights; and
- (ii) The Respondent has registered and/or used the Domain Name in bad faith

Identical or Confusingly Similar

The disputed domain name is identical with the Complainant's United States and Community registered marks for WATER BOSS. It is also identical to the mark for which application has been made for Malaysian registration.

Decisions by WIPO panelists have held that the country where a Complainant's trademark is registered does not have to be the country of residence or incorporation of the Respondent. See *WIPO Overview of WIPO Panel Views on Selected UDRP Questions*, Para. 1.1.

These decisions are made under a Policy which has the same prescription as para. 5(1) of the MYDRP i.e:

“The Domain Name is identical or confusingly similar to a trade mark or service mark to which the Complainant has rights.”

It has also been held frequently by WIPO and NAF panels that a common law trademark can confer rights. However, a common law mark requires proof of long-established use and exposure of the mark in a particular market. In no way, could the Complainant claim a common law mark for Water Boss in Malaysia, given the fairly meagre evidence of its activities and the low level of sales in the years 2002 and 2003. See *WIPO Overview*, (supra) Para. 1.7.

The question is whether the Complainant's registered marks in the United States come within the Malaysian Policy which is confined to disputes about names registered with the suffix .my denoting Malaysia, as distinct from the top level suffixes such as .com, .net or .org which denote a world-wide outreach, not confined to a single country.

It should also be noted in this context that WIPO administers several country codes under the same Policy, (e.g. domain names with the suffix .tv (Tuvalu) or .ws (Samoa)). Also of relevance is the fact that a domain name with a country-code suffix can be accessed by anyone in any part of the world on the internet just like a .com or .org name.

In the Panel's view, the Malaysian Policy, should be interpreted in the same manner as in the WIPO regime – namely, proof of ownership of a registered mark in one country is sufficient to demonstrate 'rights' in a mark in Malaysia.

The relevance of the distant trademark registration and its effect on consumers in Malaysia is more relevant to the bad faith criterion. WIPO decisions show that a Complainant has frequently been unable to show bad faith registration of a domain name by someone in one country unlikely to have heard of the mark registered in another country. See *VZ VermögensZentrum AG v Anything.com* (WIPO D2000-0527).

It is pertinent, however, to note that the WIPO and NAF regimes require proof of both bad faith registration and bad faith use. The Malaysian Policy says "*registered and/or used*" in bad faith.

The Panel adopts the following quotation from the majority view in the *Funskool* case (supra) as being relevant on this point:

"The Policy places no limitation on the operative extent of a trademark, which the Complainant must show the disputed domain name to be identical or confusingly similar to. If the intention had been that the Complainant's right to complain about registration and use of a domain name which is identical or confusingly similar to its trademark had to be limited to a trademark recognized by the law of the Respondent's country of incorporation or residence, the Policy would have said so expressly. Were it otherwise, two possible results would follow: a person in a powerful country like the United States could register and use domain names identical or confusingly similar to any or all trademarks or service marks, however successful overseas, and claim that whatever be their trade or service mark rights outside the United States, they do not apply to the United States and therefore he is entitled to register that name for his own purposes, including its sale to the owner of the trademark or service mark or diversion of international customers of the owner of the mark to the registrant's website in the United States. Yet the use of the domain name in a website has consequences which are global in effect. Whether a respondent to a complaint protests its intention to target only customers within its own national market or not the availability of its material is by the very nature of the Internet is global and not national in effect. The

alternative possibility if the argument that a trademark for the purposes of these Administrative Proceedings must be limited to trademarks recognized in the country of incorporation or residence of the residence is that, a person in a country, however insignificant or obscure, can follow the same procedure by registering the trademark or service mark of well-known international companies and get away with a plea that the trademark or service mark does not apply to his country. That would mean that trademarks and service marks, the validity of which is, in principle, regulated by national laws, must be placed at the mercy of such domain name registrants who may choose to use the name on a global basis to the detriment of the owner of the trademark or service mark, would be intolerable. The Panel is conscious of the fact that it is not a national administrative tribunal but an international one.

Whether a disputed domain name is identical or confusingly similar to a trademark or service mark is a question of fact which ought to be answered without reference to whether the trademark or service mark is operative in the country of residence or incorporation of the registrant of the domain name. That such interpretation must be adopted is consistent with and supported by the fact that two other stringent hurdles, apart from the identical or confusingly similar nature of the trademark have been placed in the way of the Complainant succeeding even if the Complainant surmounts this first one. A Complainant in an Administrative Proceeding calling for the transfer or cancellation of the domain name may fail to obtain a decision in his/its favor on other grounds which the Policy obliges him/it to prove, but not on the issue that the domain name is identical or confusingly similar to an existing trademark or service mark. Looked at in that light, the disputed domain name in this case, "funskool.com" is confusingly similar to the trademark, in which Complainant appears to have rights. However, the Complainant has not submitted proof of the breadth or extent of its trademark rights outside of the Country of India.”

Accordingly, the Complainant succeeds on the first requirement of the Policy.

Bad Faith

As is often the case, the question of bad faith is intermingled with that of whether the Respondent has any right or legitimate interest.

The Complainant gave no rights to use its trademark to the Respondent. So it falls to the Respondent to show that it has some legitimate right to use the

disputed domain name so that it cannot be said to have registered and/or used the disputed domain name in bad faith.

The difficulty which the Panel faces is endeavouring to reach a decision on the documents alone without the ability to make findings of credibility which can only be made at a defended hearing with cross-examination.

This is not the frequently-encountered case of a cyber-squatter who is not using the disputed domain name other than per medium of a 'click-through' website or of a person who does not operate a discernible business using the disputed domain name but who alleges speculative plans to develop a business one day. Domain Name jurisprudence is filled with instances of these and similar situations.

Here, rightly or wrongly, the Respondent is using the name WATER BOSS in its business of selling water equipment (albeit that such equipment is manufactured by firms other than the Complainant). The Respondent may be susceptible to a claim at common law for passing-off. If the Complainant's trademark application were to be successful, the Respondent could be liable in an infringement action.

There could be proceedings in the Registry of Trade Marks which is faced with two trademark applications for the same name in the same industry.

Although the Panel is extremely sceptical about the claim that the Respondent (or its predecessor partnership) had never heard of the Complainant, the Panel cannot make any finding on this point without a proper hearing involving witnesses.

As at the date of registration of the disputed domain name in the name of the Respondent (October 2004 at the earliest or probably later), the Complainant had a presence in Malaysia and had applied there for a trademark for the word Waterboss. Before this date, however, the Respondent or its predecessor partnership had used the word Waterboss on their advertising material for other water coolers. Whether they were right to do so is not something that can be decided by a Panel which cannot see and hear witnesses.

The Tribunal accordingly cannot find as proved that the disputed domain name was registered and/or is being used in bad faith. That may well be so but this administrative procedure is an inappropriate vehicle for making such a conclusion. Any decision from this Panel could be seen as determining the parties' trademark rights which is the province of the Registry of Trade Marks or the Courts.

7. Conclusion

Accordingly, the Complaint must be denied.

20th September 2006

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Hon. Sir Ian Barker, QC
Presiding Panelist

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Mr. Hariram Jayaram
Panelist

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Ms. Harini Narayanswamy
Panelist