.hk Domain Name Dispute Resolution
AWARD BY ARBITRATION PANEL

Complainant:        Water Pik, Inc.
Respondent:         Nudento International Limited
Case Number:        DHK-1700146
Contested Domain Name: <waterpic.com.hk>
Panel Member:        Sebastian Hughes

1. Parties and Contested Domain Name

The Complainant is Water Pik, Inc., of 1730 East Prospect Road, Fort Collins, CO 80553-0001, USA, represented by Dorsey & Witney, Hong Kong.

The Respondent is Nudento International Limited, of 19/F, Yat Chau Building, 262 Des Voeux Road, Central, Hong Kong, and is self-represented in this proceeding.

The contested domain name is <waterpic.com.hk> (the “Domain Name”), registered by the Respondent with Hong Kong Domain Name Registration Company Limited.

2. Procedural History

The Complaint was filed with the Hong Kong International Arbitration Centre (the “Centre”) on August 3, 2017. On the same day, the Centre transmitted by email to the Registrar a request for registrar verification in connection with the Domain Name. On August 4, 2017, the Registrar transmitted by email to the Centre its verification response confirming that the Respondent is listed as the registrant of the Domain Name, and providing the Respondent’s contact details. On August 9, 2017, the Centre sent a deficiency notification to the Complainant. On August 10, 2017, the Complainant filed an Amended Complaint, removing one domain name from the Complaint.

The Centre verified that the Complaint satisfied the formal requirements of the HKDNR Domain Name Dispute Resolution Policy (the “Policy”) and the HKDNR Domain Name Dispute Resolution Rules (the “Rules”).

In accordance with paragraphs 2(a) and 4(a) of the Rules, the Centre formally notified the Respondent of the Complaint, and the proceeding commenced, on August 11, 2017. In accordance with paragraph 5(a) of the Rules, the due date for Response was
September 1, 2017. On September 1, 2017, the Respondent filed the Response with the Centre.

The Centre appointed Sebastian Hughes as the sole Panelist of the Arbitration Panel in this matter on September 5, 2017. The Panel finds that it was properly constituted. The Panel has confirmed its impartiality and independence, in accordance with paragraph 7 of the Rules.

On September 15, 2017, the Complainant sent an email to the Centre and to the Panel, requesting the Panel to allow the filing of a further statement and evidence. On the same date, the Respondent sent an email to the Panel, objecting to the Complainant’s request.

On September 18, 2017, the Centre sent an email to the parties advising that the Panel had refused the Complainant’s request to file a further statement and evidence, and that the reasons for such refusal would be provided in this Decision.

3. Factual Background

A. Complainant

The Complainant is a company incorporated in the State of Delaware in the USA and is the owner of numerous registrations in Hong Kong and China for the trade mark WATERPIK (the “Trade Mark”) and its Chinese language equivalent, ® ® ®. The Complainant’s earliest registration in Hong Kong for the (stylised version) of the English language Trade Mark is registration No. 301443348, with a registration date of October 5, 2009; and the Complainant’s earliest registration in Hong Kong for the Chinese language version of the Trade Mark ® ® ® is registration No. 199510174, with a registration date of April 7, 1994.

In addition to its trade mark registrations in Hong Kong, the Complainant is the owner of numerous registrations for the Trade Mark in jurisdictions worldwide, the earliest being registration No. 923514 in the USA, with a registration date of November 9, 1971.

The Complainant is also the owner of the domain name <waterpik.com>, registered since January 10, 1996.

The Complainant has been producing and selling a wide range of oral health care products under the Trade Mark worldwide since 1961.

B. Respondent

The Respondent is a company incorporated in Hong Kong.
The Respondent was, from April 15, 2009 to March 3, 2017, an authorised distributor in Hong Kong of the Complainant’s products, appointed by the Complainant’s Singapore based master distributor for Asia.

C. The Contested Domain Name

The Domain Name was registered on April 17, 2009.

D. Use of the Contested Domain Name

The Domain Name is resolved to an English and traditional Chinese language website which advertises and sells the Complainant’s oral health care products, and which features images of the Complainant’s oral health care products, as well as the word and stylised word versions of the English language Trade Mark and the Chinese language Trade Mark, together with the “®” (registered trade mark) symbol (the “Website”).

4. Parties’ Contentions

The Complainant

The Complainant contends that the Domain Name is identical to the Trade Mark, the Respondent has no rights or legitimate interests in respect of the Domain Name, and the Domain Name has been registered and is being used in bad faith.

The Respondent

The Respondent contends that the Respondent, as the authorised distributor of the Complainant’s WATER PIK products under the Trade Mark in Hong Kong from April 15, 2009 to March 3, 2017, has rights or legitimate interests in respect of the Domain Name, and, accordingly, the Domain Name has not been registered and used in bad faith. The Respondent also contends that the images of the Complainant’s products featured on the Website were provided by the Complainant.

5. Findings

5.1 Further Statement & Documents

The Panel has sole discretion, under paragraph 12 of the Rules, to request further statements or documents from either or both of the Parties.

If a panel requests (or accedes to a party’s request to file) a further statement or documents, it will usually afford the other party the opportunity to file a further statement or documents in reply.

The filing of statements and documents by way of reply and sur-reply is inherently contrary to the underlying rationale of the Policy – namely, that domain name
proceedings under the Policy should be determined expeditiously and cost-effectively. For this reason, unsolicited supplemental filings are usually refused.

Ordinarily, a party requesting leave to file further statements or documents would need to satisfy the panel that there are cogent reasons in support of leave, including demonstrating that the additional material is relevant to the proceeding, and that the evidence could not have been reasonably filed together with the complaint or response. Absent exceptional circumstances, leave will usually not be granted.

The (unsubstantiated) grounds in support of the Complainant’s request are as follows:

"Upon reviewing the Response and evidence filed by the Respondent, we note that they contain a number of material factual and legal points are incorrect and/or misleading. As such, we believe that the Complainant should be given an opportunity to file a further statement and evidence to clarify those points so as to allow the Arbitration Panel to have a comprehensive understanding of the case’s background so that it will be in a position to make a fair and just decision in the captioned HKDRP proceeding.”

The Respondent objects to the filing of a further statement and documents by the Complainant on the following grounds:

(i) The Complainant had more than enough time to prepare and file the Complaint; and

(ii) The Complainant is represented by a professional law firm, and should have covered everything beforehand.

In the circumstances, the Panel finds that the Complainant has failed to provide sufficient grounds to support its request. In particular, the Panel is not convinced that the proposed additional material is relevant to the determination of the substantive elements under the Policy. The Panel therefore declines the Complainant’s request to adduce a further statement and evidence.

5.2 Substantive Elements of the Policy

According to paragraph 4(a) of the Policy, the Complainant has the burden of proving that:

(i) the Domain Name is identical or confusingly similar to a trade mark 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) the Domain Name has been registered and is being used in bad faith; and
(iv) if the Domain Name is registered by an individual person, the Registrant
does not meet the registration requirements for that individual category of
Domain Name.

(1). **Identity/confusing similarity**

The Panel finds that the Complainant has rights in the Trade Mark acquired through
use and registration.

The disputed domain name comprises the Trade Mark in its entirety and is therefore,
excluding the ccTLD \".com.hk\" (in accordance with previous decisions), identical to
the Trade Mark.

The Respondent has not, in the Response, contested the first element under paragraph
4(a) of the Policy.

Although the date of registration of the Complainant’s English language Trade Mark
in Hong Kong post-dates the date of registration of the Domain Name, the date of
acquisition of trade mark rights is not relevant for the purposes of the first element of
paragraph 4(a), provided the Complainant possesses relevant trade mark rights at the
time of filing of the Complaint.

The Panel notes also that, by virtue of the widespread use of the Trade Mark
worldwide (including in Hong Kong) since 1961, and also by virtue of the
Complainant’s registration of the Chinese language equivalent of the Trade Mark in
Hong Kong since 1994, the Complainant had in any event established common law
(or unregistered) trade mark rights in the Trade Mark before the date of registration of
the Domain Name.

Accordingly, the first element under paragraph 4(a) of the Policy has been made out.

(2). **Rights or Legitimate Interests**

Paragraph 4(d) of the Policy provides a list of non-exhaustive circumstances any of
which is sufficient to demonstrate that a registrant has rights or legitimate interests in
a contested domain name:

(i) Before any notice to the registrant of the dispute, the registrant’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

(ii) The registrant (as an individual, business, or other organisation) has been
commonly known by the domain name, even if the registrant has acquired no
trade mark or service mark rights in Hong Kong; or
(iii) The registrant has trade mark or service mark rights that are identical to the domain name the registrant is holding; or

(iv) The registrant 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 trade mark or service mark at issue.

The undisputed evidence of both parties is that:

(i) The Respondent was appointed (by the Complainant and by the Complainant’s master distributor for Asia) as an authorised sub-distributor in Hong Kong of the Complainant’s products, under the Trade Mark, for the period from April 15, 2009 to March 3, 2017 (the “Distribution Agreement”);

(ii) There was apparently no formal contract entered into between the parties regarding the Distribution Agreement; and

(iii) The Distribution Agreement was terminated by letter from the Complainant to the Respondent dated January 1, 2017 and sent to the Respondent by email dated January 3, 2017, giving 60 days’ notice.

There is no evidence that the Complainant has authorised, licensed, or permitted the Respondent to continue holding and using the Domain Name following the termination of the Distribution Agreement. The Complainant has prior rights in the Trade Mark which precede the Respondent’s registration of the Domain Name. The Panel finds on the record that there is therefore a prima facie case that the Respondent has no rights or legitimate interests in the Domain Name, and the burden is thus on the Respondent to produce evidence to rebut this presumption.

The Respondent has failed to show that it has acquired any trade mark rights in respect of the Domain Name or that the Domain Name has been used, post termination of the Distribution Agreement, in connection with a bona fide offering of goods or services.

The Respondent has exhibited to the Response a letter from the Complainant to the Respondent dated October 19, 2009 and containing the following wording:

“\textit{I write to clarify the terms of your distribution agreement with Water Pik, Inc... and bring a few things to your attention related to your distribution of Water Pik products...}"

\textit{... Water Pik does not allow distributors to sub-distributors to promote themselves as Water Pik... Such activity is likely to cause confusion among consumers that you are in fact Water Pik (or a subsidiary) rather than an authorized distributor. As you can understand, such a representation could lead to significant negative corporate, tax and legal consequences for Water Pik. Thus, we request that you modify your website to}
clearly show that it is a NuDento International website and that NuDento International is a sub-distributor of Water Pik’s products...

Lastly, for clarity, although we do not currently have an issue with NuDento International’s use of the word “waterpik” in its domain URL, should your distribution agreement terminate or NuDento International cease distributing products for Water Pik, it is understood that NuDento International must relinquish the registration to such domain name...”

The Respondent also exhibited to the Response its email correspondence dated October 27, 2009 with the Respondent’s master distributor and discussing the October 19, 2009 letter from the Complainant to the Respondent, including the email response from the Respondent’s master distributor also dated October 27, 2009 which stated as follows:

“...What they are saying is that you should amend your website (plus Facebook) to reflect it more as a website from your company instead of a website that consumers may think it is a website from Waterpik, US. They also want an assurance from you that in the event that you are no longer an authorized distributor from Waterpik, you will relinquish the registration to such domain name...

I think it is a fair request. They just want to protect themselves that you will not continue to use the name in case in future you are no longer associate (sic) with Waterpik...”

In light of the above, the Respondent was under no misapprehension as to its limited rights to register and use the Domain Name during the term of the Distribution Agreement only.

The Respondent contends, correctly, that it is only using the Website to offer for sale and sell the Complainant’s oral hygiene products under the Trade Mark. However, the Website is not accurately and prominently disclosing the Respondent’s relationship with the Complainant, the owner of all of the trade mark rights in the Trade Mark. To the contrary:

(i) The Home page, Products page and Accessories page on the Website feature prominently the Trade Mark (together with the “®” sign) and images of the Complainant’s products, with the footer “© 2016 NuDento International Limited. All rights reserved.”; and

(ii) The “About us” page on the Website states prominently, and falsely (given the termination of the Distribution Agreement), as follows:

“NuDento International Limited is the authorized seller of Waterpik® Oral Care Products.
Our products are sold directly to consumers and through authorized dentists ONLY.

Professionals and wholesalers are welcomed to join in dispensing products and please feel free to contact us for price list, leaflets, posters and demonstration.”

The Panel finds that the evidence adduced by both parties clearly establishes that, in breach of the Distribution Agreement, and in breach of the Complainant’s relevant trade mark rights, the Respondent has continued to hold and use the Domain Name in order to pass the Respondent off as an authorised distributor of the Complainant’s oral hygiene products under the Trade Mark after the termination of the Distribution Agreement, contrary to the fact.

There has been no evidence adduced to show that the Respondent has been commonly known by the Domain Name.

There has been no evidence adduced to show that the Respondent is making a legitimate non-commercial or fair use of the Domain Name.

The Panel finds that the Respondent has failed to produce any evidence to establish rights or legitimate interests in the Domain Name following the termination of the Distribution Agreement. The Panel therefore finds that the Complaint fulfils the second condition of paragraph 4(a) of the Policy.

(3). Bad faith

In light of the Respondent’s continued use of the Website post termination of the Distribution Agreement in the manner described above, the Panel has no hesitation in finding that bad faith registration and use has been made out.

The Respondent claims that the Complainant, in obtaining registration of the Trade Mark in Hong Kong in Class 35, without the Respondent’s knowledge and agreement, in respect of “On-line ordering services featuring personal healthcare products”, a service provided by the Respondent, has engaged in bad faith and dishonesty. This contention is ill-founded. Any use by the Respondent of the Trade Mark during the pendency of the Distribution Agreement enured to the benefit of the Complainant, the owner of the relevant registered and common law rights in the Trade Mark in Hong Kong.

The Respondent also asserts that the Complainant is using the Domain Name and the Respondent’s email address on the Complainant’s <www.waterpik.com> website (on the “International Distributors” page) without consent and agreement, suggesting the Complainant has “no respect for the Respondent’s ownership and law as it is Respondent’s intellectual property”. Such assertion is also without merit, in all the circumstances, given the parties’ clear agreement that all rights in respect of the
Domain Name are to revert to the Complainant upon termination of the Distribution Agreement.

The Complainant has exhibited to the Complaint its email dated March 19, 2017 to the Respondent requesting transfer of the Domain Name, and the Respondent’s email response of the same date, in which the Respondent stated:

“Nice to hear from you again. First, you have to ship us the 3 packs STRB-3EW that we had ordered and paid. Thanks...”

The Respondent contends (without supporting evidence) in the Response that “Complainant did not ship what was ordered and Respondent simply asked them to fulfill their obligation and did not agree to transfer Domain Name”. This suggests an attempt by the Respondent to hold the Complainant to ransom which, in the Panel’s opinion, provides further evidence in support of the finding of bad faith.

The Respondent further submits that, since the English language Trade Mark was not registered in Hong Kong at the time the Domain Name was registered, the Domain Name was not registered in bad faith. In light of the Complainant’s prior use of the English language Trade Mark in Hong Kong and elsewhere for many years prior to the date of registration of the Domain Name, and in light of the Complainant’s prior registration of the Chinese language Trade Mark in Hong Kong, this submission is also without merit.

The Respondent asserts that it helped the Complainant build up the Trade Mark in Hong Kong for almost 8 years and incurred advertising expenditure in doing so and, accordingly, it should be entitled to retain the Domain Name, and the Complainant can simply register a new domain name. The Panel does not find, in all the circumstances of this proceeding, any factual or legal basis to support such assertions. To the contrary, the Panel finds that the evidence submitted by both parties demonstrates incontrovertibly that the Complainant:

(i) At all times expressly reserved all of its rights in Hong Kong in the Trade Mark during the pendency of the Distribution Agreement;

(ii) Exercised control over the manner in which the Respondent was permitted to register and use the Domain Name; and

(iii) Expressly required (and obtained the Respondent’s agreement to) the transfer of the Domain Name to the Complainant upon termination of the Distribution Agreement.

In such circumstances, the Panel finds that the continued registration and use of the Domain Name and of the Website in the manner described above provides clear evidence of bad faith.
(4). If the Domain Name is registered by an individual person, the Registrant does not meet the registration requirements for that individual category of domain name.

The fourth limb under paragraph 4(a) of the Policy is not applicable to this proceeding, as the contested domain name has not been registered by an individual person.

5.3 Transfer to the Complainant’s Agent

In accordance with Article 3.6 of the Domain Name Registration Policies, Procedures and Guidelines for .hk and .香港 domain names, holders of .hk and .域名 names must be commercial entities registered in Hong Kong. The eligibility requirements are a copy of the registrant’s Business Registration Certificate from the Inland Revenue Department, or a copy of the registrant’s Certificate of Registration of Overseas Company from the Companies Registry.

As the Complainant is a US entity, it has requested that the Domain Name be transferred to its solicitors and agents in Hong Kong, Dorsey & Witney. The Complainant’s representatives, Dorsey & Witney, have filed together with the Complaint a copy of their Business Registration Certificate in order to satisfy the eligibility requirements. In accordance with previous decisions under the Policy, the Panel therefore accepts the Complainant’s nomination of Dorsey & Witney as the registrant of the Domain Name.

6. Award

For the foregoing reasons, in accordance with paragraphs 4(i) of the Policy and 15 of the Rules, the Arbitration Panel awards, orders and directs that the Domain Name <waterpik.com.hk> be transferred to the Complainant.

Date of Issue: September 19, 2017

Place of arbitration: Hong Kong

Sebastian Hughes
Sole Panelist of the Arbitral Tribunal