

SINGAPORE DOMAIN NAME DISPUTE RESOLUTION SERVICE

Administrative Panel Decision

Case No. SDRP-2002-0002(L)

MediaCorp News Pte Ltd v iLABS Technologies

1. The Parties

- 1.1 The Complainant, MediaCorp News Pte Ltd, is a company in the Media Corporation of Singapore Pte Ltd group of companies. It has its office at Caldecott Broadcast Centre, Andrew Road, Singapore 299939. The Complainant was represented by its Vice-President (E-News), Mr Alvin Chng.
- 1.2 The Respondent, iLABS Technologies, is a firm providing various Internet services. It has its office at 173-A Telok Ayer Street, Singapore 068622. The Respondent was represented by its founder and technical consultant, Mr Allen Te Kek Chin.
- 1.3 In this decision, the Complainant and the Respondent will be referred to collectively as the "Parties".

2. The Domain Name and Registrar

- 2.1 The domain name in issue is "teletext.com.sg".
- 2.2 The Registrar for the domain name is Singapore Network Information Centre (SGNIC) Private Limited ("SGNIC").

3. Procedural History

- 3.1 The Complainant submitted its complaint (the "Complaint") pursuant to the Singapore Domain Name Dispute Resolution Policy (the "Policy") and the Rules for the Singapore Domain Name Dispute Resolution Policy (the "Rules").
- 3.2 The Secretariat for the Singapore Domain Name Dispute Resolution Service (the "Secretariat") received the Complaint via e-mail and in hard copy on 26 February 2002. After checking the Complaint for administrative compliance with the Policy and the Rules, the Secretariat forwarded the Complaint, together with a covering minute and the prescribed Complaint Notification Instructions, to the Respondent on 1 March 2002.
- 3.3 The Respondent submitted its Response on 22 March 2002.

- 3.4 Both Parties agreed to have the dispute mediated by the Administrative Panel (the "Panel") before the Panel was called upon to decide the dispute. Both Parties also agreed that the Panel could proceed to decide the dispute if the Parties failed to reach an agreement after mediation.
- 3.5 The Secretariat arranged for the mediation to be conducted at the Singapore Mediation Centre on 10 April 2002. On 27 March 2002, the Secretariat notified the Parties of the arrangements for the mediation and the appointment of Mr Phang Hsiao Chung as the Panel to mediate and, should the mediation fail to result in a settlement, decide the dispute.
- 3.6 On 8 April 2002, the Complainant submitted, by e-mail, a Reply to the Respondent's Response.
- 3.7 At the mediation session on 10 April 2002, the Parties considered various possibilities for resolving the dispute amicably. At the end of the session, the Parties decided to embark on further negotiations. After discussion, the Panel and the Parties agreed on the following arrangements:
- (1) The Respondent would submit to the Complainant and the Secretariat its Reply to the Complainant's Reply by 23 April 2002; and
 - (2) The Parties would inform the Panel of the outcome of the negotiations between the Parties, including any requests for additional time for negotiations, by 15 May 2002.
- 3.8 The Respondent submitted its Reply to the Complainant's Reply on 23 April 2002.
- 3.9 On 14 May 2002, both Parties requested for the time for negotiations to be extended to 31 May 2002. The Panel acceded to the request, and the Parties were notified that they should inform the Panel of the outcome of their negotiations, including any requests for additional time for negotiations, by 31 May 2002.
- 3.10 On 31 May 2002, the Respondent requested for a further extension of time for negotiations. The Complainant did not respond immediately as its authorised representative was away.
- 3.11 On 11 June 2002, the Complainant informed the Panel that the Parties were unsuccessful in reaching an agreement and that the Complainant would not be proceeding any further with the negotiations. The Complainant further requested that the Panel proceed to deliver judgment in this matter.

4. Factual Background

- 4.1 The word "teletext" first appeared in dictionaries published in the 1980s. The 1986 edition of *Webster's New World Dictionary of the American Language* succinctly defines "teletext" as "a communications service in which information, as news, is superimposed onto a television signal and broadcast to home television sets".

- 4.2 The Complainant operates a teletext service in Singapore under the brand name "Teletext". It was not the original provider of this teletext service. The Singapore Broadcasting Corporation ("SBC") introduced the teletext service in Singapore in August 1983. SBC, a statutory board which then held a monopoly on television broadcasting in Singapore, was a predecessor of the Complainant's parent company, Media Corporation of Singapore Pte Ltd. On 1 October 1994, SBC's property, rights and liabilities in relation to broadcasting services (including the teletext service) were transferred to "broadcasting successor companies" by virtue of section 49 of the Singapore Broadcasting Authority Act 1994 (Act No. 15 of 1994, now Cap 297, 1995 Ed). As at the time of writing, the Complainant continues to be the only Singapore provider of a teletext service.
- 4.3 In May 1996, the Complainant began providing an Internet version of its teletext service at the Internet site "mediacity.com.sg/teletext". In April 2000, the site was renamed "eastciti.com/teletext". According to the Complainant, it had displayed the Internet version of its teletext service at these sites as it had planned to establish these sites as full-fledged portals with entertainment, news and information content and interactive and e-commerce capabilities.
- 4.4 At the end of 2000, the site was renamed "mediacorpsingapore.com/teletext". In April 2001, the site was renamed "channelnewsasia.com/teletext". According to the Complainant, these 2 events occurred because of corporate and business restructuring and the renaming of the Media Corporation of Singapore Pte Ltd group of companies. It was only at this time that the Complainant felt the need for an independent and separately named Internet site for the Internet version of its teletext service.
- 4.5 The Respondent is a firm that offers web-hosting, web-design and Internet consulting services. It is the registrant of a number of ".sg" domain names. The Respondent has developed Internet websites that make use of some of these domain names. These include "hosting.com.sg", "design.com.sg" and "wedding.com.sg".
- 4.6 The domain name "teletext.com.sg" was registered to the Respondent on or about 15 January 1999. The Respondent claimed that it applied to register this domain name only after it had ascertained that:
- (1) "teletext" was a generic word or term "used in a global industry"; and
 - (2) "teletext" was not registered as a trade mark in Singapore.
- 4.7 According to the Respondent, "teletext" was a global industry standard that the Complainant had adopted to provide the teletext service in Singapore. The Respondent observed that in Singapore and elsewhere, advertisements highlighting the teletext feature of teletext-enabled television sets did so without treating the word "teletext" as a trade mark.
- 4.8 In April 2001, the Complainant approached the Respondent for a transfer of the domain name "teletext.com.sg". There is some dispute over what actually happened, so it is best to recite verbatim what each Party stated.

- 4.9 The Complainant describes the encounter in the following terms at page 6 of its Complaint dated 26 February 2002:

We contacted ILABS Technologies several months ago on the subject of recovering the domain name. However, they were reluctant to proceed with the transfer unless we paid them a high price for it. When we offered to pay ILABS Technologies S\$1,000 for a transfer, but they replied that that amount was way too low. When we asked them for a counter offer, they did not give one. The price asked for by ILABS Technologies would far exceed the cost of registering the domain name.

- 4.10 The Respondent denied the Complainant's allegations and gave the following account in its Response dated 21 March 2002:

(At page 5)

MediaCorp had approached us to obtain the domain in April 2001, and we informed them we do not wish to sell the domain. ...

(At page 8)

MediaCorp contacted us and requested us to transfer the domain name to them. We declined to do so as we already had development plans.

We only consider business proposals for investments in the portal or our company. We consistently refuse to sell domain names for the following reasons:

- i) It is against SGNIC's regulations to sell a domain ...
- ii) we have the intention of developing portals based on these domains

As MediaCorp's representative called persistently, we asked them for a formal business proposal to stop them from pestering us. Finally, MediaCorp came back with a proposal to buy the domain for S\$1000 instead of investing in the company (which is the norm for Internet companies), and we turned them down.

(At page 9)

MediaCorp has categorically stated that we did not offer or counter-offer a price. Hence the terms "price asked for by iLABS ..." is misleading as it implied we asked for a price.

It is important that MediaCorp stated we did not make a "counter-offer". Furthermore, it must be noted that we never made any attempt to contact them at all after their initial offer of S\$1000. A check with SGNIC would reveal that we have never sold a domain name to any party.

Since a counter-offer (which we did not make) would effectively constitute an "offer to sell" by the original offeree, it is a fact - admitted by MediaCorp - that we had never made an offer for sale. The sole solicitor of the sale process was MediaCorp.

We never had the intention to sell, rent or transfer the domain - to MediaCorp or any of its competitors, on the following grounds:

- i) we have **never** approached MediaCorp even though it is an existing teletext provider
- ii) we have also **never** approached their competitor Mediaworks, a potential teletext broadcaster, or any other competitors to sell, rent or transfer a domain
- iii) we have **never** transferred a domain name to a third party not related to our company (can be verified with SGNIC). On the contrary, we have a proven history of developing portal sites such as stocks.com.sg and internet.com.sg.

Through MediaCorp's own admissions, we had never offered our domain for sale, rent or transfer.

4.11 The Complainant's response to these allegations, as contained in its Reply dated 8 April 2002, is set out below:

(At pages 7 to 8)

30. We object to any insinuation that MediaCorp attempted to purchase a domain name against regulations. MediaCorp's averments at page 6 of its complaint document are that:

"We contacted iLABS Technologies several months ago on the subject of recovering the domain name. However, they were reluctant to proceed with the transfer unless we paid them a high price for it. When we offered to pay iLABS Technologies S\$1,000 for a transfer, but they replied that the amount was way too low ..."

31. Firstly, it is to be noted that MediaCorp approached iLABS for a *transfer*. It is also to be noted that the right to use a domain name which has been registered in the name of a registrant may, subject to SGNIC's approval, be transferred to another party if certain conditions are complied with. This is found at clause 24 of the Domain Name Registration Agreement Revision 03 (the "Agreement"), which each registrant for a domain name would have to agree to comply with. SGNIC also provides a "Request to Transfer" form and the procedures for all transfers approved by SGNIC. A transfer fee is payable.
32. Further, clause 15 of the Agreement states that "*save as provided for under clause 24 herein*, the Registrant shall not have any right to sell, trade, assign or otherwise transfer the domain name to any other party."
33. Hence, while registrants are not allowed to trade and deal with domain names by buying and selling domain names for profit ("cyber squatting"), genuine transfers are permissible. ...
34. Secondly, it is to be noted that MediaCorp only offered to pay iLABS \$1,000 for a transfer after it became apparent that they were reluctant

to proceed with a transfer unless MediaCorp paid them a price for it. The sum of \$1,000 should cover certain expenses of iLABS for maintaining their registration. This would include any disbursements that it would have incurred that may be attributed to the domain registration and keeping it "live", such as transport, electricity, telecommunication, server, internet connection, labour costs and so on. This amount of S\$1,000 was of course a ballpark figure as it was not possible for MediaCorp to know what amount of money would cover all such expenses.

35. Thirdly, it is to be noted that MediaCorp did not make any further offers of further amounts after iLABS rejected the sum of \$1,000.

(At page 10)

47. MediaCorp maintains its representation of what transpired when it contacted iLABS on the subject of recovering the domain name. MediaCorp denies that iLABS asked for a formal business proposal. MediaCorp also denies having pestered iLABS. In all, MediaCorp's employee spoke to iLABS' Mr Allen Te on the telephone on two occasions only. On the first occasion, the MediaCorp employee spoke to Mr Allen Te when he returned her telephone call after she left a message for him that MediaCorp was interested in recovering the domain name.

(At page 11)

52. It is to be noted that MediaCorp first approached iLABS for a transfer. As stated before above, a transfer is permissible. Secondly, it is only logical and prudent for MediaCorp to try to obtain a voluntary transfer from iLABS, failing which, a transfer through this administrative procedure, instead of embarking on legal proceedings immediately. Thirdly, as mentioned before, the sum of \$1,000, while more than the registration fees, was meant to cover expenses of iLABS, not just the registration fees. This would include disbursements such as transport, electricity, telecommunication, server, internet connection, labour costs and so on required to maintain the domain registration. This amount of S\$1,000 was a ballpark figure as it was impossible for MediaCorp to know what amount of money would cover all such expenses.

- 4.12 The Respondent dealt with these allegations in its Reply dated 23 April 2002 in the following manner:

(At pages 9 to 10)

SGNIC's regulations provide for the transfer of a domain name to a party only at a fee of S\$50 payable to SGNIC alone. There is no requirement by SGNIC for the transferee to pay the original registrant any compensation. The sum of S\$1,000 was consideration for purchase of a domain, rather than as a transfer fee.

By MediaCorp's own admission, MediaCorp had asked iLABS to transfer the domain to the former at no cost. iLABS had refused to do so, and informed

MediaCorp that the domain is not for sale. MediaCorp did not at any point in time, whether during the tele-conversation, or in their first complaint document, indicate the basis of the S\$1,000, at least not until iLABS has shown without a doubt that it has no intention, implicit or otherwise, to sell the domain. In fact, MediaCorp had insinuated that it had offered S\$1000 because iLABS wanted to sell the domain.

...

In their Complaint, MediaCorp says "... the price asked for by iLABS Technologies would far exceed the cost of registering the domain name ..." It is strange that MediaCorp now brings up the cost of "maintaining" (instead of merely just registering) to brush away our point that they initiated a purchase of the domain by virtue of the fact that the amount offered was way above the cost of registering the domain.

MediaCorp could easily have calculated that the cost paid by us was approximately S\$120 in the first year (1999), followed by S\$60 each in the years 2000 and 2001, which would total about S\$240 only. Their offer of S\$1000 is four times our direct outlay for the domain name fees (not including development costs to date).

...

Just as iLABS had never initiated any contact with MediaCorp, it is equally important to note that iLABS did not contact MediaCorp to negotiate after the first offer. As we have maintained all along, it is standard procedure for us to ask for a proposal as we do not sell domain names. Any consideration of proposals are always in respect of those not against regulations, and in this case, specifically the prohibition of sale of .com.sg domain names. In our previous response, we had demonstrated clearly that we were never working towards a sale or possible sale by virtue of our disinterest in contacting MediaCorp for follow up.

(At pages 14 to 15)

We did ask MediaCorp for a proposal - although we did not indicate that it must be in writing. And we had already told them that the domain was not for transfer or sale. It is true that MediaCorp spoke to me twice on the phone. However, MediaCorp made several calls prior to that, and kept calling back such that I had no choice but to call them back, so that my employees will not keep getting their representative's phone call. The fact that I was not keen to call MediaCorp at all is additional proof that there was never an intention to sell or transfer the domain.

- 4.13 When one focuses on the undisputed allegations, the following picture emerges. There were only 2 occasions when an employee of the Complainant actually spoke with the Respondent's Mr Allen Te on whether the Complainant could obtain a transfer of the domain name "teletext.com.sg" from the Respondent. The first occasion arose when Mr Te returned the telephone call of the Complainant's employee after she had left a message for him that the Complainant was interested in "recovering" the domain name. During that conversation, the Complainant's employee asked for the domain name to be transferred to the Complainant at no cost. The Respondent refused

to do so. According to Mr Te, he informed the Complainant's employee that the domain name was "not for sale" and asked the Complainant to make a "formal business proposal". Whatever it was that Mr Te actually said to the Complainant's employee, the Complainant interpreted Mr Te's statements as a suggestion that the Complainant pay a "high price" for the domain name. The Complainant subsequently offered to pay the Respondent \$1,000 to obtain a transfer of the domain name. The Respondent, through Mr Te, turned down this offer. The Complainant interpreted Mr Te's statements when he turned down the Complainant's offer as a suggestion that the amount offered by the Complainant was "way too low". The Complainant therefore asked the Respondent for a counter offer, which the Respondent declined to make. Thereafter, neither party pursued the matter.

- 4.14 On 21 December 2001, the Complainant applied to register two versions of its "Teletext" trade mark. Both versions incorporated a boxed "T" device and the word "TELETEXT". The Complainant applied to register the trade marks in respect of services under Classes 35, 38, 41 and 42.
- 4.15 When this administrative proceeding was commenced on 26 February 2002, a visit to the Respondent's "teletext.com.sg" website showed a blank page except for the word "Enter" appearing in the centre of the screen. When one activated the link on the word "Enter", one would be redirected to the Respondent's "hosting.com.sg" website.
- 4.16 After the commencement of this administrative proceeding, the Respondent displayed a single webpage with the headings "KEY FACTS ON TELETEXT" and "WORLDWIDE TELETEXT PROVIDERS (not affiliated to us)" at the "teletext.com.sg" website. The webpage also contained the following disclaimer:

This site is not related to the teletext services offered by MediaCorp News Pte Ltd, Teletext Ltd or Teletext.com and any other teletext provider.
The information provided above is correct to the best of our knowledge.

5. Parties' Contentions

- 5.1 The Complainant's contentions may be summarised as follows:
- (1) The domain name "teletext.com.sg" was identical or confusingly similar to the two "Teletext" trade marks that the Complainant had applied to register.
 - (2) The word "Teletext" was a household name in Singapore that was synonymous with the Complainant's teletext service. As there were no other teletext service providers in Singapore, the word "Teletext" had taken on a secondary meaning and had come to be identified by the general public in Singapore as a service provided by the Complainant.
 - (3) The Respondent did not provide teletext services and had never traded under a "teletext" or similar mark. As such, the Respondent had no rights or legitimate interests in respect of the domain name "teletext.com.sg".

- (4) The Respondent was a cybersquatter that had no interest in developing the "teletext.com.sg" website or using the "teletext.com.sg" domain name in its business. This was evidenced by the Respondent's failure to develop a website despite having registered the "teletext.com.sg" domain name since 15 January 1999. The Respondent's registration of the domain name was purely for the purposes of reserving the domain name so as to transfer or rent it to the Complainant or another party at a profit. In view of the goodwill that the Complainant had built up over the years, the use of the "teletext.com.sg" domain name by any party other than the Complainant would amount to a passing off of the services provided by such a party as services provided by the Complainant.

5.2 The Respondent's contentions may be summarised as follows:

- (1) The word "teletext" was a generic word that described a global industry standard. As such, even if the Complainant's trade mark application was approved, the Complainant was unlikely to be given rights to the exclusive use of the word "teletext". Further, the word "teletext" neither distinguished the Complainant's teletext service nor acquired a secondary meaning.
- (2) If the Complainant's trade mark application was approved, it would be conferred rights in its "Teletext" trade marks only with effect from 21 December 2001, when the Complainant's trade mark application was filed. In contrast, the Respondent had registered the domain name "teletext.com.sg" as far back as January 1999, after having ascertained that "teletext" was a generic word and had not been registered as a trade mark in Singapore. As such, the domain name was not registered in bad faith. Further, the Respondent had acquired "legitimate rights" to the domain name on account of its registration of the domain name.
- (3) The Respondent intended to use "teletext.com.sg" for the development of a portal. However, it was a "small business" that did not have the resources to complete the portal within a short span of time. The law did not require companies to complete their website portals within a fixed time frame.
- (4) The Respondent did not believe that the services provided by the Respondent at "teletext.com.sg" would be confused with the Complainant's teletext service by "today's sophisticated consumers". The Respondent planned to indicate clearly on its "teletext.com.sg" website and its promotional materials that the services at "teletext.com.sg" were provided by it.
- (5) The Complainant's December 2001 application to register "Teletext" as a trade mark was evidence of an attempt by the Complainant to "hijack" the Respondent's "teletext.com.sg" domain name.

6. Discussion and Findings

6.1 Paragraph 4(a) of the Policy provides as follows:

a. **Applicable Disputes.** The Registrant is required to submit to a mandatory administrative proceeding in the event that a third party (a "Complainant") asserts to the Provider, in compliance with the Rules of Procedure, that:

- (i) the Registrant's domain name is identical or confusingly similar to a name, trademark or service mark in which the Complainant has rights;
- (ii) the Registrant has no rights or legitimate interests in respect of the domain name; and
- (iii) the Registrant's domain name has been registered or is being used in bad faith.

In the administrative proceeding, the Complainant must prove that each of these three elements is present. If the Complainant proves that each of these three elements is present, the Complainant shall be entitled to the remedies set out in Paragraph 4(i).

Paragraph 4(a)(i) of the Policy

6.2 Under paragraph 4(a)(i) of the Policy, a complainant must show that it has "rights" in the name, trade mark or service mark that it relies on before it is entitled to relief in an administrative proceeding. Such "rights" are readily demonstrated if the name or mark is a registered trade mark under the Trade Marks Act (Cap 332, 1999 Ed). Under section 26(1) of the Trade Marks Act, the proprietor of a registered trade mark has the exclusive rights to use the trade mark, and to authorise other persons to use the trade mark, in relation to the goods or services for which the trade mark is registered. A complainant may also possess such "rights" if a Singapore court would, on an application by the complainant, restrain another party from using the name or mark under the law relating to passing off, so as to prevent damage to the goodwill associated with the complainant's name or mark.

6.3 Section 26(4) read with section 15(2) of the Trade Marks Act suggest that although the rights of a proprietor of a registered trade mark accrue to the proprietor as from the date of the application for registration of the trade mark, such rights would only be enforceable on or after the date on which the trade mark is in fact registered. Although the Complainant applied to register its "Teletext" trade marks on 21 December 2001, the application was still pending as at 24 June 2002. As such, the Complainant's application to register the "Teletext" trade marks did not confer on the Complainant the requisite "rights" in the "Teletext" name or mark to entitle the Complainant to relief under the Policy.

6.4 For a plaintiff to succeed in an action for passing off, three elements must be proved:

- (1) The plaintiff must show that he has goodwill in a business or product.
- (2) The plaintiff must show that there was a misrepresentation by the defendant that leads or is likely to lead people into believing either that the goods or services of the defendant are those of the plaintiff or that there is a business connection between the plaintiff and the defendant.

- (3) The plaintiff must show that he suffers or, in a *quia timet* action, is likely to suffer damage by reason of the erroneous belief brought about by the defendant's misrepresentation.
- 6.5 It was not disputed that the Complainant possessed goodwill in its business of providing teletext services. The Complainant was the only provider of teletext services in Singapore, and these services generated advertising revenue.
- 6.6 What was less clear was whether the Respondent's proposed use of the domain name "teletext.com.sg" for a website would constitute a misrepresentation that the Respondent's website was operated by the Complainant or that there was a business connection between the Parties. It cannot be disputed that the word "Teletext" is a generic expression that is descriptive of the Complainant's teletext services. Thus, whether or not there was such a misrepresentation would depend on whether, in the Singapore context, the word "Teletext" had acquired a secondary meaning and come to be identified solely with the Complainant's business, as opposed to teletext services in general.
- 6.7 In Singapore, the leading case on this subject is the decision of the Court of Appeal in *Lifestyle 1.99 Pte Ltd v S\$1.99 Pte Ltd (t/a ONE.99 Shop)* [2000] 2 SLR 766. In that case, the respondents were the owners of a chain of retail shops which operated under the style "ONE.99 Shop". All the goods sold in these outlets were priced at a fixed price of \$1.99. Some time later, the appellants opened a number of retail outlets named "Lifestyle 1.99" that adopted a similar sales strategy. The respondents instituted proceedings in the High Court and obtained an injunction restraining the appellants from passing off their business as the business of the respondents. The Court of Appeal allowed the appellants' appeal and set aside the injunction. In reaching its decision, the Court of Appeal made the following observations:
 - (1) A name or mark which is prima facie descriptive will only be protected if it can be shown to have acquired a secondary meaning and has become distinctive of the plaintiff's business. In the law relating to passing off, the word "distinctive" is a term of art and bears a meaning at variance with that in everyday use. In relation to a name or mark, it denotes the goods of the plaintiff to the exclusion of other traders.
 - (2) The fact that a name is descriptive does not mean that it cannot become distinctive. However, it would be difficult for a descriptive name to become distinctive. When a descriptive name is used, a very great burden is placed on a plaintiff to prove that the name has acquired a secondary meaning.
 - (3) Where a descriptive name is put to an invented article, the problem of proving a secondary meaning is compounded. No inference can be drawn from the fact that during the period when the manufacturer had a monopoly, words primarily descriptive of the manufacturer's goods became associated with the manufacturer. This was because there was nothing for the public to contrast the manufacturer's goods with, so that it was impossible to say whether the public understood by those words goods produced by the manufacturer as distinguished from goods produced by any other person or company.

- (4) Likewise, where the name of a business is descriptive, and it is the first of such businesses, it would be difficult to show distinctiveness. Further, when descriptive words are used, a slight difference between the names would suffice to distinguish them.

6.8 The following extracts from the judgment of the Court of Appeal (delivered by Chao Hick Tin JA) are also instructive:

41 Reverting to the case in hand, and having considered the evidence, firstly, we do not think there was really any design on the part of the appellants to take an unfair advantage of the name 'ONE.99' or '1.99'. As indicated before, the appellants' parent company had been engaging in ad hoc promotional sales of products at \$1.99 from September 1997. Secondly, as the name 'ONE.99' or '1.99' is in the circumstances descriptive, the measures which the appellants had taken to distinguish the two businesses, 'Lifestyle 1.99' compared with 'ONE.99 shop', are adequate. The respondents cannot claim a monopoly to the concept of selling goods at a fixed price of \$1.99 which would be the case if no others are allowed to use '1.99'. The additional word 'Lifestyle' should suffice to differentiate. And when we take into account the fact that the colour scheme of their outlets, as well as their logo, are clearly different from those of the respondents, all the more so we do not think there could be any reasonable probability of deception.

...

47 Perhaps, to the perception of some, what the appellants had done amounted to riding on the favourable publicity generated by Ms Chong [the respondents' Managing Director] and her company on the new sales concept. While the law of passing off is adaptable to changing trading practices, there is no tort of unfair competition. ...

48 In the result, we do not think that the respondents have shown that there has been any misrepresentation. We noted the evidence relating to the survey results show that there were members of the public who thought the two businesses were related. But in the nature of things some such misconception would be inevitable when you have two businesses adopting a similar descriptive term as a part of their names. Given a little time the public will be able to distinguish, now that the two businesses are operating side-by-side. Otherwise, it would amount to granting a monopoly to the person who happens to use that descriptive term first.

6.9 In the light of the decision of the Court of Appeal in *Lifestyle 1.99 Pte Ltd v S\$1.99 Pte Ltd (t/a ONE.99 Shop)*, it would be difficult for the Complainant to succeed in an action against the Respondent for passing off on account of the Respondent's proposed use of the domain name "teletext.com.sg". The word "teletext" is a word that is descriptive of the Complainant's teletext services. The Complainant is presently the only provider of teletext services in Singapore. These facts together placed a fairly onerous burden on the Complainant to show that the word "Teletext" had acquired a secondary meaning and was distinctive of the Complainant's teletext services, at least in the Singapore context. There was no clear evidence that the public had come to identify the word "Teletext" with the Complainant's teletext services, as opposed to merely using the word "Teletext" as a description of teletext

services in general. While there may be some initial misconception that the domain name "teletext.com.sg" is used for a website that hosts an Internet version of the Complainant's teletext service, that is only to be expected when two businesses choose to adopt the same descriptive word to identify their services. However, there is little likelihood of misrepresentation or deception if the Respondent implements measures to make it clear that the website is not operated by, and is not affiliated to, the Complainant or the Complainant's teletext services.

- 6.10 In the circumstances, the Complainant has failed to show on a balance of probabilities that it has the requisite "rights" in the "Teletext" name or mark to entitle it to relief under the Policy.

Paragraph 4(a)(ii) of the Policy

- 6.11 The Complainant's failure to establish that it had "rights" to the "Teletext" name or mark is sufficient to dispose of its claim. However, having regard to the arguments canvassed by the Parties, it may be appropriate to make some observations on the issue as to whether the Respondent had any rights or legitimate interests in respect of the domain name "teletext.com.sg".

- 6.12 The Complainant submitted that the Respondent had no rights or legitimate interests in respect of the domain name "teletext.com.sg" because:

- (1) the Respondent had never traded under or used "teletext" or a similar expression as a mark; and
- (2) the Respondent did not provide teletext services.

- 6.13 The Respondent did not dispute these allegations. However, the Respondent submitted that it had legitimate interests in respect of the domain name for the following reasons, which are reproduced verbatim:

- Adequate due diligence was performed to ascertain the potential legitimate rights of others. In the absence of legitimate rights by others (including MediaCorp), and teletext.com.sg being a generic domain, it should be fair for iLABS to claim legitimate rights based on a first-come-first-to-the-rights basis, on account of its business acumen. Furthermore, the lack of a case for exclusive use of "teletext" by any party, including MediaCorp, further cements our case that iLABS can have legitimate rights to the domain based on a first-registration basis.
- iLABS' legitimate interest is also demonstrated in its expertise in portal and website development (as agreed by MediaCorp), and its plans to develop the site. iLABS' prior development of its well-known stocks.com.sg website, which will be convert to become one of the major sections of the teletext website, also serves as proof of legitimate interest.
- iLABS has a pattern of using generic domain names (either registered through iLABS Technologies or my other related businesses/companies) to launch our websites and portals such as hosting.com.sg (redirected sites are registrar.com.sg, domain.com.sg

and domains.com.sg), wedding.com.sg (redirected sites are bride.com.sg, brides.com.sg, bridal.com.sg, weddings.com.sg), stocks.com.sg, internet.com.sg, design.com.sg (redirected site is design.com.sg). Therefore, it is not surprising that iLABS chose to use a generic-name domain, teletext.com.sg, to launch its teletext service.

6.14 The mere fact that the Respondent was the first to register the domain name does not confer on the Respondent any rights to or legitimate interests in the domain name. Nor does the fact that the Respondent performed "due diligence" checks before registering the domain name. The requirement imposed by paragraph 4(a)(ii) of the Policy was inserted to strike a balance between the rights of a complainant and the interests of a registrant. In determining where the balance lies, reference may be made to paragraph 4(c) of the Policy.

6.15 In so far as it is material, paragraph 4(c) of the Policy states:

c. **How to Demonstrate the Registrant's Rights to and Legitimate Interests in the Domain Name in Responding to a Complaint.** ... Any of the following circumstances, in particular but without limitation, if found by the Administrative Panel to be proved based on its evaluation of all evidence presented, shall demonstrate the Registrant's rights to or legitimate interests in the domain name for the purposes of Paragraph 4(a)(ii):

- (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;
- (ii) the Registrant (as an individual, business, or other organization) has been commonly known by the domain name, even if the Registrant has acquired no trademark or service mark rights; or
- (iii) 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 trademark or service mark at issue.

6.16 Paragraph 4(c) of the Policy provides a non-exhaustive list of circumstances which demonstrate a registrant's rights to or legitimate interests in a domain name for the purposes of paragraph 4(a)(ii) of the Policy. In summary, these circumstances fall within 3 categories:

- (1) the registrant has trade mark or service mark rights in relation to the word registered as the domain name;
- (2) the registrant has been commonly known by a name registered as the domain name; and
- (3) the registrant has used, or made demonstrable preparations to use, the domain name for a legitimate purpose.

6.17 The Respondent clearly had no trade mark or service mark rights in relation to the word "teletext". Nor was the Respondent known by the name "Teletext". At the time the administrative proceeding was commenced, the Internet site corresponding to the domain name "teletext.com.sg" merely provided a link to the Respondent's "hosting.com.sg" website. Although the Respondent asserted that it planned to use the domain name "teletext.com.sg" to develop a

website, there was no evidence of any demonstrable preparations to develop the website. All things considered, there was no material to show that the Respondent had any rights or legitimate interests in respect of the domain name "teletext.com.sg".

Paragraph 4(a)(iii) of the Policy

6.18 For completeness, some observations will also be made on the issue as to whether the Respondent had registered or used the domain name "teletext.com.sg" in bad faith.

6.19 Paragraph 4(b) of the Policy provides a non-exhaustive list of circumstances which evidence the registration or use of a domain name in bad faith. It states:

b. **Evidence of Registration and Use in Bad Faith.** For the purposes of Paragraph 4(a)(iii), the following circumstances, in particular but without limitation, if found by the Administrative Panel to be present, shall be evidence of the registration and use of a domain name in bad faith:

- (i) circumstances indicating that the Registrant has registered or acquired the domain name primarily for the purpose of selling, renting, or otherwise transferring the domain name registration to the Complainant, who bears the name or is the owner of the trademark or service mark, or to a competitor of that Complainant, for valuable consideration in excess of the Registrant's documented out-of-pocket costs directly related to the domain name;
- (ii) the Registrant has 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 the Registrant has engaged in a pattern of such conduct;
- (iii) the Registrant has registered the domain name primarily for the purpose of disrupting the business of a competitor; or
- (iv) by using the domain name, the Registrant has intentionally attempted to attract, for commercial gain, Internet users to the Registrant's website or other on-line location, by creating a likelihood of confusion with the Complainant's name or mark as to the source, sponsorship, affiliation, or endorsement of the Registrant's website or location or of a product or service on the Registrant's website or location.

6.20 The Respondent's failure to develop the "teletext.com.sg" website, notwithstanding the lapse of time since the domain name was registered, did not in itself constitute evidence of registration or use in bad faith. SGNIC's generic Domain Name Registration Agreement (Revision 3) does not require content to be displayed at a website within a specified period of time.

6.21 It was not disputed that when the Complainant requested that the Respondent transfer the domain name to the Complainant at no cost, the Respondent refused to do so. According to the Respondent, during the same conversation, the Respondent's Mr Te informed the Complainant that the domain name was "not for sale" and asked the Complainant to make a "formal business proposal". In its Response, the Respondent claimed that what it contemplated was a business proposal for "investments in the portal or our company".

Presumably, the benefit that the Complainant would derive from such "investments" would be the use of the domain name and/or the right to display content on the portal that the Respondent proposed to develop using the domain name. Viewed in its totality, such a transaction may constitute "renting" of the domain name registration for the purposes of paragraph 4(b)(i) of the Policy.

Reverse Domain Name Hijacking

- 6.22 Paragraph 1 of the Rules defines "Reverse Domain Name Hijacking" as "using the Policy in bad faith to attempt to deprive a registered domain name holder of a domain name". Paragraph 15(e) of the Rules provides that if a Panel "finds that the complaint was brought in bad faith, for example, in an attempt at Reverse Domain Name Hijacking, or was brought primarily to harass the domain name holder, the Panel shall declare in its decision that the complaint was brought in bad faith and constitutes an abuse of the administrative proceeding".
- 6.23 The Complainant had a legitimate basis for proceeding with the Complaint. It ultimately failed because it was unable to establish that it had "rights" to the "Teletext" name and marks that it had been using in conjunction with its teletext services. Having regard to all the circumstances, it cannot be said that the Complaint was brought in bad faith.

7. Conclusion

- 7.1 As the Complainant has failed to establish that it has the requisite "rights" in the "Teletext" name or mark to entitle it to relief under the Policy, the Complaint must be dismissed. Accordingly, the relief sought by the Complainant is denied.

Phang Hsiao Chung
Sole Panellist

25 June 2002