

Nominet UK Dispute Resolution Service

DRS 00480

AIR CHINA v. STARLIGHT VACATIONS

Decision of Independent Expert

1. Parties:

Complainant: Air China
Address: 41 Grosvenor Gardens
London
Postcode: SW1W 0BP
Country: GB*

Respondent: Starlight Vacations
Address: 4/F
Astoria House
62 Shaftesbury Ave
London
Postcode: W1V 7DE
Country: GB

2. Domain Name:

Airchina.co.uk (“the Domain Name”)

3. Procedural Background:

The complaint was entered into Nominet’s system on 5 July 2002. Nominet validated the complaint and informed the Respondent’s liquidators Messrs Bhardwaj of Northwood, Middlesex on 11 July 2002, noting that the Dispute Resolution Service had been invoked and that the Respondent and/or its liquidators had 15 working days (until 2 August 2002) to submit a Response. No Response was received and therefore the Informal Mediation stage was bypassed. On 5 August 2002 the Complainant was invited to pay the fee to obtain an Expert Decision pursuant to paragraph 6 of the Nominet UK Dispute Resolution Service Policy (“the Policy”). The fee was duly paid on 9 August 2002.

On 9 August 2002 Nominet invited me to provide a decision in this case and, following confirmation to Nominet that I knew of no reason why I could not properly accept the invitation to act in this case and of no matters which ought to be drawn to the attention of the parties which might appear to call into question my independence and/or impartiality, Nominet duly appointed me as Expert with effect from 14 August 2002.

4. Outstanding Formal/Procedural Issues (if any):

None.

5. The Facts:

The Complainant is the national airline of China. It is the proprietor of three international trade mark registrations, registered as of 17 August 1998 and 8 September 1998, comprising or including the designation 'AIR CHINA' for services ranging from passenger transport and air transport to real estate management, photocopying and 'public baths for hygiene purposes'.

The Nominet WHOIS search with which I have been provided shows that the Domain Name, airchina.co.uk, was registered on behalf of the Respondent on 12 January 1998.

There is currently no website accessible under the URL <http://www.airchina.co.uk>, though the evidence of the Complainant is that it has in the past pointed to the Respondent's web site which offers flights for sale at <http://www.starlightvacations.co.uk>.

6. The Parties' Contentions:

Complainant:

The Complainant requests that the Domain Name be transferred to it on the basis of the following submissions:

"(i) Rights to the Air China Name

"1. Air China is the national airline of China.

"2. Air China has its headquarters in Beijing, the capital of the People's Republic of China. Air China operates over 800 weekly domestic and international flight routes to over 100 destinations and also has a substantial cargo business. Air China holds code-share and alliance agreements with other leading airlines that increase the amount of destinations served. Air China currently has a total of 69 airplanes with over 13,600 seats and over 11,000 people work for Air China. The airline currently ranks 39th in terms of global size.

"3. There are up to six weekly flights into and out of the UK. Our UK flights form part of a large European presence covering France, Germany, Sweden, Denmark, Austria, Romania, Russia, Switzerland, Finland and Italy together with off-line representation in several other European countries. The airline has been operating flights to the UK since 1980 and has used the brand name "Air China" since 1988. Our current UK turnover is in excess of GBP1,500,000.00 per month based on regular scheduled flights between London Heathrow and Beijing.

"4. The Air China mark is well recognized worldwide and Air China has established a large amount of goodwill and reputation affiliated to the brand. I believe that the name Air China would be regarded as a "Famous Mark" according to the Paris Convention. In China, in the 1999 Brand Recognition contest, Air China ranked first place among airlines

which annually transport over six million passengers. In 1995, Air China was awarded the international “Five Star Diamond Award” by the American Academy of Restaurant and Hospitality Sciences for its achievements in flight safety, customer service and quality operations.

“5. The brand name “Air China” is used in over 40 countries and, along with our logo, a soaring phoenix, is registered with many Trade Mark Registries around the world and in particular with the UK Trade Marks Registry. Air China’s UK trade mark registrations are as follows:

1. Registration number 8700888 for AIR CHINA in classes 35, 36, 39 and 42;
2. Registration number 8699755 for AIR CHINA plus Device in class 39;
3. Registration number 8700929 for AIR CHINA plus Device in class 42.

Details of these UK trade mark registrations are in Annex 1.

“6. Air China operates a UK web site at www.air-china.co.uk and an international web site at www.airchina.com.cn both of which display our brand name and logo. Printouts of pages from these websites are in Annex 2.

“7. The airline spends an average of GBP50,000 per annum on supporting the brand within the UK. Air China advertises in newspapers such as *The Financial Times* and *The Telegraph*, in travel magazines such as *Travel Weekly* and *Travel Trade Gazette* as well as in Corporate magazines, including *Export Focus* and *First* magazine.

“8. Accordingly, it can be seen from the above that Air China, the Complainant, has both registered and unregistered rights in respect of the mark and name AIR CHINA, which is identical to the Domain Name which is the subject of this Complaint.

“(ii) Abusive Registration

“9. We believe that the evidence which is set out below shows that the Domain Name in the hands of Starlight Vacations is an “Abusive Registration” as defined at Paragraph 1 of Nominet’s Dispute Resolution Policy. This is because it was registered in a manner that at the time the registration took place in 1998, took unfair advantage of and was unfairly detrimental to Air China’s rights in the name “Air China”. In addition, or in the alternative, the Domain Name is an “Abusive Registration” because the Domain Name has been used in a manner which took unfair advantage of and/or was unfairly detrimental to Air China’s rights.

“10. In 1998, the Domain Name “airchina.co.uk” was registered by Starlight Vacations Limited, a travel agent based at 2/F, 21 Wardour Street, London, W1V 3HD (Original IATA number 91-2-4403-1). I understand from a recent Companies House search that Starlight Vacations Limited is currently in liquidation. A printout of the information from the Nominet WHOIS report is in Annex 3. In our opinion, the Domain Name was registered by Starlight Vacations for two purposes.

“11. Firstly, Starlight Vacations has previously directed the Domain Name “airchina.co.uk” to the company’s own web site at starlightvacations.co.uk which offered flights for sale over the internet. It is believed that this has led to confusion both within the travel industry and among the travelling public who are misled into believing that the web site at “airchina.co.uk” is registered to, operated or authorised by Air China and we believe that they are under the misapprehension that sales transacted through the web site

are in some way endorsed and subsequently guaranteed by the airline, which is not the case.

“12. Furthermore, since the web site is outside of the airline’s control, the service levels offered by Starlight Vacations and the information contained within the web site have the potential to lower Air China in the estimation of potential passengers, thus causing damage to the goodwill and reputation of the airline.

“13. The Domain Name currently does not lead to any active website. Accordingly, browsers, including potential customers and staff of Air China or its subsidiary companies, will attempt to enter a site that they believe is owned by Air China. On accessing a blank site or empty page, they will be confused as to the source, sponsorship, affiliation or endorsement of the site. They may decide not to search further for Air China’s UK website at “air-china.co.uk” following this confusion, thereby disrupting the business of Air China.

“14. Furthermore, e-mails suffixed with the Domain Name are directed to Starlight Vacations by users believing that Air China owns the Domain Name. Air China, in light of recent security issues, is very concerned that information of a sensitive nature may, in error, become available to Starlight Vacations. Several e-mails, unwittingly sent to Starlight Vacations on the assumption that airchina.co.uk belongs to the airline, have been forwarded back to the airline by Starlight Vacations.

“15. Accordingly, it is submitted that the Domain Name was registered by Starlight Vacations for the purpose of unfairly disrupting the business of Air China. Air China legitimately wishes to register the Domain Name and this would have been obvious to Starlight Vacations at the time of registration. By registering the Domain Name Starlight Vacations has precluded Air China from using its mark in a corresponding domain name. We believe that, due to the nature of the Domain Name, there is no legitimate or fair use of the Domain name that could be made by Starlight Vacations without confusing and misleading users.

“16. It is also submitted that that Starlight Vacation is using the Domain Name in a way which has confused people or businesses into believing that the Domain Name is registered to, operated or authorised by, or otherwise connected with Air China.

“17. Secondly, we believe that Starlight Vacations also registered the Domain Name with the purpose of selling the Domain Name for a sum in excess of the Respondent's out of pocket costs of registration. In evidence of this, we can confirm that the Domain Name was verbally offered to Air China by Starlight Vacations for a sum of GBP3,000.00 in January 2002.

“18. Starlight Vacations has no legitimate right to the brand name Air China. The Complainant has not licensed the Respondent to use its trademark. Starlight Vacations has not been commonly known by the name Air China or legitimately connected with the mark Air China, which is identical to the Domain Name. Starlight Vacations has not made legitimate non-commercial nor fair use of the Domain Name. The Domain Name is not generic nor descriptive and Starlight Vacations is not making fair use of the Domain Name.

“19. Finally, we have since 1998 made several approaches to Starlight Vacations to resolve this matter in an amicable fashion but regrettably without success and we enclose, in Annex 4, a copy of our final letter of 16 May 2002, sent to Roberta Scrace, who we understand is the Director and owner of Starlight Vacations Limited and who is currently

employed by Reliance, a travel organization based at 4/F Astoria House, 62 Shaftesbury Avenue, London, W1V 7DE.

“(iii) Conclusion

“20. We are therefore left with no option but to seek a transfer of the Domain Name to Air China through Nominet.

“21. Air China will submit to the exclusive jurisdiction of the English courts with respect to any legal proceedings seeking to reverse the effect of a Decision requiring the suspension, cancellation, transfer or other amendment to a Domain Name registration. Furthermore, Air China agrees that any legal proceedings will be governed by English law.

“22. The Complainant agrees that its claims and remedies concerning the registration of the Domain Name, the dispute, or the dispute’s resolution shall be solely against the Respondent and that neither Nominet UK nor its directors, officers, employees or servants nor any Expert shall be liable for anything done or omitted in connection with any proceedings under the Dispute Resolution Service unless the act or omission is shown to have been in bad faith.

“23. The information contained in this complaint is to the best of the Complainant’s knowledge true and complete. This complaint is not being presented in bad faith and the matters stated in the complaint comply with the Procedure and applicable law.”

Respondent:

Neither the Respondent nor its liquidator has filed a Response.

7. Discussion and Findings:

Requirements which must be satisfied in order for the Complaint to succeed

Paragraph 2 of the Policy requires that, in order for the Complainant to succeed, it must prove to the Expert, on the balance of probabilities, both that it has Rights in respect of a name or mark which is identical or similar to the Domain Name; and that the Domain Name, in the hands of the Respondent, is an Abusive Registration as defined in Paragraph 1 of the Policy.

These matters must be affirmatively proven by the Complainant, notwithstanding the failure by the Respondent to file a Response. The effect of the Respondent’s default, under paragraph 15(c) of the Procedure, (there being no exceptional circumstances in this case) is that I may draw such inferences from the Respondent’s non-compliance as I consider appropriate.

Preliminary matter – Identity of the Complainant

As recorded at paragraph 1 of this Decision, the Complainant, Air China, is said to be a body based in Great Britain. This information is taken from the DRS Complaint Form filled in by the Complainant.

However:

- (i) paragraph 2 of the Complaint states that the Complainant has its headquarters in Beijing;
- (ii) the Complainant's trade mark registrations at Annex 1 to the Complaint are all in the name of a Chinese corporate entity; and
- (iii) I can find no record at UK Companies House of "Air China".

I conclude on the balance of probabilities that the Complainant is in reality a body incorporated under the laws of the People's Republic of China.

Fortunately for the Complainant, this factor has little relevance to the present Complaint. However it is worth underlining the importance of accurate completion of the DRS Complaint Form, as the identification of the complainant could be crucial in other complaints where the precise legal ownership of 'Rights' is in issue.

Complainant's Rights

Having established the identity of the Complainant, I must now decide whether it has Rights in respect of a name or mark which is identical or similar to the Domain Name.

I am not satisfied that the Complainant's cited trade mark registrations are of direct relevance to the question of ownership of Rights. This is because the Domain Name was registered on 12 January 1998 and none of the trade mark registrations to which I have been referred were applied for until later that year. In my view it is implicit in the definition of Abusive Registration ("*at the time when the registration ... took place*") that the question of the ownership of Rights must be determined as of the date of the allegedly abusive registration, not at the date of the Complaint or the date of the Decision. The registrations may have some residual relevance in so far as they constitute circumstantial evidence of the distinctiveness of the designation Air China built up and acquired by the Complainant as a result of use prior to August 1998, but I do not attach any significant weight to such evidence *per se*.

But registered rights are not the end of the matter. The definition of 'Rights' in the Policy "*includes, but is not limited to, rights enforceable under English law.*" At the very least this encompasses unregistered rights in the nature of the goodwill necessary to found a passing off action in England and Wales.

From the evidence and submissions before me, it appears that the Complainant has been operating flights to the UK since 1980 and has used the designation "AIR CHINA" in the United Kingdom continuously since 1988. Its advertising expenditure and turnover generated in the UK under and by reference to that designation are significant. In the absence of any suggestion to the contrary I am satisfied on the balance of probabilities that the Complainant has built up and acquired a distinctive reputation and goodwill in that designation.

For these reasons I am satisfied that the Complainant owns Rights in the designation "AIR CHINA". I am further satisfied that this name is identical to the Domain Name (ignoring, as I am required to do, the first and second level suffixes).

Abusive Registration

Paragraph 1 of the Policy defines "Abusive Registration" as a Domain Name which either:

- i. was registered or otherwise acquired in a manner, which at the time when the registration or acquisition took place, took unfair advantage of or was unfairly detrimental to the Complainant's Rights; OR

- ii. has been used in a manner, which took unfair advantage of or was unfairly detrimental to the Complainant's Rights.

A non-exhaustive list of factors, which may be evidence that the Domain Name is an Abusive Registration are set out in Paragraph 3(a) of the Policy. A non-exhaustive list of countervailing factors are set out in Paragraph 4(a) of the Policy.

The Complainant appears to rely upon paragraphs 3(a)(i)(A), 3(a)(i)(C) and 3(a)(ii) of the Policy. I will deal with each in turn.

- Paragraph 3(a)(i)(A) of the Policy

Under paragraph 3(a)(i)(A), it is indicative of Abusive Registration if the Respondent has registered or otherwise acquired the Domain Name primarily for the purposes of selling, renting or otherwise transferring the Domain Name to the Complainant or to a competitor of the Complainant, for valuable consideration in excess of the Respondent's documented out-of-pocket costs directly associated with acquiring or using the Domain Name.

The Complainant states that *"we can confirm that the Domain Name was verbally offered to Air China by Starlight Vacations for a sum of GBP3,000.00 in January 2002"* and *"we have since 1998 made several approaches to Starlight Vacations to resolve this matter in an amicable fashion but regrettably without success and we enclose, in Annex 4, a copy of our final letter of 16 May 2002, sent to Roberta Scrace, who we understand is the Director and owner of Starlight Vacations Limited and who is currently employed by Reliance, a travel organization based at 4/F Astoria House, 62 Shaftesbury Avenue, London, W1V 7DE."*

It was open to the Respondent in its Response to rebut the inference that it only obtained the Domain Name in order to sell it back to the Complainant, and to set out and substantiate any alternative case. It has not done so and there is accordingly nothing to weigh against the assertion that the Respondent registered the Domain Name for purposes falling within paragraph 3(a)(i)(A).

However I must proceed with caution as I have not been told the circumstances of the verbal offer – whether it was without prejudice, how the sum was purported to be justified – and it is therefore difficult for me to place the offer in context. In many respects the letter enclosed at Annex 4 of the Complaint – in which the Complainant states *"you have not decided to accept our proposal to run a joint booking tool for the Air China web site by the deadline discussed and we have now entered discussions with another interested party"* – raises more questions than it resolves. The danger of only being told half of the story is one of many good reasons why the Courts in the United Kingdom exclude such materials out of respect for without prejudice privilege.

In the circumstances I take into account the submissions made under paragraph 3(a)(i)(A) of the Policy but am unable to attach significant weight to it.

- Paragraph 3(a)(i)(C) of the Policy

Under paragraph 3(a)(i)(C), it is indicative of Abusive Registration if the Respondent has registered or otherwise acquired the Domain Name primarily for the purpose of unfairly disrupting the business of the Complainant.

Paragraphs 13 to 15 of the Complaint address this ground. Essentially the complaint is that actual or potential customers of the Complainant are being frustrated or obstructed in their attempts to reach the Complainant by electronic mail (emails going astray) and the world wide web (forwarding to starlightvacations.co.uk or to a blank page).

While failure on the Respondent's part to use the Domain Name for the purposes of a website is not in itself evidence that the Domain Name is an Abusive Registration (paragraph 3(b) of the Policy), the fact that potentially sensitive emails have gone and are continuing to go astray is a serious concern and in my view constitutes disruption of the Complainant's business. Notwithstanding that the evidence does not go so far as to substantiate the allegation that this disruption was the Respondent's *primary purpose* in initial registration of the Domain Name, I regard this as an instance of unfair detriment.

- Paragraph 3(a)(ii) of the Policy

Under paragraph 3(a)(ii), it is indicative of Abusive Registration if the Respondent is using the Domain Name in a way which has confused people or businesses into believing that the Domain Name is registered to, operated or authorised by, or otherwise connected with the Complainant.

Paragraphs 11 to 15 of the Complaint address these considerations and it will be appreciated that they overlap to a significant extent with those dealt with above under paragraph 3(a)(i)(C).

I am not surprised that the Respondent's action in directing or pointing the Domain Name to its own web site at <http://www.starlightvacations.co.uk> has led to confusion within the travel industry and among the travelling public. It would have been helpful if I had been provided with concrete examples of those "who are misled into believing that the web site at *airchina.co.uk* is registered to, operated or authorised by Air China" or indeed of those e-mails which were "unwittingly sent to Starlight Vacations on the assumption that *airchina.co.uk* belongs to the airline [which] have been forwarded back to the airline by Starlight Vacations", but I do not regard this evidential omission as fatal. It would after all have been straightforward for the Respondent to deny the accusation that it had forwarded stray e-mails and I infer from its silence that the accusation is likely to be well-founded.

In the circumstances I am satisfied that the email and web forwarding configuration of the Domain Name has confused people or businesses into believing that the Domain Name is registered to, operated or authorised by, or otherwise connected with the Complainant.

- Conclusion

The considerations set out in paragraphs 3 and 4 of the Policy are illustrative and non-exhaustive. The question for my ultimate consideration is whether, on the evidence as a whole, the Complainant has discharged the burden of proving that the Domain Name (i) was registered in a manner which took unfair advantage of or was unfairly detrimental to the Complainant's Rights or (ii) has been used in a manner which takes unfair advantage of or is unfairly detrimental to the Complainant's Rights.

My overall assessment on the balance of probabilities is that the Complainant has discharged its burden. I find that the Respondent registered the Domain Name in a manner which took unfair advantage of the Complainant's Rights and that the Domain Name has been used in a manner which takes unfair advantage of and is unfairly detrimental to the Complainant's Rights.

Accordingly I conclude that the Domain Name, in the hands of the Respondent, is an Abusive Registration.

8. Decision:

Having concluded that the Complainant has Rights in respect of a name or mark which is identical to the Domain Name and that the Domain Name, in the hands of the Respondent, is an Abusive Registration, the Expert determines that the Domain Name, airchina.co.uk, should be transferred to the Complainant.

Philip Roberts

August 19th, 2002
Date