

.nz Dispute Resolution Service

DRS Reference: 938

Lenovo (Beijing) Limited v Ms Angela Huang

Key words -

Domain Name – lenovo.co.nz (“the Domain Name”)
Identical or similar trade mark or name – Registered mark – identical
Unfair registration – fair registration – fair use
Procedure – Evidence - admissibility

1. Parties

Complainant:

Lenovo (Beijing) Limited
No. 6 Chuang Ye Road
Shangdi Information Industry Base
Haidian District
Beijing
People's Republic of China
Represented by: Mr Ben Cain

Respondent:

Ms Angela Huang
2E 767 Dadun 12th Street
Nantun District 40844
Taichung
Taiwan

2. Domain Name/s

lenovo.co.nz ("the Domain Name")

3. Procedural history

The Complaint was lodged on 20/12/13 and Domain Name Commission (DNC), notified the Respondent of the validated Complaint on 08/01/14. The domain/s were locked on 20/12/13, preventing any changes to the record until the conclusion of these proceedings.

The Respondent filed a Response to the Complaint on 28/01/14 and the DNC so informed the Complainant on 28/01/14. The Complainant filed a Reply to the Response on 12/02/14. The DNC informed the parties on 06/03/14 that informal mediation had failed to achieve a resolution to the dispute.

The Complainant paid Domain Name Commission Limited the appropriate fee on 28/03/14 for a decision of an Expert, pursuant to Paragraph 9 of the .nz Dispute Resolution Service Policy (“the Policy”).

Mr Andrew Brown QC, the undersigned, (“the Expert”) confirmed to the DNC on 27/03/14 that he knew of no reason why he could not properly accept the invitation to act as expert in this case and that he knew of no matters which ought to be drawn to the attention of the parties, which might appear to call into question his independence and/or impartiality.

4. Factual background

1. Lenovo (Beijing) Limited (“the Complainant”) is a technology company incorporated in mainland China and based in Beijing. It is a 100% wholly-owned subsidiary of Lenovo Group Ltd (“Lenovo”), a Chinese multi-national company with headquarters in Beijing and Morrinsville, North Carolina (United States of America).
2. Lenovo was founded in 1984 in Beijing by Liu Chuanzhi and a group of engineers, and incorporated in Hong Kong in 1988 under its previous name, “Legend”.
3. Between 1984 and early 2003 Lenovo traded under its original English name, “Legend”. The Complainant states that in 2002, Legend’s CEO, Mr Yuanqing Yang, decided to change the company name to “Lenovo” to facilitate global expansion.
4. The Complainant states that preparations to use the new brand name started in or around September 2002 when the Complainant registered the Domain Name www.lenovo.com. In April 2003 the company publically announced its adoption of the name Lenovo. The Complainant states that by the end of 2003, Lenovo had spent a total of RMB200 million (approximately US\$32 million) on re-branding. Lenovo officially changed its company name on 1 April 2004.
5. Lenovo’s annual sales revenue for the year ended 31 March 2013 was US\$33,873,000. It owns a large number of subsidiary companies around the world. Its principal subsidiaries include the Complainant and Lenovo (Australia & New Zealand) Pty Limited which was incorporated in Australia on 6 January 2005 and New Zealand on 11 February 2005 under the name IBM Products Australasia Pty Limited: The company’s name was changed to Lenovo on 4 May 2005.
6. Lenovo, including the Complainant, manufactures and distributes a range of IT products, including personal computers, laptops, smart phones, tablets, workstations, servers, electronic storage devices, IT management software and smart televisions. Lenovo markets the Thinkpad line of notebook computers and the ThinkCentre line of desktops. The Complainant also provides a range of IT services under and by reference to the trade mark LENOVO. Lenovo has over 26,000 employees in over 60 countries and distributes products to over 160

countries. Lenovo is the world's second largest PC vendor by unit sales.

7. The Domain Name was registered on 31 May 2004.

5. Parties contentions

Complaint

The Complainant's claimed rights

8. The Complainant states that Lenovo is a distinctive word invented by it, being a combination of "Le" (from "legend") and "novo" (Latin ablative for "new").
9. The Complainant relies on the following New Zealand trade mark registrations:
 - New Zealand registered trade mark No. 673865 LENOVO (word and image) in class 9 with a deemed date of registration of 20 February 2003;
 - New Zealand registered trade mark No. 673866 LENOVO (word and image) in class 37 with a deemed date of registration of 20 February 2003;
 - New Zealand registered trade mark No. 673867 LENOVO (word and image) in class 42 with a deemed date of registration of 20 February 2003;
 - New Zealand registered trade mark No. 709361 LENOVO (word and image) in classes 7, 11, 16, 28, 35, 38, 39, 40, 41 with a deemed date of registration of 10 March 2004.
10. The Complainant owns the Domain Names *lenovo.com* (registered by the Complainant on 5 September 2002), and *lenovo.net* (registered by the Complainant on 18 December 2002).
11. The Complainant states that it has operated a website under the Domain Name lenovo.com since at least 2003. It has produced evidence that lenovo.com has been "live" since April 2003.
12. The Complainant states that in New Zealand, when consumers enter lenovo.com into the URL bar of a web browser, the URL resolves to a New Zealand-specific address *lenovo.com/nz/en*
13. Evidence shows that the earliest press release from Lenovo's New Zealand URL showing the LENOVO brand was 15 November 2004.

14. The Complainant has produced evidence in the form of pages from the Consumer Price-Watch website Pricespy.co.nz dated 15 July 2013 and 13 December 2013 showing use of the LENOVO name in relation to the goods LENOVO sold in New Zealand as at those dates.
15. Finally, the Complainant asserts that the Domain Name is identical to a name which, 15 months before the Respondent registered the Domain Name, the Complainant had claimed to be the owner of rights pursuant to section 32 of the Trade Marks Act 2002 and was the owner according to the accepted principle of trade mark law in *Newnham v Table for Six (1996) Ltd* (1998) 44 NZIPR 266, namely:
 - (i) there was no prior use or assertion of ownership in the LENOVO mark by the Respondent;
 - (ii) the Complainant had a sufficiently definite intention to use the LENOVO mark; and
 - (iii) there was no fraud or breach of duty on the Complainant's part.
16. It states that its equitable rights were subsequently crystallised by registration. And that those rights are valid and subsisting.

Unfair registration

17. The Complainant's contentions include that:
 - (a) The Respondent does not have and has never had a legitimate right or interest in the Complainant's trade mark or any similar name or mark in New Zealand.
 - (b) The Respondent registered the Domain Name approximately 20 months after the Complainant registered *lenovo.com* and 15 months after the Complainant first applied to register LENOVO as a trade mark in New Zealand.
 - (c) LENOVO was an invented word which is distinctive of the Complainant and its associated companies. The Respondent must have known of the Complainant and/or LENOVO in order to attach any significance to the name "LENOVO". The Respondent's registration of the Domain Name was therefore a calculated act intended to deprive the Complainant of its right to register the Domain Name.
 - (d) The Complainant has not located any evidence of the Respondent's use of the Domain Name since registering it in 2004.
18. In reliance on paragraph 5 of the Policy, the Respondent says that further circumstances indicating unfair registration are that:

- (a) The Respondent registered the Domain Name primarily to sell the registration back to the Complainant or LENOVO at a later date for an excessive sum (para 5.1.1(a) of the Policy).

In this regard the Complainant refers to a New Zealand Herald article dated 10 August 2004 which reports that a person named "Angela Huang," a worker in a takeaway bar in Dunedin, had registered the domain name www.kleenex.co.nz and offering that domain name for sale for \$699,999.

- (b) The Respondent intended to block registration of the Domain Name by the Complainant or Lenovo (para 5.1.1(b) of the policy). The Complainant says that this is "self-explanatory."
- (c) The Respondent intended to divert internet traffic/business from the Complainant to the Respondent if the Respondent used the Domain Name in relation to electronic goods (para 5.1.1(c) of the policy) which remains open for the Respondent to do while the Domain Name is in the hands of the Respondent.
- (d) The Respondent is engaged in a pattern of registrations where she is the registrant of domain names (under .nz or otherwise) which correspond to well-known names or trade marks in which the Respondent has no apparent rights, and the Domain Name is part of that pattern.

In this regard the Complainant refers again to the New Zealand Herald article dated 10 August 2004, as well as to a reverse whois lookup search conducted on the website domaintools.com which shows that since 5 October 2003 a person called "Angela Huang" had registered 69 domain names.

- (e) The Respondent's registration of the Domain Name could potentially cause damage to the Complainant through the intentional diversion of custom and/or dilution of reputation and goodwill and the Complainant's trade mark. If unrestrained the Respondent's continued registration of the Domain Name enables the Respondent to cause such damage to the Complainant.
19. The Complainant states that has only just become aware of the Domain Name. Had it known of the registration earlier, it would have filed the Complaint sooner.
20. Lastly, the Complainant also contends that the Respondent cannot demonstrate that the Domain Name is not an unfair registration because:

- (a) The Respondent has not used or made demonstrable preparations to use the Domain Name or a domain name which is similar to the Domain Name in connection with a genuine offering of goods or services.
- (b) The Respondent has not been commonly known by the name or legitimately connected with a mark which is identical or similar to the Domain Name.
- (c) The Respondent has not made legitimate non-commercial or fair use of the Domain Name.

Respondent's reply

21. The Respondent in a reply dated 24 January 2014 disputes the contention that registration of the Domain Name is unfair for the following reasons:
- (a) The Respondent states that she registered the Domain Name while a student at the University of Otago and that the name "Lenovo" was the name of her game character in the online game "Everquest". Everquest encouraged the use of non-real invented words as character names. The Respondent states that she chose "Lenovo" as a portmanteau of the French word "Le" and the Latin "novo". She states that the character name was "The Novice" and reflected her entry into the online gaming world.
 - (b) In May 2004, the Respondent decided to apply for a paid email service with larger storage space (than was available through Hotmail). In order to acquire an email hosting service, she states she registered the internet domain *www.lenovo.co.nz*. She simply used her online game character as the Domain Name.
 - (c) It was never her intention to use the Domain Name commercially. It was registered purely for personal use and it retains sentimental value. Evidence that the Domain Name was registered purely for personal use is that the URL *www.lenovo.co.nz* leads to a blank page that says "page not found".
 - (d) She had never heard of the Complainant or its brand name in 2002 when she chose the game character "Lenovo". The Complainant's attached document "LBL-12" shows that its earliest press release was 15 November 2004 under the title "IBM Office Simplified Security for new Think Pad Notebooks"

- (e) Records from the New Zealand Companies Office show that IBM Products Australia Pty Ltd formally changed its name to Lenovo (Australia & New Zealand) Pty Limited on 4 May 2005.
- (f) Any similarity between the game character named Lenovo and the Complainant's brand is purely coincidental. Such coincidence is unsurprising given the words "Le" and "Novo" are ordinary words in two other languages.
- (g) The Respondent's reasons or intentions for the choice of Domain Name at the time of registration have no bearing on the determination per paragraph 5.4 of the policy.
- (h) Personal use is a legitimate and fair use of the Domain Name.
- (i) The Respondent has no connection with the "Angela Huang who registered *kleenex.co.nz* and who was cited in the New Zealand Herald article. Nor has she been engaged in the "pattern of registration" alleged by the Complainant. She has not registered 69 Domain Names. A Google search for "Angela Huang" on Google.co.nz produces approximately 6,350,000 results. There is no evidence connecting the Respondent with the Angela Huang reported on in the New Zealand Herald, apart from geographic proximity. The Respondent states that she has never worked in a takeaway bar, and never owned the Domain Name *kleenex.co.nz*.
- (j) The Respondent never had any intention to block registration of the Domain Name.
- (k) The Domain Name has not led to any traffic being directed away from the Complainant. In 9 years since registration the Domain Name has never been parked, or generated any income by means of advertisements, links or otherwise.
- (l) The Domain Name does not appear on Google search results. By contrast internet users entering *lenovo.nz* into Google are directed to www.lenovo.com/nz/en.
- (m) The Complainant claims that use by the Respondent of the Domain Name could potentially cause damage to the Complainant is speculative. The Respondent has never used the Domain Name in a manner prejudicial to the Complainant. There is no evidence that she will in the future.
- (n) It is unconvincing that, had Lenovo changed its name and brand for the purpose of global expansion, it would not have been aware of the Domain Name until recently despite operating in New Zealand since 2005.

Complainant's reply

22. The Complainant in its reply primarily highlights matters that it contends cast doubt on the veracity of the Respondent's evidence. These include the following:
- (a) The Respondent asserts she adopted the name Lenovo for a game character in around 2002 but provides no evidence of having played the game between 2002 and the date she registered the Domain Name, or if she did play the game, having adopted and used the name "Lenovo".
 - (b) The words "Le" and "Novo" are not in fact ordinary words in French or Latin.
 - (c) No evidence is provided of emails supporting the contention that the Domain Name was registered for email purposes.
 - (d) The Respondent states that she had never heard of the Complainant in 2002 when she chose her game character. However the relevant date is not 2002 but when the Domain Name was registered in 2004.
 - (e) Taiwan (where the Respondent is from) is a country in close geographic proximity to China and has a difficult relationship with China.
 - (f) By the end of 2003 the Lenovo Group had spent approximately US\$32 million on rebranding, officially changing its name on 1 April 2004. Therefore on the balance of probabilities, the Respondent did know of the Complainant and/or its parent company, Lenovo Group Limited when she registered the Domain Name.
 - (g) Significant doubt can be cast on the veracity of the Respondent's evidence that she is not the same Angela Huang that is the subject of the New Zealand Herald article because:
 - (i) The Angela Huang in the New Zealand Herald article dated 10 August 2004 also registered the Domain Name `kleenex.co.nz` for personal email purposes;
 - (ii) The Respondent continues to use a Hotmail email for her personal emails despite allegedly having registered the Domain Name for such purposes;
 - (iii) In a small city like Dunedin there cannot have been many people called "Angela Huang" who were in the business of registering Domain Names for personal email addresses;

- (iv) considered in the round incidents of coincidence (i.e. that the Angela Huang in the New Zealand Herald article and the Respondent are the same person) are too great to ignore.
- (h) The Complainant in its reply also states that while it is correct that the Respondent has not to date attempted to sell the Domain Name to the Complainant, the wording of paragraph 5.1.1(a) of the policy places no time limit on when a registrant must have carried his/her/its purpose. A Complainant is only required to show circumstances indicating that 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 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 points yet again to the New Zealand Herald Article dated 10 August 2004 as evidence to prove the Respondent’s primary purpose for registering the Domain Name.

- (i) The complete lack of evidence to support personal use for the Domain Name demonstrates the Respondent’s purpose to block registration of the Domain Name.

6. Discussion and findings

Complainant’s rights

- 23. The Complainant has provided evidence that it has registered trade marks in New Zealand for LENOVO in respect of various goods in various classes. Under s10(1) of the Trade Marks Act 2002 the Complainant has the exclusive right in New Zealand (in respect of the relevant goods) to:
 - (a) Use that registered trade mark; and
 - (b) Authorise other persons to use that registered trade mark.
- 24. The Complainant accordingly has rights enforceable under New Zealand law in the word mark LENOVO. These rights existed with effect from 20 February 2003.
- 25. The Complainant has also has rights enforceable under New Zealand law in the word mark LENOVO by way of its use of LENOVO in New Zealand.

Unfair registration

26. Paragraph 4.2 of the policy requires that the Complainant prove on the balance of probability that the Domain Name in the hands of the Respondent is an Unfair Registration as defined in the Policy:

“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, or is likely to be, used in a manner which took unfair advantage of or was unfairly detrimental to the Complainant's Rights.”

27. The Complainant relies on both limbs (i) and (ii) of the definition.

Unfair Registration Limb (i)

28. As summarised in paragraph [17] of this Decision, the Complainant's contentions (inter alia) are that the Respondent never had any right or interest in LENOVO; she registered the Domain Name 15 months after the Complainant first applied for the trade mark in New Zealand; LENOVO is an invented word and the Respondent must have known of it, so the registration was a calculated act designed to deprive the Complainant of its rights to register the Domain Name.

29. These contentions all relate to events occurring at or prior to 31 May 2004 when the Domain Name was registered.

30. For her part, the Respondent has provided an explanation as to her choice of name (summarised in paragraph [21(a)-(f)]. However the Respondent has been careful to place reliance on paragraph 5.4 of the Policy as follows:

“Finally, I note that my reasons or intentions for the choice of Domain Name at the time of registration have no bearing on this determination, as per paragraph 5.4 of the Policy, as the registration took place more than 3 years prior.”

31. Paragraph 5.4 of the Policy reads:

“In making their decision, the Expert shall not take into account any evidence of acts or omissions amounting to unfair registration or use which occurred more than three (3) years before the date of the Complaint.”

32. In its Reply the Complainant dealt with the effect of paragraph 5.4 in the following way:

- “5. The Complainant submits that the wording of paragraph 5.4 may conflict with the wording of the first limb of the test for “Unfair Registration” which states (with emphasis added):

“Unfair Registration means a Domain Name which either:

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;”

- “6. Consideration of “at the time when the registration or acquisition took place” requires the expert to consider evidence of the circumstances at or around the date the subject Domain Name was registered. It is not possible to reach a finding under limb one of the test otherwise. To the extent therefore that paragraph 5.4 of the policy may conflict with the wording of limb one of the test the Complainant submits paragraph 5.4 is to be ignored.”
33. The Expert does not accept the Complainant’s contentions. If correct, this would result in paragraph 5.4 being read down so as to have no effect in relation to the first limb of the definition of Unfair Registration. The Expert does not consider that the plain words of paragraph 5.4 are to be disregarded in such a way.
34. The scope and effect of paragraph 5.4 was recently considered by the Appeal Panel in DRS897 childcancer.co.nz. In that case the approach taken in the first instance decision (where the Domain Name had been registered more than 3 years before the Complaint) was to assume (because of paragraph 5.4) that the Domain Name was made in “good faith”. The Appeal Panel disagreed with that approach and held that paragraph 5.4 operates purely as a rule to exclude the admissibility of evidence. The Appeal Panel stated:
- “8.19 The Panel considers that paragraph 5.4 operates purely as a rule to exclude the admissibility of evidence. It does not operate to provide immunity from any finding that a domain name was unfairly registered – even though registered more than three years before the complaint. Such an inference might be possible from later conduct or admissions. The Panel does not agree that there must be an assumption in this case that the Domain Name was registered in good faith.
- 8.20 In any event the Respondent indicated that he was keen to demonstrate that he registered the Domain Name in good faith and has provided evidence of the circumstances of registration. It appears to the Panel that this action amounts to a waiver of the benefit of Rule 5.4. Once waived, the Complainant was then entitled to provide a response. To do otherwise, would allow a Respondent to “cherry-pick” the evidence which he, she or it wished to refer to. Such a selective operation of Rule 5.4 in such circumstances would be unfair to a Complainant.”
35. In the present case the Respondent has in fact also provided her reasons for the choice of name, but has been careful in paragraph 13 of her Response not to waive the protection of paragraph 5.4.

36. The Expert is not satisfied on the facts of this case that the Complainant has established on the balance of probabilities that this is an Unfair Registration under limb (i) for the following reasons:

(a) *Paragraph 5.4.*

37. Much of the Complaint addresses evidence of acts by the Respondent in registering the Domain Name and in addressing the issue that *at the time of registration* the Respondent must have been aware of the Complainant's Rights in the name and trade mark LENOVO¹.

But given the Respondent's express reliance on paragraph 5.4, the Expert is precluded from considering that evidence.

(b) *Issues of credibility not capable of being resolved on the papers*

38. Even if the Expert were to be wrong on this and it were to be found, despite paragraph [13] of the response, that there had been a waiver of paragraph 5.4, the Expert would still find that the Complainant had not established Unfair Registration under limb (i).

39. The Respondent squarely answers the Complainant's attack on her credibility and reliance on *The New Zealand Herald* article as to the registration of *kleenex.co.nz* by an Angela Huang. She states:

- that she is not the same person;
- she has never registered the domain name *kleenex.co.nz*;
- she has never been a worker at a takeaway bar (as referred to in the article).

40. The other principal piece of evidence relied on by the Complainant to establish that the Domain Name is an unfair registration in terms of limb (i) is a reverse whois lookup search on the website *domaintools.com* which shows that since 5 October 2003, a person called "Angela Huang" had registered 69 Domain Names.

41. The Respondent has directly denied that she registered 69 Domain Names:

"Neither have I been engaged in the 'pattern of registration' alleged by the Complainant and certainly have not registered 69 Domain Names."

¹ In this regard, as held by the Appeal Panel in DRS897 relying on the Nominet Decision *The Procter & Gamble Company v Michael Toth* ID 03316, 26 June 2006:

"It will normally be the case that at the time of acquisition/registration of the domain name, the registrant will have knowledge of the Complainant's name and all rights; similarly, for a domain name to constitute an Abusive Registration under subparagraph (ii) of the definition, the registrant will normally be aware of the Complainant's name and/or rights when using the domain name in the manner complained of."

42. In the face of these denials, the Expert cannot find that limb (i) has been established. It is not possible to draw conclusions as to credibility from the Complainant's evidence as to *other* Domain Names which the Respondent has flatly denied in a signed statement (stating that the information in it is "true and complete"). These are matters which could only be resolved before a Court with cross-examination of the Respondent.

Unfair Registration Limb (ii)

43. The issue under limb (ii) is whether the Domain Name has been or is likely to be used in the manner which took unfair advantage of or was unfairly detrimental to the Complainant's Rights.
44. The Complainant relies on the same grounds for limb (ii) as for limb (i).
45. The evidence from the Complainant does not show any use of the Domain Name by the Respondent and indeed the Complainant states it has not located any evidence of use since registration in 2004.
46. The Respondent states that her use of the Domain Name "has been solely personal". She wanted a new email service with storage of 50MB in 2004 and in order to acquire an email hosting service, registered the Domain Name.
47. There is nothing in the Complainant's evidence, or the Respondent's response to indicate that the Domain Name has been *or is likely to be used* in a manner which takes unfair advantage or is unfairly detrimental to the Complainant's Rights.
- (a) There is no evidence of any offer by the Respondent to sell the Domain Name to the Complainant or Lenovo for any sum, or of any intention to do so. This is positively confirmed by the Respondent states at paragraph 17 of her Reply as follows:
- "I have never attempted to sell the Domain Name to the Complainant. There have been no previous communications between us regarding the sale and purchase of the Domain Name. I have never requested any sum, large or small, for the transfer of the Domain Name. I have never advertised the Domain Name for sale."
- (b) There is no evidence that the Respondent intended to block registration of the Domain Name or is using the Domain Name for this purpose.
- (c) There is no evidence of any diversion of internet traffic/business from the Complainant to the Respondent. In this regard the Respondent notes in her reply that:

“In the last 9 years since my registration, the Domain Name has never been parked, nor has it generated any income for me by means of advertisements, links or otherwise”

“New Zealand internet users entering Lenovo NZ “LENOVO NZ” into a search engine like Google are directed to www.lenovo.com/nz/en. In fact, www.lenovo.com/nz/en appears at the top of the search results. The Domain Name, www.lenovo.co.nz, does not even appear on Google’s search results.”

The Expert notes that although the Domain name was registered in May 2004, the Complaint was not raised until 19 December 2013. The Complainant stated in the Complaint that it “had only just become aware of the Domain Name”. It would be expected that, had there been any diversion of internet traffic/business from the Complainant to the Respondent, the Complainant would have become aware of the Domain Name well before late 2013.

- (d) Finally, there is no evidence that the Respondent’s use or likely use of the Domain Name could further potentially cause damage to the Complainant through intentional diversion of custom and/or dilution of reputation and goodwill in the trade mark.

7. Decision

48. For all the foregoing reasons, the Expert declines to order the transfer of the Domain Name “*lenovo.co.nz*” to the Complainant.

Place of decision	Auckland
Date	16 April 2014
Expert Name	Mr Andrew Brown QC

Signature