



香港國際仲裁中心

Hong Kong International Arbitration Centre

ADMINISTRATIVE PANEL DECISION

行政专家组裁决

Case No. DHK-1000057

案件编号: DHK-1000057

Complainant: Alibaba.com Limited

Respondent: Chen Huiguang

Disputed domain name: <1688.hk >

Registrar: Hong Kong Domain Name Registration Company Limited (HKDNR)

## 1. Procedural History

The Complainant of this case is Alibaba.com Limited, its address is at 4<sup>th</sup> Floor, One Capital Place, P.O. Box 847GT, Grand Cayman, Cayman Islands, British West Indies. The authorized representatives of the Complainant in the proceedings are Hogan Lovells; their address is at 11<sup>th</sup> Floor, One Pacific Place, 88 Queensway, Hong Kong.

The Respondent is Chen Huiguang, their address is at Zhejiang Hangzhou, Hangzhou 310019 China, contact email is: vcstock@163.com

The disputed domain name is <1688.hk >. The registrar/agency of the disputed domain name is HKDNR and WebNIC.cc.

A complaint made pursuant to the Internet Corporation for Assigned Names and Numbers (ICANN) the Uniform Domain Name Dispute Resolution Policy, adopted by ICANN on 26 August, 1999 (“the Policy”), the HKDNR Domain Name Dispute Resolution Policy Rules of Procedure, approved by HKDNR on 30 November, 2004 (“the Rules of Procedure”), and the Hong Kong International Arbitration Centre (“HKIAC”) Supplemental Rules, was filed with HKIAC dated 15 June 2010 in the prescribed form, and was received by HKIAC on 17 June 2010.

The HKIAC notified the Registrar of the Disputed Domain of the proceedings by email on 17 June 2010, the registration agency on 18 June 2010.

The Complaint was served upon the Respondent by the HKIAC by email on 21 June 2010 to the address, vcstock@163.com provided by the Respondent as his contact email, according to the Complainant’s WHOIS search and Registrar's data base on 18 June 2010.

This constitutes valid service of these proceedings upon the Respondent.

No Response was filed with the HKIAC within the allotted time, on or before 13 July 2010. The Sole Panel, Dr. Timothy Sze, was appointed on 19 July 2010, with the papers being delivered to the Panelist on the same day. In accordance with the HKDNR, in the absence of exceptional circumstances as determined by the Panel in its sole discretion, the Arbitration Panel shall forward its decision on the Complaint to the Provider within fifteen (15) business days of its appointment.

Having reviewed the communication records in the case file, the Administrative Panel finds that the Centre has discharged its responsibility under Paragraph 2(a) of the Rules "to employ reasonably available means calculated to achieve actual notice to Respondents". Therefore, the Administrative Panel shall issue its Decision based upon the Complaint, the Policy, the Rules and the Supplemental Rules and without the benefit of any Response from Respondents.

## **2. Factual Background**

### *For the Complainant*

The Complainant is the founder of the "Alibaba" brand, or "阿里巴巴" as it is officially known in Chinese. The Complainant is part of a group of related companies, ultimately controlled by Alibaba Group Holding Limited. The Complainant, together with Alibaba Group Holding Limited and the other subsidiaries, shall be collectively referred to throughout this Complaint as "Alibaba".

Since its foundation in Hangzhou, the PRC in 1999, Alibaba has grown to become a global leader in the field of e-commerce, and operates a number of commercial Internet platforms. These include [www.alibaba.com](http://www.alibaba.com), [www.alibaba.com.cn](http://www.alibaba.com.cn), and [www.alibaba.co.jp](http://www.alibaba.co.jp), the online business-to-business (B2B) trade marketplaces for importers and exporters (together, the "Alibaba B2B Websites"), operated by the Complainant; Taobao ([www.taobao.com](http://www.taobao.com) and [www.taobao.com.cn](http://www.taobao.com.cn)), the PRC's largest consumer-to-consumer (C2C) Internet retail platform; Koubei.com ([www.koubei.com](http://www.koubei.com)), the PRC's leading classified listing website; Alipay ([www.alipay.com](http://www.alipay.com)), the PRC's leading online payment website, and Alimama ([www.alimama.com](http://www.alimama.com)), the PRC's leading online advertising platform.

The Alibaba B2B Websites form a community now boasting more than 50

million registered users from more than 240 countries and regions worldwide, and the international and Chinese marketplaces are now amongst the largest online B2B trading platforms in the world. In September 2009, the Complainant also beta-launched a wholesale platform at [www.aliexpress.com](http://www.aliexpress.com) on the international marketplace designed to facilitate small bulk transactions. The Complainant also offers business management software and Internet infrastructure services targeting small businesses across the PRC and, through Ali-Institute, incubates e-commerce talent for small Chinese businesses.

Alibaba has offices in sixty (60) cities across the PRC, as well as in Hong Kong, Taiwan, Korea, Japan, Singapore, the USA and Europe. In 2009, the Complainant alone reported total revenue of some RMB 3,870 million and has achieved a year-on-year revenue growth of about 29%. Attached at Annexure 3 is a copy of the 2009 Annual Report of the Complainant.

Alibaba's growth, and the success of its Internet services, has garnered a significant amount of media attention and resulted in a high public profile globally. Attached at Annexure 4 are a collection of articles and advertisements about Alibaba and its services, published during the twelve month period preceding this Complaint. Among them are articles published in some of the world's most highly respected and well-read newspapers and magazines, including Forbes, the Financial Times, Bloomberg, and Business Week.

As a result of the growth and success of Alibaba, and in particular the success of the B2B business operated by the Complainant, on 6 November 2007, under the stock code "1688.HK", the Complainant was listed on the Hong Kong Stock Exchange in one of the largest ever initial public offerings of an Internet company.

In March 2010, Alibaba launched the <1688.com> domain name, which resolves to the Complainant's B2B website for wholesale business in the PRC. The launch was part of Alibaba's strategic development plan to capture the online internal wholesale transaction market, and to accelerate trade for small businesses by publishing sales information rather than offering online transactions. [www.1688.com](http://www.1688.com) has been extremely successful, with Internet traffic to the website exceeding 6.38 million visitors on the first day alone, and is host to more than 500,000 business suppliers and 150 million products. Copies of media articles published in relation to the [www.1688.com](http://www.1688.com) launch are attached at Annexure 5.

*For the Respondent*

Respondent has failed to file a response in this matter.

### **3. Parties' Contentions**

#### *A. The Complainant*

The Disputed Domain Name is identical or confusingly similar to trademarks or service marks to which the Complainant has rights.

Alibaba and the "1688" mark

Owing to the close similarity in the Chinese pronunciation of "1688" to the Chinese pronunciation of "Alibaba", the Complainant requested the Hong Kong Exchange to allocate to it the listing stock code "1688". The pronunciation of "1688" in Chinese is also reminiscent of "一路八八" - an expression that translates into English as "make a fortune".

Following the listing of the Complainant, Alibaba began using the numerals "1688" extensively in commerce. Prior to 2007, the Complainant had considered using numerals as a domain name, on the basis that numerals are more universally recognisable, and domain names made up of Romanised letters are problematic for Chinese users who are more familiar with Chinese characters. Upon the assignment of the stock code "1688", Alibaba began to develop the "1688" brand, and acquired the <1688.com> domain name registration, together with a number of other gTLD and ccTLD domain name registrations incorporating "1688". Attached at Annexure 6 is a spreadsheet of the "1688" domain name registrations held by Alibaba.

The "1688.com" mark is prominently displayed on the Complainant's B2B website aimed at the Chinese market, with equal prominence to Alibaba's main brand, "ALIBABA". A screen shot of [www.1688.com](http://www.1688.com), showing the "1688.com" mark, is attached at Annexure 7.

The Complainant has also committed extensive time and resources and to the promotion and marketing of the "1688" brand throughout the Chinese Internet community. Attached at Annexure 8 are print outs of Internet advertising relating to the "1688" brand and [www.1688.com](http://www.1688.com). These advertisements have appeared on popular Chinese websites that experience high levels of Internet traffic, including [www.126.com](http://www.126.com), [www.tianya.cn](http://www.tianya.cn) and [www.tudou.com](http://www.tudou.com). The Complainant has also embarked on an extensive advertising campaign to ensure offline businesses and more traditional consumers are aware of the "1688" brand. Attached at Annexure 9 are copies and print outs of

advertisements that have appeared in print media or online versions of print media publications, such as "天下网商", the Oriental Morning Post, and the Shanghai Evening Post. The magazine "天下网商" in particular was distributed in 56 cities around Mainland China, with a total distribution run of around 281,342 copies. Attached at Annexure 10 is a spreadsheet setting out the breakdown of distribution in relation to the 56 cities across Mainland China.

As submitted above, in addition to its nine pending trade mark applications incorporating "1688", the Complainant asserts that, by virtue of its extensive use of "1688", it has acquired unregistered rights in the "1688" mark. It is well established that domain name policies such as the HKDNR DNDRP protect rights in unregistered marks: see SeekAmerica Networks Inc. v. Tariq Masood, WIPO Case No. D2000-0131 and Imperial College v. Christopher Dessimoz, WIPO Case No. D2004-0322, copies of which are attached at Annexure 12.

Furthermore, there is no requirement under the HKDNR DNDRP that the Complainant's rights exist at the time the Disputed Domain Name is registered (Digital Vision, Ltd v. Advanced Chemill Systems, WIPO Case No. D2001-0827, AB Svenska Spel v. Andrey Zacharov, WIPO Case No. D2003-0527, copies of which are attached at Annexure 12), though this fact may be relevant to the enquiry into bad faith, which the Complainant submits it has in any case proven (see below).

The Disputed Domain Name is identical or confusingly similar to the Complainant's "1688" mark. The Disputed Domain Name consists solely of "1688" in its entirety. The use of the ccTLD <.hk> further adds to the likelihood of confusion, as "1688.HK" is the Complainant's stock code, the addition of ".HK" indicating that the company is listed in Hong Kong.

The Complainant accordingly submits that it has proved that the Disputed Domain Name is identical and/or confusingly similar to trade marks in which the Complainant has rights or interests for the purposes of Article 4(a)(i) of the HKDNR DNDRP.

The Respondent has no rights or legitimate interest in the captioned domain name.

Although the Complainant has been using the "1688" mark for a relatively short period of time, Alibaba's profile, the renown of the "Alibaba" brand, the public interest surrounding the Complainant's listing, the level of promotion the Complainant has given the "1688" brand, and the volume of Internet traffic

experienced by the Complainant's B2B websites are all contributing factors, such that Chinese Internet users would immediately associate "1688" with the Complainant and its B2B business. Attached at Annexure 13 are print outs of search results from three of the major Internet search engines, Google, Yahoo! and Baidu, indicating that the majority of search results returned for searches of "1688", together with the geographic locator "Hong Kong"/ "香港" or "China"/"中国", relate to the Complainant.

The Complainant confirms that it has no knowledge of or association with the Respondent, and has not expressly or impliedly authorised, licensed or assented to the Respondent's use of its "1688" mark. To the best of the Complainant's knowledge and information, the Respondent is not commonly known by the term "1688", and is not the owner of any trade mark registrations reflecting or corresponding to the Disputed Domain Name in China or Hong Kong. Copies of proprietor searches carried out on the databases of the China Trade Marks Office and the Hong Kong Government Intellectual Property Department in the name of the Respondent are attached at Annexure 14.

It was not practicable for the Complainant to conduct trade mark searches in all other countries to determine whether the Respondent is the owner of any trade mark registrations for "1688" other than in his country of domicile and Hong Kong. The Complainant submits that this would be very unlikely, as the Respondent appears to be domiciled in Mainland China, and the Disputed Domain Name is a <.hk> ccTLD, such that it is logical to presume that China or Hong Kong would be the first jurisdictions in which the Respondent would seek to register a trade mark.

The only other basis on which any right or legitimate interest in the Disputed Domain Name could be conferred on the Respondent is through (i) use of the Disputed Domain Name in connection with any bona fide offering of goods or services, or (ii) legitimate non-commercial use of the Domain Name.

The Disputed Domain Name resolves to a page containing sponsored advertising links, from which the Respondent presumably receives referral fees, or some other kind of remuneration. It is well established that such use of a domain name to point to a website containing sponsored advertising and click-through links to other sites is neither use for the bona fide offering of goods or services nor a legitimate non-commercial use: PRL USA Holdings, Inc. v. LucasCobb, WIPO Case No. D2006-0162 (attached at Annexure 15).

Moreover, the Respondent is clearly using the Disputed Domain Name to trade on the fame and reputation of Alibaba. The fact that the Website is

headed "1688.hk alibaba stock code" clearly indicates that the Respondent knew of the Complainant when registering the Disputed Domain Name, and used it to point to the Website knowing that Internet users would be attracted to the Website because of the fame and reputation of the Complainant. Using a domain name to intentionally trade on the fame or reputation of another constitutes unfair use, and cannot amount to a bona fide offering of goods or services: *Madonna Ciccone, p/k/a Madonna v. Dan Parisi and "madonna.com"*, WIPO Case No. D2000-0847 (attached at Annexure 15).

The Complainant accordingly submits that it has proved that the Respondent has no rights or legitimate interests in respect of the Disputed Domain Name for the purposes of Article 4(a)(ii) of the HKDNR DNDRP.

The Respondent has registered and used the captioned domain name in bad faith.

The Complainant submits that the Disputed Domain Name has been registered and is being used by the Respondent in bad faith on the following grounds:

On 17 May 2010, the Complainant, via its legal representatives, approached the Respondent with an anonymous offer to purchase the Disputed Domain Name. In his reply on 26 May 2010, the Respondent indicated that he was willing to sell the Disputed Domain Name for the exorbitant price of USD 37,000. A copy of the email correspondence (in Chinese) between the Complainant's legal representatives and the Respondent, together with an English translation, is attached at Annexure 16.

The amount that the Respondent has demanded for the sale of the Disputed Domain Name indicates that he is aware of the value of the Complainant's mark and its associated goodwill and is trading on that value. These circumstances, together with the fact that the Website states that the Disputed Domain Name is for sale, indicate that the Respondent registered the Disputed Domain Name primarily for the purpose of selling, renting, or otherwise transferring the Disputed Domain Name to the Complainant or to a competitor of the Complainant, for valuable consideration in excess of his out-of-pocket expenses in registering and transferring the Disputed Domain Name. This is sufficient to establish bad faith under paragraph 4(b)(i) of the HKDNR DNDRP.

In the alternative, the Complainant submits that the Respondent has used the Domain Name in a deliberate attempt to attract, for commercial gain, Internet users to the Website, by creating a likelihood of confusion with the Complainant and the Complainant's "1688" mark as to the source, sponsorship,

affiliation, or endorsement of the Website. By heading the Website "1688.hk alibaba stock code Resources and Information" the Respondent is clearly relying on the probability that Internet users will assume that the Disputed Domain Name links to, and the Website contains, information about the Complainant (and may assume that the source of the information is the Complainant). The Respondent then trades on this assumption to attract Internet users to access the Website and click on the sponsored links, thereby generating revenue for the Respondent. This is likewise evidence of bad faith under paragraph 4(b)(i) of the HKDNR DNDRP.

The Complainant accordingly submits that it has proved that the Respondent has registered the Disputed Domain Name in bad faith for the purposes of Article 4(a)(iii) of the HKDNR DNDRP.

#### *B. The Respondent*

No Response was filed.

### **4. Findings**

#### *Respondent in Default*

The Rules of Procedure of HKDNR, 5(e) provides that “[i]f a Respondent does not submit a timely Response, in the absence of exceptional circumstances as determined by the Provider at its sole discretion, the Arbitration Panel shall decide the dispute based upon the Complaint and the evidence submitted therewith.” The Panel finds that no exceptional circumstances exist. Accordingly the Panel will decide the dispute based upon the Complaint and the evidence submitted therewith.

#### *The Language of the Proceedings*

Paragraph 11(a) of the Rules provides:

Unless otherwise agreed by the Parties, the language of the arbitration proceedings shall be the language of the Registration Agreement, subject always to the authority of the Arbitration Panel to determine otherwise, having regard to all the circumstances of the arbitration proceedings.

According to WebNIC.cc, the Registration Agreement is in the English Language. The Panel determines that the language of the arbitration proceedings shall be English.

### *Burden of Proof*

Pursuant to paragraph 4(a) of the HKDNR Policy (“the Policy”), in order to prevail the Complainant must prove that:

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

In the present case, the preliminary issue is whether the Complainant has protectable rights in the mark in Hong Kong to which it contends Respondent’s Domain Names are confusingly similar.

#### Trademarks in Hong Kong

On 25 February, 2010, Complainant filed two applications for registration of the trademark “1688” for goods and services in classes 35, 36, 39, 41 and 9, 16, 38, 42 with the Hong Kong Intellectual Property Department (“HKIPD”) which published by the HKIPD on 8 May, 2010 and 4 June, 2010 respectively. Opposition period expires on 7 August, 2010 and 3 September, 2010. No trademark registration has been submitted to the Panelist.

Complainant has not registered the name “1688” as a trademark or service mark in Hong Kong, therefore the questions arise as to (i) whether the Policy applies to unregistered trademarks and (ii) whether the mark at issue has acquired sufficient distinctiveness through use and promotion to identify the source of this particular service with Complainant.

In the Panel’s view, Paragraph 4(a)(i) of the Policy require that the Complainant must have rights of its trade mark or service mark in Hong Kong. The Policy refers to a “trademark or service mark” in which the Complainant has rights, and does not expressly limit the application of the Policy to a registered trademark or service mark in Hong Kong. It is therefore the burden of the Complainant to prove that the Complainant has common law trademark rights in the name “1688”, there is enough goodwill and reputation in and to a name and sufficient association of the

same with the party itself. (See *Action Sports Videos v. Jeff Reynolds*, WIPO case no. D2001-1239)

Based on the evidence provided, (the Complainant has been listed at Hong Kong Stock Exchange on 6 November 2007, traded under stock code 1688), upon the assignment of the stock code "1688", the Complainant began to develop the "1688" brand, and acquired the <1688.com> domain name registration, together with a number of other gTLD and ccTLD domain name registrations incorporating "1688". Further, the Complainant has furnished sufficient documentary proof of its alleged use of "1688" as a mark for its e-commerce and wholesale business in China.

In light of the above, the Panel accepts that the Complainant has provided adequate grounds for a finding that it holds common law trademark and service mark rights in the name "1688". The Panel finds that the disputed domain name is therefore identical to the "1688" trademark as the only difference between the trade mark and the domain name at issue is the suffix ".hk". The difference ".hk" is not relevant since it is generic top level domain names (ccTLDs) derived from the specific configuration of the Domain Name System. The relevant part of a domain name for purposes of the similarity analysis is the second-level-domain (see *OSRAM GmbH, v. web4COMM SRL Romania* (WIPO Case No. DRO2005-0004)).

Accordingly, the Panel finds that the Complainant has satisfied the first condition under paragraph 4(a)(i) of the Policy.

ii) Respondent has no rights or legitimate interest in respect of the domain name.

The Panel accepts that the Complainant has amply demonstrated that Respondent lacks any rights or legitimate interests, and by virtue of its default, the Respondent has failed to come forward with any evidence to rebut that finding (including the examples listed in paragraph 4(c) of the Policy).

The Respondent has not used or made preparations to use the domain name in connection with a bona fide offering of goods and services.

The Respondent was never commonly known as "1688." A Google search turns up no results relating to the Respondent. On the other hand, Google results turn up many hits related to the Complainant, who owns the trademark in "1688" and listed on the Hong Kong Stock Exchange.

There is similarly no evidence that the Respondent is making a legitimate

non-commercial or fair use of the domain name without intent for commercial gain.

Accordingly, the Panel finds that the Complainant has satisfied the second condition under paragraph 4(a)(ii) of the Policy.

iii) The domain name has been registered and is being used in bad faith.

The Panel agrees that the Respondent conduct falls under paragraph 4(b)(i) of the Policy, which states the Respondent “has registered the disputed domain name for the purpose of selling, renting, or otherwise transferring the Domain Name registration to the Complainant who is the owner of the trademark or service mark or to a competitor of that Complainant, for valuable consideration in excess of the documented out-of-pocket costs directly related to the Domain Name.”

The amount that the Respondent has demanded for the sale of the Disputed Domain Name indicates that he is aware of the value of the Complainant's mark and its associated goodwill and is trading on that value. These circumstances, together with the fact that the Website states that the Disputed Domain Name is for sale, this is sufficient to establish bad faith under paragraph 4(b)(i) of the HKDNR DNDRP.

## **5. Decision**

**Based on the above analysis, the Panel decides that:**

the domain name is identical or confusingly similar to a trademark or service mark in Hong Kong in which the Complainant has rights; and  
the Respondent has no rights or legitimate interests in respect of the domain name; and  
the domain name has been registered and is being used in bad faith.

Accordingly, pursuant to paragraph 4(a) of the Policy, and at the Complainant's request, the Panel decides that the Disputed Domain <1688.hk> should be transferred to the Complainant.

Sole Panelist: Dr. Timothy Sze

Dated: 9 August, 2010