



香港國際仲裁中心
Hong Kong International Arbitration Centre

.hk Domain Name Dispute Resolution
ARBITRATION PANEL DECISION

1. Parties and Contested Domain Name

Complainant: BABOLAT VS

Respondent: Guangzhousi Aotu Tiyuyongpin Co. Ltd.

Domain Name: BABOLAT.HK

Registrar: Hong Kong Domain Name Registration Company Ltd.

Panelist: Karen Mills

2. Procedural Matters

Complainant filed its complaint (the “Complaint”), dated 26 November 2010, with the Hong Kong International Arbitration Centre (“HKIAC”) on 2 December 2010, through its counsel, D. Forman & Associates, seeking cancellation of domain name “BABOLAT.HK” registered with Hong Kong Domain Name Registration Company Limited (“HKDNR”) by Respondent. In the Complaint, the Complainant opted for a sole panelist yet did not nominate one. On 10 December 2010, a period of time until 3 January 2011 was provided for Respondent to respond to the Complaint. However, Respondent failed to submit any response within the time provided. On 4 January 2011, HKIAC sent a notification email to Complainant stipulating that the Respondent had failed to submit its response to the Complainant’s Complaint.

Subsequently, HKIAC/HKDNR requested the undersigned, Karen Mills, to indicate ability to act as sole Panelist and if so confirm ability to act independently and

impartially. On 6 January 2011, the undersigned responded in affirmative on all points and, on 11 January 2011, was appointed to serve as the Panel to adjudge the present case.

This Panel issued its Procedural Order No. 1 on 18 January 2011, having found that the Complaint did not provide adequate basis for determination of elements under paragraph 4 points b, and c of the Domain Name Dispute Resolution Policy as approved by Hong Kong Domain Name Registration Company Limited on 30 November 2006 ("Policy") and therefore afforded Complainant additional time to submit its supplementary amendment to the Complaint ("Amendment"), until 25 January 2011 and for Respondent to respond within a further 7 days. On 25 January, 2011, the Complainant requested an extension of time to submit its Amendment. The Panel, through email dated 26 January 2011, granted the extension, as requested, until 4 February 2011 for Complainant to complete the requirements under Procedural Order No. 1 and Respondent to respond within 10 days thereafter, provided Respondent gave indication of its intention to make its submission. On 3 February, 2011, Complainant requested a further extension, until 11 February, 2011 to submit its Amendment. This Panel responded in the affirmative upon this request and granted Complainant an additional extension until 11 February, 2011 and allowed the Respondent further time to indicate whether it intended to respond to the Amendment, until 14 February 2011.

Complainant did submit its Amendment to the Complaint, with attachments, on 11 February 2011 but Respondent never filed any response to Complainant's submissions, nor has it made any submission whatsoever to this date.

3. Factual Background (Based solely on Complainant's Complaint and its Amendment and attachments)

Complainant commenced its business on 26 February 1921 and, as specified in the Certificate of Incorporation, it registered its company, BABOLAT VS Company, on 26 August 1954 in Lyon, France. Further, Complainant registered the trademark "BABOLAT" in Hong Kong on 6 October 2008, and such trademark protection was granted by Trademarks Registry Intellectual Property Department of the Government

of the Hong Kong Special Administrative Region on 6 May 2009, in the business classes 25 (clothing) and 28 (sporting items).

According to the Complainant, Respondent has registered the domain name in dispute, "BABOLAT.HK", in Hong Kong with the HKDNR and commenced use of such domain name on 29 October 2009.

4. Requirements

According to paragraph 4 (a) of the HKDNR Domain Name Dispute Resolution Policy of 30 November, 2006 (the "Policy"), which is applicable hereto, the Complainant has the burden of proving the following:

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

5. Parties' Contentions

The Complainant

In its Complaint and Amendment, the Complainant argues that the **first requirement**, as set out in Article 4 (a)(i) of the Policy, which is to show similarity of Domain Name with a trademark in which Complainant has rights, is fulfilled. Complainant states that Respondent's registration and use of domain name "BABOLAT.HK" is the same as (or at least confusingly similar to) the "BABOLAT" trademark which Complainant has registered in Hong Kong.

On the **second requirement**, as set out in Article 14 (c) of the Policy, Complainant argues that Respondent has "*no rights or legitimate interests in respect of the Domain Name*". Complainant firstly argues that it is Respondent's burden to prove this requirement satisfied. Nonetheless, Complainant has provided its elaboration on

the elements to establish this requirement. Complainant refers to the Complaint (paragraphs 1,2 & 3) of Attachment 3 to the Complaint, as amended) which contains an article on "*Sporting Goods-String Theory. Babolat topped the racket market by first focusing on the secondary piece of the business*", and an article entitled "What's the Best Tennis Brand in the World" which mentions Babolat as one of the brands (Attachment 10); also a list of trademarks registered worldwide by Complainant (Attachment 11) to prove that Respondent can by no means have any rights or legitimate interest on the domain name, being the very trademark "BABOLAT" owned by Complainant.

With respect to this second requirement, the Complainant argues:

- (i) Respondent has not used the domain name "*in connection with a bona fide offering of goods or services in Hong Kong*" since the Respondent uses the domain name in dispute to promote the sale of products misleadingly associated with, or bearing, the trademark "BABOLAT" which are not genuine products of the Complainant, thereby counterfeiting the trademark "BABOLAT" owned by the Complainant (Complainant);
- (ii) Respondent has not been "*commonly known by the Domain Name...in Hong Kong*" citing a map included in the Respondent's website to describe locations where it would develop its activities which does not mention Hong Kong (Page 25 of Attachment 7).
- (iii) Respondent does not "make a legitimate non-commercial or fair use of the Domain Name without intent for commercial gain to misleadingly divert consumers" since the Respondent's use of the name "BABOLAT" to promote the sale of *counterfeits* is a blatant usurpation, for commercial purpose, of the famous trademark "BABOLAT" owned by the Complainant.

Finally, on the **third requirement**, as set out in Article 4 (b) of the Policy, to prove Respondent's bad faith, Complainant argues that by using the domain name "BABOLAT.HK", the Respondent attempts to attract customers to its website by systematically displaying the "BABOLAT" famous trademark owned in Hong Kong and worldwide by the Complainant, the "BABOLAT" figurative mark owned by the Complainant, as evidenced by Attachments 4, 8, and 11 to the Complaint, as amended, as well as the inclusion of an image of France's Eiffel Tower on the homepage. The Respondent thereby attempts to associate itself, and the product it promotes, with the French and in particular with the Complainant's company and its

products in order to promote the sale of apparel which are not products of the Complainant. These evidences, accord with the bad faith criteria under paragraph 4 (b) (iv) of the Policy, that the Respondent has registered and used the domain name “BABOLAT.HK” in bad faith to intentionally attempt to attract Internet users and customers to its website in order to promote and sell products by creating, in violation of the Policy and of the Complainant’s rights, the misleading appearance of an association between the Respondent and the Complainant and by presenting its (non genuine i.e, fake) products as products of the Complainant.

Thereby, based on its arguments, the Complainant requested the Panel to cancel the domain name “BABOLAT.HK” registered in Hong Kong by Respondent.

The Respondent

The Respondent did not submit any response to Complainant’s submission, despite at least two reminders by this Panel requesting it to do so. Thus, it has not registered any contest to any of the allegations made by the Complainant.

6. Findings

Pursuant to Article 15 (a) of the Rules of Procedure of Hong Kong Domain Name Registration Company Limited Domain Name Dispute Resolution Policy (the “Rules”), the Panel is instructed to decide a complaint on the basis of the statements and documents submitted to it and in accordance with the Policy, the Rules, the Provider's Supplementary Rules and the law which it deems applicable.

Since Respondent has not responded to the Complaint no contest has been registered against the allegations made by the Complainant. Therefore, it flows from Article 15 (a) of the Rules that the Panel is to decide the present case on the basis of the Policy, the Rules, the Complaint, the Amendment thereto, and the exhibits submitted therewith.

Paragraph 4 (a) of the Policy requires the Complainant to show that:

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

As to such requirements, this panel finds the following:

(1) Identical/confusing similarity

The Panel finds that it is beyond reasonable doubt that that the domain name registered and used by Respondent “*BABOLAT.HK*” is identical to the trademark “BABOLAT” in which Complainant has rights, save for the “hk” suffix of the registrar. It is to be noted that Complainant has acquired this right, through its registration of its trademark, “BABOLAT”, in Hong Kong through the Trademarks Registry Intellectual Property Department of the Government of the Hong Kong Special Administrative Region since 6 May 2009. Thus it is clear that this first criterion is met.

(2) Rights or Legitimate Interests of Respondent

a. **Burden of Proof:** Complainant argues that Respondent is the one that should prove that it has a legitimate interest in using the Domain Name in dispute. To address this preliminary question, as to whether it is a complainant or a respondent that must bear the burden of proof in satisfying the elements under paragraph 4 (c) of the Policy, this Panel takes the view that it is the complainant that bears the said burden of proof as to the negative, while a respondent may also submit evidence to prove that it does possess such right or interest, in its defense.

This finding is based upon the plain wording of the Policy, particularly in paragraph 4 (a):

“...To succeed in the arbitration proceeding, the Complainant must prove that all of these three elements are present.”

Thus, clearly it is the Complainant who has to prove the existence of all three elements, including that the Respondent lacks any rights or legitimate interest in using the Domain Name in dispute, in order to succeed in this arbitration proceeding.

b. **The criterion:** The Policy sets out a number of tests that may be applied by a respondent in considering whether it does have any rights or legitimate interest in a disputed domain name. These are:

"(i) before any notice to you of the dispute, your use of, or demonstrable preparations to use, the Domain Name or a name corresponding to the Domain Name in connection with a bona fide offering of goods or services in Hong Kong; or

(ii) you (as an individual, business, or other organisation) have been commonly known by the Domain Name, even if you have acquired no trade mark or service mark rights in Hong Kong; or

(iii) you are making a legitimate non-commercial or fair use of the Domain Name, without intent for commercial gain to misleadingly divert consumers or to tarnish the trade mark or service mark at issue. "

Complainant asserts that Respondent has not used the domain name in dispute "*in connection with bona fide offering of goods*" because it claims that the goods, being sportswear clothing, offered for sale by Respondent on its website under the disputed domain name, bear the trademark "BABOLAT" and are fake, or counterfeit of products of Complainant's, thereby counterfeiting Complainant's trademark. However, despite being requested to provide additional information to establish this criterion, Complainant has not provided any evidence that: (i) the products offered for sale by Respondent were not already offered prior to the complaint being made and prior to the notification to Respondent of the commencement of the proceedings, (ii) that Complainant itself offers for sale similar products to those being offered by Respondent or (iii) that Respondent's products are copies, reproductions or "counterfeit" versions of Complainant's products.

In this case, the Respondent registered the domain name in dispute and commenced using it on 29 October, 2009, and Complainant filed its Complaint on 2 December, 2010, Respondent having been notified of the commencement of

proceedings on 10 December 2010 by the HKIAC. Thus the notification to Respondent was well after Respondent commenced offering its products for sale on its website. There is no evidence that Complainant gave any notification to Respondent of its objection prior to 10 December, 2010.

Complainant has provided images of Respondent's website pages, found at the domain name in dispute, showing that Respondent offers for sale various items of clothing bearing the name or logo "Babolat". However, although Complainant has indicated that it has trademark rights in the name and logo *Babolat*, including in the class for clothing, Complainant has not provided any evidence that it itself does produce or offer for sale any items of clothing, except shoes. The shoes shown on Respondent's website do not appear to be similar to those offered by Complainant and therefore there is no evidence that these are "counterfeit". The other items of clothing offered for sale by Respondent do appear to bear the name or logo "Babolat", in which Complainant has trademark rights. But if this is the case, it would be a violation of trademark rights, disputes regarding which are beyond the mandate of this Panel.

Seeing that paragraph 4(c)(i) of the Policy, as quoted above, makes it clear that if a respondent, *before any notice to (it) of the dispute . . . (uses) the Domain Name or a name corresponding to the Domain Name in connection with a bona fide offering of goods or services in Hong Kong*, the same would constitute a "legitimate interest" within the meaning of the Policy, and thus defeat a complainant's application for cancellation of the registration by such respondent of the disputed domain name, this Panel must respect such language in the Policy and is therefore unable to find that the Respondent does not have any legitimate interest in the Domain Name in dispute based on the Policy.

See also the award in the dispute case ID HK-0300032 of "www.sinoland.com" between SINO LAND CO LTD v. Suet Chung Tsang before the Asian Domain Name Dispute Resolution Centre, decided on 25 November 2003, in which it was found that the respondent in such case did have a legitimate interest over the disputed domain name where the complainant had no similar business as that of respondent, despite respondent's use of the name and logo in which complainant had trademark/service mark rights. In that case the Panel found:

*“. . . that the Respondent satisfies Paragraph 4(c)(i) by reason of the Respondent’s preparations to launch its ‘paid for’ e-mail service, which is an offering of goods or services which is legal, not illusory and can potentially make money for the Respondent. Even if the Complainant were to establish common law rights to ‘Sinoland’, these rights would not extend beyond the ability to safeguard its own legitimate business. **The Complainant has no business in the provision of domain name services.**”*

In this case, Complainant and Respondent do not share the same business. Complainant’s primary business, and that for which it is known throughout the world, is tennis racquets and strings for use thereon. In the Complainant’s website, www.babolat.com, Complainant’s products appear only to encompass racquets, strings, shoes, grips, overgrips, bags, accessories, and stringing machines; and it does not display nor offer for sale clothing items. There is no evidence that Respondent is producing or offering for sale tennis rackets, strings, grips, overgrips, bags, accessories, or stringing machines, nor that Complainant is offering sportswear, other than shoes.

This Panel recognizes that Complainant has registered its trademark/tradename "Babolat" in the category covering sportswear clothing. Therefore it may well be able to establish an excellent case of trademark infringement against Respondent were it to bring such in an appropriate court of competent jurisdiction. However, for purposes of this dispute, the fact that Respondent is in fact producing and selling clothing under the name Babolat, through its website, would, according to the Policy, seem more to establish that Respondent does have a sufficient interest in the use of the disputed name than that it does not.

Since Respondent does offer products for sale on its website, and they are different from the products offered by Complainant, and did so before the Complaint was issued, then it meets the criteria set out in paragraph 4 (c)(i) of the Policy to establish a legitimate interest and thus this Panel is unable to find it has none. Thus the Complaint fails on this point.

(3). Bad faith

Having determined that the Complainant has not established the second element required to allow this Panel to order cancellation of Respondent's registration of the Domain Name in dispute, it is not necessary to go further, and examine whether the third element has been established. Nonetheless, for the sake of completeness, this Panel shall examine whether Complainant has established that the Respondent registered and is using the Domain Name in dispute in bad faith.

The Policy sets out some guidance for determining whether a respondent has registered and acted in bad faith. In particular, but without limitation, the following would be deemed to constitute evidence of such bad faith:

(a) circumstances indicating that registrant registered the disputed domain name primarily for the purpose of selling, renting or otherwise transferring the domain name to the complainant who is the owner of the relevant trademark/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 involved;

(b) the registrant did so to prevent the owner of the relevant 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;

(c) the registrant did so for the purpose of disrupting the business of a competitor; or

(d) by using the domain name in question, the registrant intentionally attempted to attract, for commercial gain, internet users to the registrant's website, by creating confusion with the complainant's mark as the source, sponsorship, affiliation, or endorsement of the registrant's website or of a product or service on the registrant's website.

Let us consider these examples in turn:

(a) There is no indication, nor has Complainant alleged, that Respondent made any attempt to offer to sell, rent, or transfer the domain name to Complainant or to a competitor of the Complainant.

(b) Often, where a domain name is registered in bad faith, it is done for the purpose of "cybersquatting" or preventing the rightful owner from using its name.

Most “cybersquatters” register many names and then seek to sell them for profit, otherwise preventing the rightful owner of the intellectual property in the name from registering such name, at least in the same registry, itself. In this case, there is no indication, nor has Complainant adduced any evidence, that Respondent has engaged in a pattern of conduct in registering any other domain names. Nor has the Complainant indicated that it has been prevented from using or registering the same name under any other registry, or that the registration by Respondent has prevented it from marketing or offering for sale its own products in Hong Kong or anywhere.

(c) There is also no indication presented to this Panel that Respondent’s purpose in registering or using the disputed domain name was to disrupt the business of Complainant, nor that it has done so. Nor even that Respondent is a competitor of Complainant. Complainant has provided no evidence as to whether it itself sells the same type of products advertised by Respondent on the website under the disputed domain name, nor that its business has been in any way interrupted by the registration of the disputed domain name by the Respondent.

(d) The only indication of bad faith, as set out in the Policy, which this Panel is able to find would be that Respondent is using Complainant’s figurative mark or “BABOLAT” logo on every page of its website, also displaying a drawing of the Eiffel Tower, to intentionally attempt to attract internet users and customers to its website by creating a misleading implication that Respondent is affiliated with Complainant and that its products come from France, the domicile of Complainant. On this point this Panel is able to conclude that Respondent is attempting to give the false impression that it is affiliated with Complainant and, seeing that this is not the case, is acting in bad faith in such advertising, intending to create a likelihood of confusion with Complainant’s “BABOLAT” as to the source of its products.

In this regard, this Panel is has also considered the case decided on 27 January 2011, in the dispute number ID HK-1000321, between New China Life Insurance Co., Ltd. V. Zhang Jianli, in which the panel in that case found that a respondent acted in bad faith since they put on its website materials similar to those belonging to complainant. In that case, the panel stated:

*“...I further note that...the disputed domain name’s home page **is confusingly similar to that of Complainant’s home page in terms of graphics, certain***

photographs... I accept the Complainant's evidence that these similarities are an intentional attempt to lure or divert customers or potential customers..."

On the basis of this last element this Tribunal can find that there may very well be a bad faith intention on the Part of Respondent in the use of the disputed domain name, "Babolat".

7. Award

Based upon the Policy, the Complaint, as amended by the Amendment at its attachments, and the above analysis, this Panel finds that the domain name registered by the Respondent is identical or confusingly similar to trademarks in which the Complainant has rights; and that it is very likely that that the domain name was registered and is being used in bad faith. However Complainant has not established the second element: that Respondent does not have any rights or legitimate interest in the disputed domain name, seeing that the Respondent, before any complaint was made or notified to it, has been offering for sale products under the disputed domain name, which products it advertises on its website under such domain name, and there is no evidence that such products are illicit reproductions or counterfeit copies of products of Complainant.

Paragraph 4 (a) of the Policy mandates for the Complainant to satisfy a panel, beyond reasonable doubt, on all three of the elements set out thereunder. In this case, Complainant has established only two out of the three elements. Therefore, in keeping with the Policy and upon the basis of the documentation and information provided to this Panel, this Panel is unable to order the cancellation of the disputed domain name "BABOLAT.HK", as registered by Respondent, and transfer of same to the Complainant.

Commentary:

If Complainant is able to establish that Respondent is using its trademark, being the name and logo of Babolat, in violation of its intellectual property rights, before a court of competent jurisdiction over trademark matters or over the Respondent, Complainant may be able to estop Respondent from continued use of such

trademark. Unfortunately it is beyond the jurisdiction of this Panel to make any such finding or award any such relief.

Dated 26 February 2011



Karen Mills

J.D. F.CI Arb, F.HKI Arb., F.SI Arb.

Chartered Arbitrator

KarimSyah Law Firm

Jakarta