

ADMINISTRATIVE PANEL DECISION

Alibaba Group Holding Limited v. Microit Technology (M) Sdn. Bhd.

Case No.RCA/DNDR/2012/28

1. The Parties

The Complainant in this administrative proceeding is Alibaba Group Holding Limited (The Complainant) incorporated in Cayman Islands, with its address at Fourth Floor, One Capital Place, P.O. Box 847, George Town, Grand Cayman, Cayman Islands, British West Indies.

The Respondent is Microit Technology (M) Sdn Bhd (The Respondent), with its address at 91, Jalan Hang Jebat, Taman Sri Tiram, UluTiram, 81800 UluTiram, Johor.

2. The Domain Name and Registrar

The domain name that is subject of this Complaint is taobao.com.my (“Disputed domain name”). It is registered with MYNIC.

3. Procedural History

The Complaint was submitted electronically and in hard copy format to Kuala Lumpur Regional Centre for Arbitration (“KLRCA”) on Jan 30, 2012 and Feb 2, 2012 respectively. KLRCA acknowledged receipt of the Complaint on February 14, 2012.

On or about February 15, 2012, The Respondent was notified of the Complaint. In this regard, KLRCA confirmed that it had taken all necessary steps to send the Complaint to the Respondent in accordance with Rule 5.3 of the MYNIC Rules.

There was no response filed by the Respondent and, it did not make any attempt to procure any enlargement of time to file its response.

On March 13, 2012, in view of the Complainant having designated a single panelist, KLRCA invited Mr. S. F. Wong to serve as a panelist in the instant case. The Statement of Acceptance and Request for Declaration of Impartiality and Independence were accordingly, transmitted to him by courier and e-mail, accompanied by a cover letter dated March 14, 2012.

Consequent upon the receipt of Mr. S.F. Wong’s Statement of Acceptance and Declaration of Impartiality and Independence on March 14, 2012, KLRCA transmitted to the parties a Notification of Appointment of Administrative Panel and Projected Decision Date. By this, Mr. S.F. Wong was formally

appointed as the sole panelist. The Projected Decision Date was April 4, 2012. The Administrative Panel was thus, properly constituted and appointed in accordance with the MYNIC Rules and KLRCA Supplemental Rules. The projected decision date was April 4, 2012

The Administrative Panel shall issue its Decision based on the Complaint, the MYNIC's (.my) Domain Name Dispute Resolution Policy ("the Policy"), the Rules of MYNIC's (.my) Domain Name Dispute Resolution Policy ("the Rules"), Supplemental Rules of Kuala Lumpur Regional Centre for Arbitration ("the Supplemental Rules"), the Complaint and the evidence adduced in support.

4. Factual Background

The Complainant operates its business through a number of related companies (collectively known as "Alibaba Group"). Alibaba Group was founded in Hangzhou, China in 1999.

The Complainant and other members within the Alibaba Group are the registered proprietors of a number of trade marks in Malaysia and elsewhere, including trade marks consisting of the word "taobao", "TAOBAO", "TAOBAO.com" and Chinese transliterations of the same.

The Complainant is the registrant among others of the following domain names containing the mark "TAOBAO": taobao.sg, taobao.com.hk, taobaomobile.asia, taobaouniversity.asia, and taobaodating.net.cn in territories other than Malaysia

The Respondent is a locally incorporated company in Malaysia. Apart from it being the registrant of the domain name www.taobao.com.my, it is also the trademark applicant for TAOBAO mark in various Classes in Malaysia.

5. Parties' Contentions

There was no response from the Respondent. The facts proffered in support of the Complaint must therefore be accepted as unchallenged. Essentially, they are as follows:

The Complainant and the Alibaba Group conducted a business-to-consumer and consumer-to-consumer e-commerce business. Alibaba Group claimed it has 70 subsidiary offices worldwide including across China, Hong Kong, Taiwan, Korea, India, Japan, Singapore, USA and Europe. Its growth and success in respect of the Taobao services are accounted for by the adduction of supporting articles published in some of the world's well-read newspapers and magazines, including Reuters, Wall Street Journal and Business Week.

One of the Alibaba Group companies, Alibaba.com Limited is listed in the Hong Kong Stock Exchange since November 2007 (HKSE: 1688.HK). It

owns several domain names incorporating TAOBAO including www.taobao.cn, www.taobao.com and www.taobao.com.cn.

In May 2003, the Alibaba Group founded the brand “Taobao” at www.taobao.com (“Taobao Website”). The Taobao Website is a Chinese language business-to-consumer and consumer-to-consumer Internet retail platform that focused on Chinese consumers (“Taobao Marketplace”). It is also available and accessible to consumers outside the PRC, including Malaysia, through the services of various “Taobao Agents”. The Taobao Agents are companies that adopt the business model of acting as agents for consumers in the respective territorial Taobao Marketplace, facilitating the purchase, payment and delivery of goods for and to such consumers located in the territories of their operation.

The meaning of the Chinese characters upon which the English “taobao” transliteration is based is this: The Chinese character “Tao” means “dig” or “flush out”. The Chinese character “bao” means “treasure”. Complainant concedes that separately, these two Chinese characters are generic words. It however contends that in combination, they do not constitute a common phrase in China.

6. Discussions and Findings

Pursuant to Paragraph 5.2 of the Policy, for the Complainant to succeed and have the disputed domain name transferred to it, the Complainant must establish the following two elements:

- (i) the disputed Domain Name is identical or confusingly similar to a trade mark or service mark to which the Complainant has rights to; and
- (ii) the Respondent has registered and / or used the disputed Domain Name in bad faith. Paragraph 6 of the Policy defines what might constitute bad faith.

It is to be noted that there is no requirement in Paragraph 5.2 (i) the trademark or service mark to which the Complainant has rights to must be a Malaysian trade or service mark registered under Malaysian laws. It suffices if it qualifies for protection under Malaysian common law. See *Hugo Boss AG v Eppies Internet* (Case No: rca/dndr/2004/02.)

Identical or Confusingly Similar

The Complainant relied on the following for support of this ground:

- That it is the owner of the Taobao trade marks in many countries, including Malaysia, Cambodia, mainland China, the European Union, Germany, Hong Kong, Japan, Korea, Macau, Mexico, Mongolia, New Zealand, Peru, Singapore, Switzerland and Taiwan.

- That it is the owner of several domain names incorporating “TAOBAO” including <taobao.cn>, <taobao.com>, and <taobao.com.cn>, the first of which it claims was registered on April 23, 2003. That was before the registration of the Respondent’s disputed domain name on July 5, 2006.
- In support of its trademark registrations for TAOBAO and its variations including TAOBAO.com, the Complainant has produced trademark registrations and applications from Malaysia, Hong Kong, Japan, Singapore, European Union and China. Some of the documents are in Chinese and were unaccompanied by translations in the official language of either Malay or English as required by Rule 13 of the Supplemental Rules. These Chinese documents will therefore, not be considered. With the exception of a few, most of these registrations occurred after the registration of the Respondent’s disputed domain name <taobao.com.my>, i.e. after July 5, 2006. These documents that are dated post July 5th 2006 are irrelevant for the purpose of showing the Complainant’s first right of use over Taobao. They however, may be of some weight in going towards showing the extent of ownership and usage of TAOBAO by the Complainant worldwide.
- On the documentary evidence adduced, the Panel is satisfied that there is enough evidence to show that the Complainant are owners or applicants of the TABAO trademark in numerous countries from a point in time before the registration of the Respondent’s disputed domain name <taobao.com.my>. This is apparent for instance from Hong Kong registration no. 300023282 for TAOBAO on May 23, 2003, Taiwan registration no. 1092807 for TAOBAO on March 16, 2005. That meets the requirements of paragraph 5.2 (i) of the Policy.

It is indisputable that the domain name www.taobao.com.my presently registered in the name of the Respondent is identical to the Complainant’s trademark “TAOBAO”. In assessing similarity between both the Complainant’s trademark and the Respondent’s disputed domain name, this Panel is in agreement with and adopts the approach in the case of Rohde & Schwarz GmbH & Co. KG v. Pertshire Marketing (Case No. D2006-0762) where the panel disregarded from its consideration, the extension “.com.my”. Adopting this approach in considering the similarity of the Claimant’s “TAOBAO” trademark and the Respondent’s disputed domain name, what is compelling is that the essential feature of both consists of the word “taobao”. The extension “.com.my” need not weigh upon the comparison and evaluation.

- Ordinarily, compliance with Paragraph 5.2 (i) of the Policy would not require the Panel having to look elsewhere for evidence other than what the Complainant must provide and proof as required by the said provision. However, having regard to the manner the arguments and evidence in support of the Complaint were led, the Panel feels it is perhaps appropriate to observe and comment as below.

- With regards the domain name registrations, the Complainant claims to be the owner of www.taobao.cn, www.taobao.com and www.taobao.com.cn. These together with its “TAOBAO” trademarks both registered and pending, provided the basis for its Complaint. The registration dates and particulars of these domain names would at least be material. Regrettably, no print-outs were provided of WHOIS searches of these domain names. Instead, the Panel was provided with WHOIS searches of other domain names that were registered post the registration date of the Respondent’s disputed domain name.
- A schedule purportedly showing a listing of the Complainant’s domain name registrations, unsupported by documents on its own, carries little weight but the danger of it being perceived as a self-serving statement. It adds nothing by way of evidence other than an assertion that is not substantiated or supported and hence, of no weight.
- However, even, if the scheduled particulars were disregarded, the Panel is nevertheless satisfied that there is sufficient evidence that show the Complainant’s web presence and business activities conducted in relation to it since at least 2003 from the publications submitted in support by the Complainant. For instance, there is an article entitled “Standing Up to a Giant” dated April 24, 2005 stating that:

“Ebay bought its way into China in 2002...”

“Jack Ma is more than a mere ankle-biter. Ma runs the Taobao consumer site, the biggest homegrown rival to Ebay in China. Though it didn’t start up until a year after Ebay arrived, Taobao has quickly gobbled up 41% of China’s online auction sales, compared with Ebay’s 53%; It has 4 million registered users, gaining on Ebay’s claim of 10 million customers in the country. To take on the decidedly American presence of Ebay, Taobao-Mandarin for “searching for treasure” plays up its local staff and an all-China focus; its online moderators use screen names from characters in famous Chinese kungfu novels. Most important, Taobao doesn’t charge sellers a cut, as Ebay does.

“Ma’s core business is Alibaba, the business-to-business Web auction site he’s been building since the Internet craze of the late 1990s. Now at \$68 million in annual sales, Alibaba competes locally with the longer-established Global Sources. Like Taobao, Alibaba offers basic service free of charge but gets revenue from 85,000 members who pay \$250 to \$10,000 a year for extra services such as personalized Web pages and accreditation.”

Rights and Legitimate Interest

In order to demonstrate that the Respondent does have the requisite rights or legitimate interest that would merit its entitlement to the disputed domain

name, the Respondent must prove the following in accordance to Paragraph 7.2 of the Policy:

- (i) before the date of communication of the Complaint, it has used or made preparations to use the Domain Name or a name corresponding to the Domain name in relation to a genuine offering of goods or services; or
- (ii) it is commonly known by the Domain Name even though it has acquired no trade mark or service mark rights in the same; or
- (iii) it is using the Domain Name for legitimate, non-commercial and/or fair purposes and have no intention of using the same for profits or to deceive the public.

The Respondent did not assert or adduce evidence on any of these requirements to demonstrate its rights and legitimate interest. On the contrary, the Complainant has adduced sufficient unchallenged evidence to show that the Respondent does not have the requisite rights or legitimate interest of the type described above. The Panel is of the further view that:

- it unlikely the Respondent is ordinarily known by the identifier or being referred to as TAOBAO. Its corporate name is so markedly different from TAOBAO and in the absence of any evidence from or explanation by the Respondent, it is difficult to imagine why the public would associate the Respondent with TAOBAO.
- even if the Respondent's website contains little commercially useful content material, it features and provides the links that re-direct visitors to two for-profit websites operated by or at least associated with the Respondent. Both these sites are commercial sites. Thus, notwithstanding that no goods or services are offered on the disputed domain name site, the Panel is satisfied that goods offered by these links were done in a disingenuous manner that will profit and bring commercial advantage to the disputed website in a commercial and business way that is prejudicial to the Complainant. Such unfair business activity conducted by the Respondent cannot confer on it rights or legitimate interests in the disputed domain name.

Bad Faith

On the evidence produced by the Complainant, the Panel is satisfied the Respondent had registered the disputed domain name in bad faith. Though the Respondent has not furnished any Response, the Panel found ample evidence from the manner the Respondent conducted itself with regards its use of the disputed Domain Name that lends support to its finding of bad faith.

The disputed Domain Name was registered on July 5, 2006. As at the date of the Complaint, the disputed Domain Name automatically redirected the visitor to another website located at www.onlinetaobao.com which contains a notice informing the visitor that the site is undergoing upgrading / redevelopment. It contains very little content apart from a link to two online trading platforms, namely www.taobao.lelong.com.my (for sports equipment) (“Sports Website”) and www.collectorzone.lelong.com.my (for toys and collectibles) (“Toys Website”). The contact information contains the word TAOBAO namely: taobaotrading@hotmail.com and sales@taobao.com.my. The Respondent has further adopted TAOBAO as its MSN instant messenger name and its bank account name.

The Panel is of the view that the adoption of TAOBAO by the Respondent as its domain name cannot have been a mere co-incidence but was driven with ill intent and bad faith to mislead and confuse the public into thinking that some form of a business connection or legal relationship exists between the Complainant and the Respondent, when there is none. More particularly:

- there is evidence that TAOBAO (as a trademark, service mark or domain name) has been used by the Complainant in the course of its trade and business since at least May 23, 2003, i.e. three years prior to the registration of the disputed domain name.
- inherently, TAOBAO is an unusual combination of characters in Chinese that is not in common usage in Chinese beyond it being a reference to the Complainant. It is a unique combination, obviously chosen by the Complainant with a view to distinguishing and telling apart, its services from those of its competitors.
- the Complainant has at least presently, established and extensive business presence in Malaysia through the many Taobao Agents that operate to facilitate purchasing of goods from the Taobao websites by Malaysians. Various Malaysian Taobao Agents’ websites include www.taobao2u.com, www.day2dayluvshopaholic.com, www.malaysianonlineshoppingdirectory.com and www.day2dayluvshopaholic.com and www.shopper.com.my, www.taobaofocus.com. The panel accepts all the print outs furnished as supporting documentary exhibits that were printed sometime in 2011. There is at least one publication that indicates the presence of Taobao in the name of the Complainant that had begun since at least 2003. See print out from <http://www.forbes.com/global/2005/0425/030.html> dated April 25, 2005 entitled “Standing Up to a Giant”, the excerpt of which had already been published above.
- given the e-commerce nature of the Complainant’s business and reputation of the Complainant’s TAOBAO Trade Marks and domain names worldwide, it is in the absence of any explanation from the Respondent, most unlikely that the Respondent was not aware of the Complainant’s ownership and usage of TAOBAO. A prudent

businessman engaging in the business of e-commerce and knowing of the TAOBAO trademark and domain names of the Complainant would have at least conducted checks online to see if there is someone else who might have used or is using the word TAOBAO as a domain name or trade mark. Had the Respondent done so, it would have discovered TAOBAO in the name of the Complainant. In coming to this conclusion, the Panel took cognizance of the print-outs produced by the Complainant of two major Internet search engines Google and Yahoo which indicate that the vast majority of search results returned for searches for “TAOBAO” relate to the Complainant and its affiliated companies.

- against in the absence of any explanation from the Respondent, the Panel finds no justification why the Respondent should choose TAOBAO. There is no apparent need for the Respondent to choose TAOBAO, in contrast to the Complainant, who has shown at least it coined the name “TAOBAO” and there is reasonableness in the expectation that some of its associated companies of the Alibaba Group should have the name “TAOBAO” as well.

- to reiterate, as at the date of the Complaint, the Respondent’s website contains little content beyond featuring links that re-direct visitors to two for-profit websites operated by or at least associated with the Respondent. In the absence of any explanation by the Respondent, it must be apparent and obvious that the intent behind the use of TAOBAO in the Respondent’s website is to “attract” as many as possible, the Internet users and direct them to its sales platforms located at the Sports Website <www.taobao.lelong.com.my> and Toys Website <www.collectorzone.lelong.com.my>. For instance, an Internet user may, while typing the URL of the Complainant’s website or whilst in search for the Complainant’s TAOBAO details online, type an additional extension “.my” and be directed to the Respondent’s website. Once at the Respondent’s website, he or she may continue to labor under the misapprehension that it is the Complainant’s website. Such misapprehension is likely, especially since TAOBAO is a uniquely coined word of the Complainant. Being a coined word that is distinctive of and associated with the Complainant, the Internet users may not even notice or question the likelihood or the chance of TAOBAO being used by the Respondent other than the Complainant. The Panel further agrees with the Complainant that “TAOBAO” being a coined and conjoined word in English, the adoption and use of this very same word “TAOBAO” cannot be one of pure co-incidence by the Respondent. The frequent references to “TAOBAO” in both these websites were obviously made with an intention to create the possibility of confusion among Internet users and to misrepresent that it is a Taobao agent of the Complainant or that both the Complainant’s various websites and or TAOBAO trade mark and the Respondent’s <www.taobao.com.my> and its Websites are associated somehow whether in a business or legal relationship such as to result in

commercial gain for the Respondent and or disruption to the business of the Complainant.

7. Conclusion

Upon an evaluation and consideration of the circumstances and factual matrix of the case, the Panel decides that the domain name registered by the Respondent is identical to the trademark TAOBAO which the Complainant has rights to, that the Respondent has no rights or legitimate interests in the disputed domain name and, that the Respondent's domain name has been registered and is being used in bad faith.

Accordingly, pursuant to paragraph 12.1(i) of the Policy and 17.2 of the MYNIC Rules, the Panel requires that the registration of the domain name www.taobao.com.my be transferred to the Complainant.

SF Wong
Presiding / Sole Panelist

Dated: April 23, 2012