

How to reclaim your Domain Name in China?

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With an increasing number of businesses conducted online, China attracts a growing number of entrepreneurs seeking for new opportunities. However, when looking into registering their domain names, they often encounter the problem that their Chinese domain names (such as .cn and .com.cn) have already been registered by somebody else, putting in danger their marketing strategies in China. If such situation arises, instead of approaching the squatters for a potential purchase, foreign companies willing to protect their rights could consider reclaiming their Chinese domains (within two years of the domain name's registration) through the Chinese authorities. The process described below is much smoother than you would expect and also sends a strong message to any future squatters of your Company's IP rights.

I. PROCESS

Altogether, the panel process is simple and time-efficient. The first step, is to file a written complaint with detailed grounds to the Online Dispute Resolution Center, which is part of the China International Economic and Trade Arbitration Commission and pay the proceeding fees. The Center will then forward the complaint to the Respondent, who will have a limited time to submit a defense. Thereafter, the Center will appoint an expert panel to take a decision on the case and notify it to the parties. Hearings are normally not required.

II. CONDITIONS OF THE COMPLAINT

According to the CNDRP ("CNNIC Domain Name Dispute Resolution Policy"), a complaint against a registered domain name is likely to prevail under the following conditions:

i. The disputed domain name is identical with or confusingly similar to the company's trademark or trade name in which the company has civil rights or interests;

- ii. The registrant has no right or legitimate interest in the domain name or a major part of the domain name; and/or
- iii. The registrant has registered or has been using the domain name in bad faith. In this respect, a panel may rule in favor of the complainant if it holds a Chinese trademark registration or if it is able to prove that the domain name is empty and available for sale.

III. BAD FAITH

A company may evidence the domain name's holder bad faith by proving one of the following circumstances:

- i. The holder of the domain name has registered or acquired the domain name in order to damage the reputation of the complainant, disrupt its normal business or create confusion between its domain name and the complainant's mark in order to mislead the public. In this respect, it will be likely the case if the holder is evolving in the same field of business than the complainant or if they are direct competitors in the market. In *Beijing Aidefa Hi-tech Ctr. v. Beijing Aoteike Tech. Dev., Ltd.*, the panel determined that the holder was acting maliciously by using the domain name to redirect internet users to a website containing competing electronic and audio products, thereby creating confusion with the complainant's trademark.
- ii. The holder of the domain name has, for many times, registered others' names or marks in order to prevent the true owners from registering them. In *Lancome Parfums Et Beaute & Cie v. Mohammad Hossein Erfani*, the domain name holder has been considered of bad faith because of the registration of hundreds of domain names containing well-known marks of others, including christian-dior.cn, billgates.cn and lancome.com.cn.
- iii. The holder of the domain name has registered or acquired the domain name in order to sell, lease or transfer it to the complainant in order to obtain



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improper benefits. Such circumstance may be evidenced by a statement on the website indicating that the domain name is for sale or simply by an email sent to the complainant as in *Tefal S.A v. Choi Kyoung Woo* where the holder sent to the company an email offering to the company the domain name for sale.

- iv. Other malicious circumstances, such as the existence of a well-known trademark or the actual knowledge of the trademark at stake, may also evidence domain holder's bad faith. In Japan *Kyocera Corp. v. Shenyang Shixing Elec., Ltd.*, for example, the panel considered that the holder was of bad faith as he should have known the complainant's trademark due to its prior occupation as a subsidiary of the complainant's agent company.

TOO LATE?

If your Chinese domain name has been registered for over two years, it is no longer possible to file a dispute in front of a dispute resolution center. However, the right holder may still bring an action to the competent people's court under Chinese Trademark Law or under Anti-Unfair Competition Law.

CONCLUSION

Starting a panel proceeding appears to be a good way to enforce your IP rights in China. This channel is often preferred by right holders considering its relatively low cost and its short duration (only few months from the filing of the complaint to the panel ruling).

Foreign companies with interests in China should always take the necessary steps to protect their IP rights. In this respect, Chinese domain names are no exceptions and protecting their domain names should be a part of any foreign company's IP protection strategy here.

R&P China Lawyers would be pleased to assist you with any guidance relating to your IP and domain name strategy in China. Whether you are willing to take precautions or you happen to be a victim of domain name infringement, we can assist you with identifying and carrying out appropriate legal actions.

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