



WIPO Arbitration and Mediation Center

ADMINISTRATIVE PANEL DECISION

Citizen Watch (China) Co., Ltd. v. Cheng Zhi Gang

Case No. D2001-1305

1. The Parties

The Complainant is Citizen Watch (China) Co., Ltd. of Tian Zhu Lu 7, Tian Wei Two-Jie, Tian Zhu Kong Gang Gong Ye Qu, Shun Yi Qu, Beijing, 101312, China.

The Represented by Deacons, Solicitors & Notaries, Alexandra House, Central, Hong Kong SAR, China.

The Respondent is Cheng Zhi Gang, a Chinese citizen. His address is He Xi Qu, Xiao Hai Di, Tianjin, 300350, China.

Respondent is not represented.

2. The Domain Name and Registrar

The domain name with which this dispute is concerned is <西铁城.com>.

The Registrar with which the domain name is currently registered is Melbourne IT Ltd., of Level 2, 120 King Street, Melbourne Victoria 3000, Australia.

3. Procedural History

On October 26 and 29, 2001, the Complainant submitted its Complaint through e-mail and hardcopy, respectively, with the required filing fee for a single-member panel, to World Intellectual Property Organization Arbitration and Mediation Center ("WIPO Center"), in accordance with the Uniform Domain Name Dispute Resolution Policy (the "Policy") adopted by the Internet Corporation for Assigned Names and Numbers ("ICANN") on August 26, 1999, the Rules for Uniform Domain Name Dispute Resolution Policy (the "Rules"), and WIPO Supplemental Rules for Uniform Domain Name Dispute Resolution Policy ("WIPO Supplemental Rules").

On November 2, 2001, WIPO Center sent via email to the Complainant an "Acknowledgement of Receipt of Complaint".

On November 5, 2001, WIPO Center sent a "Request for Registrar Verification" via email to the Registrar requesting, confirmation that the Registrar had received a copy of the Complaint; that the disputed domain name is registered with it; that the Respondent is the current registrant of such the domain name; and full contact details available under the WHOIS database; that the Policy applies to the Domain Name; and, the current status of the domain name. On November 8, 2001, the Registrar made the reply thereto.

On November 12, 2001, WIPO Center completed a "Formal Requirements Compliance Checklist".

On November 12, 2001, WIPO Center sent the "Notification of Complaint and Commencement of Administrative Proceedings", together with a copy of the Complaint via e-mail and facsimile and by courier to the Respondent, and therefore to the administrative, technical and billing contacts. A copy has also been communicated to ICANN and to the Registrar, via e-mail. The Notification indicated that December 2, 2001, was the deadline to submit a Response to the Complaint according to the requirements described in Paragraph 5(a) of the Rules.

On December 3, 2001, WIPO Center sent the "Notification of Respondent Default" to the Respondent.

On December 18, 2001, WIPO Center sent to the Complainant and the Respondent a "Notification of Appointment of Administrative Panel and Projected Decision Date", which appointed Professor Hong Xue as the panelist of the Single-Member Panel. The Panelist submitted a "Statement of Acceptance and Declaration of Impartiality and Independence", and scheduling January 1, 2002, as the date for issuance of the Panel decision, notifying the above pursuant to Paragraphs 6(f) and 15(b) of the Rules.

On December 18, 2001, WIPO Center transferred the case file to the Administrative Panel, with copy of the file transmission letter being sent to the Complainant and the Respondent.

This Panel agrees with WIPO Center assessment and considers that the Complaint was properly notified to the registered domain-name holder, the technical contact, and the administrative contact as provided for in Paragraph 2(a) of the Rules and that formal compliance within the requirements of the Policy, the Rules, and Supplemental Rules was met.

The Panel has not received any further requests from the Complainant or the Respondent regarding other submissions, waivers or extensions of deadlines. There is no need as an exceptional matter, to hold any in-person hearings as necessary for deciding the Complaint, as provided for in Paragraphs 12 and 13 of the Rules. Therefore, the Panel has decided to proceed under the customary expedited nature contemplated for this type of domain name dispute proceeding.

The language of the proceeding is English, as being the language of the Domain Name Registration and Service Agreement, pursuant to Paragraph 11(a) of the Rules, and also in consideration of the fact that there is no express agreement to the contrary by the

parties. In addition, pursuant to Paragraph 10 (b) of the Rules and in consideration of the circumstances of this administrative Proceeding, the Panel, for the purpose to ensure that each Party is given a fair opportunity to present its case, takes into account the evidential materials provided in Chinese.

4. Factual Background

4.1 The Complainant and The Trademark

The Complainant was established in China on August 1, 1994.

Currently, Citizen Watch Co., Ltd. has about 17,530 employees and a total current asset of US\$2,584,979,000. It has a total of about 25 branches in Arabia, Austria, Brazil, Canada, China, England, France, Germany, Hong Kong, India, Italy, Mexico, New Zealand, Panama, Spain, Switzerland, Taiwan, Thailand, the United States of America, and other countries and regions.

Citizen Watch Co., Ltd. registered trademark “CITIZEN” on March 25, 1980 with the Trademark Office of the State Administration for Industry and Commerce of the People’s Republic of China. This trademark has been renewed and is valid until today.

Citizen Watch Co., Ltd. registered the trademark “西鉄城” (“CITIZEN” in Normal Chinese Characters) on March 25, 1980 and the trademark “西铁城” (“CITIZEN” in Simplified Chinese Characters) on September 30, 1988, with the Trademark Office of the State Administration for Industry and Commerce of the People’s Republic of China.

Citizen Watch Co., Ltd. has also used and promoted its “西铁城” (“CITIZEN” in Chinese characters) trademark in the Chinese-speaking world, in particular with clocks/watches.

In the “Nationwide Major Concern Trademark Protection List” promulgated by the People’s Republic of the Trademark Office of China State Administration for Industry and Commerce in 1999 and 2000, the marks “西铁城” and “CITIZEN” had been listed as the foreign marks of the major concern protection status.

4.2 The Respondent and The Domain Name

According to the WHOIS database, the registration date of the domain name <西铁城.com> was on November 30, 2000 and the expiry date is on May 9, 2002. The registrant of the domain name is now and has always been Cheng Zhi Gang.

Both the Complaint and the Reply from Registrar in respect of WIPO Center’s Request for Registrar Verification stated that the domain name <西铁城.com> was registered on November 30, 2000 and expired on November 9, 2001. The Panel, however, found through Registrar’s WHOIS database on December 25, 2001 that the current status of the domain name <西铁城.com> is active and the registration for the domain name won’t expire until May 9, 2002.

The Respondent did not submit the Response in the Proceeding. No information other than the name and address is known in respect of Respondent.

5. Parties' Contentions

5.1 Complainant contentions may be briefly summarised as follows:

“西铁城” is its famous mark in the Chinese-speaking world especially China.

On November 30, 2000, the Respondent registered the domain name <西铁城.com> (“CITIZEN” in Chinese characters) under his own name. This domain name <西铁城.com> is in all material aspects identical to the trademark and name of the Complainant.

It is noted from the Technical Contact's address stated in the Whois search dated February 1, 2001 that the Technical Contact is based in China and therefore must be aware that “西铁城” is a famous mark in China. Further the Respondent is not a licensee of the Complainant, nor is the Respondent otherwise authorized to use the Complainant's mark. The Complainant is not aware of any other entity who may use the mark “西铁城” in a domain name legitimately in conducting its own business without infringing the rights of the Complainant.

The Complainant is aware of no connection whatsoever between the Respondent and the Complainant's trademark “西铁城”, nor any reason why the Respondent has ever been legitimately known or identified in any way by that mark. The Respondent has no rights or legitimate interest in respect of the domain name <西铁城.com>.

Further, the Respondent has not developed a website using the domain name <西铁城.com>, and the domain name <西铁城.com> was unable to resolve into a valid IP Address.

Deacons, on behalf of the Complainant, sent a letter by e-mail to the Respondent on March 2, 2001 requested the Respondent to transfer the disputed domain name to the Complainant. As there was no reply from the Respondent, the same letter was sent by courier and by fax to the Respondent on April 6, 2001. Subsequent to this letter, several telephone calls were made to the Respondent but he still could not be reached.

On May 27, 29 and 31 and on June 1, 2001, Deacons, on behalf of the Complainant, received 5 e-mails in Chinese from liurunxia@yeah.net. These letters were signed under “Tianjin”, “Tianjin Xiao Cheng” and “Xiao Cheng”. Tianjin is the city where the Respondent resides. “Xiao Cheng” means “Little Cheng”, which was a customary way the Respondent called himself. According to the e-mail dated May 29, 2001, the Respondent had asked the Complainant to pay him US\$500,000 in order for him to transfer the domain name <西铁城.com> to the Complainant. The Respondent claimed to have registered the domain name <西铁城.com> as a means of protest against the Japanese because he hated Japanese companies. The Respondent further stated that he also owned other Japanese companies' domain names which he was willing to transfer if sufficient money was paid to him.

The Respondent registered and used the domain name <西铁城.com> in bad faith for the following reasons:

- (a) The Respondent has registered or acquired the domain name primarily for

the purpose of selling the domain name registration to the Complainant as the owner of the “西铁城” trademark for a valuable consideration in excess of the out-of-pocket costs directly related to the domain name. Likewise, the Respondent would expect a profit from the sale of <西铁城.com> back to its trademark owner.

- (b) The Respondent has registered or acquired the domain name as a means of protest against the Japanese because he claims that he hates Japanese companies.
- (c) The Respondent has engaged in a pattern of registering trademarks or service marks as domain names including the domain name at issue in order to prevent the owners of such marks from registering the domain names to reflect their marks.
- (d) It follows therefore that the Respondent has no intention to use or demonstrate preparations to use the domain name or a name corresponding to a domain name in connection with a bona fide offering of goods and services.

5.2 Respondent did not file any Response.

6. Applicable Dispute

- 6.1 This dispute is one to which the Policy applies. By registering the domain name, Respondent accepts the dispute resolution Policy adopted by the Registrar.
- 6.2 To succeed in its Complaint, Complainant must show that each of the conditions of Paragraph 4(a) of the Policy are satisfied, namely that:
 - (i) the domain name is identical or confusingly similar to a trademark or service mark in which the Complainant has rights;
 - (ii) the Respondent has no rights or legitimate interests in the domain name; and
 - (iii) the domain name has been registered and is being used in bad faith.

7. Discussion and Findings

7.1 Identical or Confusingly Similar Trademarks

Pursuant to Paragraph 4(a) of the Policy, Complainant must prove that the domain name is identical or confusingly similar to a trademark or service mark in which the Complainant has rights.

In line with such provision, the Complainant must prove two aspects, i.e. it enjoys the trademark right; and the domain name in question is identical with or similar to its trademark or service mark.

The Panel, in the first place, holds that the domain name registered by Respondent is confusingly similar to the trademark “西铁城”.

The Panel, in the second place, holds that the Complainant enjoys the right over the trademark “西铁城”, though it is not the trademark registrant in China.

The Panel notices that the Complaint mentioned both the Complainant “Citizen Watch (China) Co., Ltd.” and another company “Citizen Tokei Kabushiki Kaisha” (also known as Citizen Watch Co., Ltd.). The Complainant provided its business license as the evidence (See Annex 4 to the Complaint; it is in Chinese and no English translation).

The Panel finds from the business license of the Complainant that it was a “Chinese-Foreign Joint Venture” (中外合资经营) approved by the State Administration for Industry and Commerce of the People’s Republic of China on August 10, 1994. The Complainant and Citizen Tokei Kabushiki Kaisha (also known as Citizen Watch Co., Ltd.) are two independent enterprises. Citizen Tokei Kabushiki Kaisha (also known as Citizen Watch Co., Ltd.) was the registrant of the trademarks “Citizen”, “西铁城” and “西铁城” in China.

Although the Complainant is not the registrant of the trademark “西铁城” in China, the Panel holds that there should be a relationship of trademark licensing between the Complainant and the trademark registrant Citizen Tokei Kabushiki Kaisha (also known as Citizen Watch Co., Ltd.). Under the Trademark Law of People’s Republic of China, any trademark registrant may, by signing a trademark license agreement, authorize other persons to use the registered trademark. A trademark license agreement does not need to be approved by the competent authority of China.

The Complainant was established with the authorization and investment of Citizen Tokei Kabushiki Kaisha (also known as Citizen Watch Co., Ltd.), and the Complainant, as the Chinese subsidiary, has close connection with Citizen Tokei Kabushiki Kaisha (also known as Citizen Watch Co., Ltd.). The Panel also notices that the letter by e-mail sent by Deacons to the Respondent dated March 2, 2001 was on behalf of both “Citizen Watch Co., Ltd.” and the Complainant (See Annex 14 of the Complaint; the letter is in Chinese and no English translation), which shows that the Complainant was authorized to stand for “Citizen Watch Co., Ltd.” in respect of trademark protection matters in China. Based on these fact, it is fair to presume that the Complainant has been licensed in Chinese market to use and protect the registered trademark “西铁城” for Citizen Tokei Kabushiki Kaisha (also known as Citizen Watch Co., Ltd.).

The Panel therefore holds that the domain name in question is confusingly similar to the trademark in which the Complainant has the right.

7.2 Legitimate Right or Interest

The Complainant contended that the Respondent had no legitimate right or interest. Where, as here, the Complainant has raised a *prime facie* presumption of the Respondent's lack of such right or interest, and Respondent has failed to rebut that presumption, the Panel is entitled to accept Complainant's assertion. As provided for by Paragraph 14 of the Rules, the Panel may draw such inference from the Respondent's default, as it considers appropriate.

The Panel therefore finds that Complainant has established that Respondent has no

legitimate right or interest in the domain name.

7.3 Use and Registration in Bad Faith

A non-exhaustive list of what constitutes bad faith registration and use is set out in Paragraph 4(b) of the Policy. The Complainant basically relies upon 4(b)(i) and (ii), which read as follows:

For the purposes of Paragraph 4(a)(iii), the following circumstances, in particular, but without limitation, if found by the Panel to be present, shall be evidence of the registration and use of a domain name in bad faith:

- (i) circumstances indicating that the respondent has registered or the respondent has acquired the domain name primarily 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 respondent's documented out-of-pocket costs directly related to the domain name; or
- (ii) the respondent has registered the domain name in order to prevent the owner of the trademark or service mark from reflecting the mark in a corresponding domain name, provided that the respondent has engaged in a pattern of such conduct.

The Panel finds that, in the "Nationwide Major Concern Trademark Protection List" promulgated by the Trademark Office of the State Administration for Industry and Commerce of the People's Republic of China in 1999 and 2000, the marks "西铁城" and "CITIZEN" had been listed as the foreign marks of the major concern protection status. The various promotional materials provided by the Complainant also show that the trademarks "Citizen" and "西铁城" had been widely promoted in the world market including China.

The Respondent of this case registered the domain name <西铁城.com> but has made no active use of it. The second-level of the domain name is famous in China and, as the Panel has already found, the Respondent has no rights or legitimate interests in respect of it.

Considering the emails received by Deacons, on behalf of the Complainant on May 27, 9 and 31 and June 1, 2001 from the Respondent, the Panel holds that the Respondent registered the domain name with the knowledge that "西铁城" was the trademark of the Japanese company ("Citizen Watch Co., Ltd."), and the Respondent registered such domain name for the purpose of protesting against the policies of Japanese government, rather than for his own use.

According to the e-mail dated May 29, 2001, the Respondent had asked the Complainant to pay him US\$500,000 in order for him to transfer the domain name <西铁城.com> to the Complainant, and stated that "although the Japanese are good businessmen, my price will not change."

In consideration of such request from the Respondent and other circumstances, the Panel holds that the Respondent had the bad faith for registering the domain name

primarily for the purpose of selling the domain name registration to the Complainant as the right owner of the “西铁城” trademark for a valuable consideration in excess of the out-of-pocket costs directly related to the domain name.

In the e-mail dated May 29, 2001, the Respondent stated, “I have some other domain names (besides “西铁城.com”); (and) if the Japanese want them, please contact me.” The Complainant therefore contended that the Respondent had the bad faith for engaging in a pattern of registering trademarks or service marks as domain names including the domain name at issue in order to prevent the owners of such marks from registering the domain names to reflect their marks. However, the Complainant failed to provide any evidence to prove that the Respondent had engaged such a pattern of conduct. The Panel, therefore, does not regard that the Respondent had the bad faith of that type.

The Panel therefore concludes that the Respondent had the bad faith provided in Paragraph 4(a)(iii) of the Policy.

8. Decision

In light of the foregoing findings, namely that the domain name is confusingly similar to a trademark in which the Complainant has rights and that the Respondent has no rights or legitimate interests in respect of the domain name and that the domain name was registered in bad faith, the Complaint succeeds.

Pursuant to Paragraphs 4(i) of the Policy and Paragraph 15 of the Rule, the Panel directs that the domain name <西铁城.com> be transferred to the Complainant.

Hong Xue
Sole Panelist

Dated: January 1, 2002