

ASIAN DOMAIN NAME DISPUTE RESOLUTION CENTRE

(Beijing Office)

ADMINISTRATIVE PANEL DECISION

Case No. CN –1200542

Complainant: Shenzhen Bao Ye Heng Industrial Development Co., Ltd.

Respondent: Paul Audio Inc.

Domain Name: c-mark.com

Registrar: Network Solutions, LLC.

1. Procedural History

On March 26, 2012, the Complainant submitted the Complaint in English to the Beijing Office of the Asian Domain Name Dispute Resolution Centre (the “Beijing Office”) pursuant to the Uniform Policy for Domain Name Dispute Resolution (the “Policy”) approved by the Internet Corporation for Assigned Names and Numbers (“ICANN”) on October 24, 1999, the Rules for Uniform Domain Name Dispute Resolution Policy (the “Rules”) approved by ICANN on October 30, 2009, and Asian Domain Name Dispute Resolution Centre Supplemental Rules for Uniform Domain Name Dispute Resolution Policy (the “ADNDRC Supplemental Rules”) being effected on February 28, 2002. The Beijing Office confirmed the receipt of the Complaint on the same day and asked the Registrar for the confirmation of the registration information with regard to the disputed domain name.

On April 14, 2012, the Beijing Office received from the Registrar the registration confirmation in connection to the disputed domain name.

On April 19, 2012, the Beijing Office made the transmittal of the claims to the Respondent and asked for the Response as regulated.

On April 24, 2012, the Beijing Office sent to the parties the notification of the commencement of the proceeding, and of the matter the claims have been confirmed and forwarded; and notified ICANN and the Registrar of the commencement of the proceeding.

On May 2, 2012, the Beijing Office received Response by the Respondent,

transmitted the document to the Claimant and notified the parties of the selection of Panelist; but neither party submitted a selection list of Panelist.

On May 10 and 14, 2012, the Beijing Office received from the Respondent the supplementary documents which were transmitted to the Claimant, and indicated, on May 15, 2012, to the parties that, the Complainant should submit supplementary comment or evidence, if any, on and before 18 May, 2012, and unless both the two parties make agreement or the Panel deem it necessary, any supplementary documents submitted by either of the two parties after 18 May, 2012 will not be accepted by the Panel.

On May 18, 2012, the Complainant submitted its representation. On the same day, the Respondent submitted its response.

Having received a Declaration of Independency and Impartiality and a Statement of Acceptance from Mr. Chi Shaojie, the Beijing Office informed the disputing parties of the Confirmation of the Appointment of the sole panelist on May 14, 2012.

The sole panelist found that the Panel was properly constituted in accordance with the Rules and the ADNDRC Supplemental Rules.

The procedural language 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 conformity with the language used by the parties in the Complaint and Response.

2. Factual Background

For the Complainant

The Complainant is Shenzhen Bao Ye Heng Industrial Development Co., Ltd., domiciled in Room 301, 3rd Floor, Jilian Building #4, Lianhua Village, Futian District, Shenzhen, China; represented by Weixiang Li & Chunqiao Sun, with the address of No. 1305, Tower A, Union Plaza, Futian District, Shenzhen, Guangdong Province.

For the Respondent

The Respondent is Paul Audio Inc., domiciled in 5157 Cliffwood Dr., Montclair, CA 91763. The disputed domain name was registered on March 11, 1997 through the registrar, Network Solutions, LLC.

3. Parties' Contentions

The Complainant

The Complainant alleges in its Complaint that:

"c-mark" trademark was applied by Shenzhen Global Piano Shop and was approved for registration on June 28, 1995, with Registered Trademark No. 752764, and the scope of use approved was audio goods under Class Nine. In 1998, the Civil Order made by Shenzhen Municipal Intermediate People's Court ruled that the "c-mark" trademark held by Shenzhen Global Piano Shop should be owned by Shenzhen Hongda Development Co., Ltd. The Complainant, Shenzhen Bao Ye Heng Industrial Development Co., Ltd. acquired the registered trademark "C-MARK" from Shenzhen Hongda Development Co., Ltd. on August 28, 2000, and upon extension, such trademark will be valid until June 27, 2015. Therefore, the Complainant has existing prior civil interests in the "C-MARK" trademark, namely trademark rights. Upon persistent efforts, the "C-MARK" trademark held by the Complainant is well-known in domestic and abroad audio industry, and has a wide range of users.

The Disputed Domain Name was registered on March 11, 1997, the identification part of the Disputed Domain Name is "c-mark", and in terms of letters and order of letters such part is totally identical to the "c-mark" trademark in which the Complainant has existing prior civil interests! Use of the Disputed Domain Name will lead to confusion among the public, and make the public misleadingly believe such Domain Name is related to the c-mark products of the Complainant. Therefore, the Disputed Domain Name is confusingly identical to the "c-mark" trademark in which the Complainant has civil interests.

The constituent part "c-mark" of the Disputed Domain Name does not reflect the name of the Respondent, the Respondent does not have any company or enterprise name that can reflect the main constituent part of the Disputed Domain Name and does not have any registered trademark that can reflect the main constituent part of the Disputed Domain Name, and meanwhile does not enjoy any reputation based on the main constituent part of the Disputed Domain Name. Therefore, the Respondent does not have any

legitimate interests in the Disputed Domain Name.

The Complainant's "c-mark" trademark and commodities under such trademark are well-known among relevant public. Secondly, "c-mark" trademark was applied by Shenzhen Global Piano Shop and was approved for registration on June 28, 1995. The Complainant, Shenzhen Bao Ye Heng Industrial Development Co., Ltd. acquired the registered trademark "C-MARK" from Shenzhen Hongda Development Co., Ltd. on August 28, 2000, and upon extension, such trademark will be valid until June 27, 2015. Therefore, the Complainant has had existing prior trademark rights to "C-MARK" from the beginning. However, the Disputed Domain Name was registered on March 11, 1997, which was later than registration of the trademark, its registration has already infringed upon the existing prior trademark rights of the Complainant. Thirdly, we can see from the website www.c-mark.com built based on the Disputed Domain Name, the Respondent does audio products business, which is in the same business field as that of the "c-mark" trademark of the Complainant. The Respondent not only uses the "c-mark" of the Complainant, but has also fabricated the name "U.S. C-MARK Company" in wantonly advocating its audio products. The Respondent subjectively misleads consumers and makes consumers confuse the market subjects and sources in bad faith; and objectively, it is sufficient for the relevant consumers to be misled. Its using of the Disputed Domain Name has seriously infringed upon the legitimate interests of the Complainant.

Whereas, the Complainant has previously registered the "c-mark" trademark, and the trademark is well-known, it can be inferred that the Respondent has registered and used the Disputed Domain Name for the purpose of using the reputation of the Complainant, by knowingly creating confusion with the commodity and service mark of the Complainant, so as to attract Internet users to the web site or other on-line location of the owner for commercial gain. And from the method for actual using of the Disputed Domain Name by the Respondent and such fact that the Respondent meanwhile uses the "c-mark" trademark in its web site, the above inference can be proved. Therefore, the Respondent has registered and used the Disputed Domain Name in bad faith.

In sum, the identification part of the Disputed Domain Name is confusingly identical to the “c-mark” trademark held by the Complainant. The Respondent does not have legal rights to and legitimate interests in the Disputed Domain Name and it has registered and used the Disputed Domain Name in bad faith.

On the basis of the reasons stated above, the Panel on this case is requested to decide that the Disputed Domain Name in this case shall be transferred to the Complainant.

The Respondent

The Respondent argues that

Shenzhen Huanqiu Piano Shop has never made use of (including manufacturing, acting on behalf of, selling, etc) it, therefore, it only exists in name and have no legal effect, which can be told from the civil judgment of Shenzhen Intermediate People's Court in 1998, for the reason that arbitral award wasn't signed and accepted by the Shenzhen Huanqiu Piano Shop.

Before the year of 1999, all the C-MARK branded products on Chinese market were manufactured by US C-MARK Company, and traded through agencies and Chinese dealers. The 1994 CCTV Spring Festival Gala is the best evidence on this point.

The complainant has been making numbers of counterfeit products, misleading customers by falsely advertising that it is original American brand, “made in USA”, international brand and so on, disregarding the fact that it is 100% Chinese brand and made in China. (in addition, the complainant clearly stated both during the hearing of American C-MARK trademark and Shanghai trademark dispute trial that it was 100% Chinese brand and made in China) .

The disputed domain name of the Respondent confuses with the trademark of the complainant

The disputed domain name c-mark.com had already been registered in USA in 1997 long time before the complainant obtained the transfer right of trademark in 2000. Paul Audio Inc., the owner of the disputed domain name obtained the trademark in accordance with the law of US in that year,

and publicized its professional audio technology and American C-MARK brand thereafter. In the meantime, the American C-MARK products were sold to China in great quantities and widely accepted by Chinese customers, hence it has become a household name in China from then on. Before the year of 1999, we had never seen any advertising or sales activity in relation to C-MARK brand of Shenzhen Huanqiu Piano Shop, let alone that of the Complainant (the company of the Complainant had not yet been established at that time).

The Respondent has no legal right to the disputed domain name

In 1993, American C-MARK Company applied for the registration of the trademark C-MARK, and duly obtained the federal trademark license of Reg. No. 1,906,390, and it sponsored the CCTV Spring Festival Gala of the same year. Due to its excellent audio performance in the Gala, the American C-MARK audio system successfully rose to fame and became the representative of American professional audio system. In 1996, Paul Audio Inc. acquired all the goodwill, technology, trademarks of C-MARK Company by legal acquisition process, including the trade name "MARK". In 2010, due to business needs, Paul Audio Inc. officially registered and has begun to use the trade name "C-MARK" since then. Therefore, C-MARK is the company name as well as the trademark of the Respondent. Its domain name C-MARK.com is a natural outgrowth of its goodwill, which is reasonable and necessary in the network age today.

The registration and use of the disputed domain name by the Respondent is malicious.

Firstly, we have to make it clear that which one is more well-known on Chinese market, The American C-MARK, or Chinese C-MARK? After years of continuous struggle and efforts, with persistent advertisement via World Wide Web, American C-MARK has managed to overcome numerous difficulties and well established its good reputation on global market. We've been sparing no effort in making the public aware of the brand reputation of American C-MARK ever since its debut in 1994 CCTV Spring Festival Gala and helping customers stay away from any counterfeits and unqualified product. If you search for "C-Mark" through Baidu, you can easily find that

American C-MARK is far more well-known and widely recognized than Chinese C-MARK, so what does it mean to us? Who is taking advantage of the other's brand influence? Regrettably, the searching result is that it is American C-MARK that the Complainant alleged as the counterfeit brand. We must say it is an incontestable evidence that the Complaint attempts to disguise itself as the original American C-MARK brand!

How come the brand still belongs to Shenzhen Huanqiu Piano Shop while it no longer takes any legal effect? Obviously it is a silly joke that only could exist in the past Chinese society. However, American C-MARK Company has been sufficiently proved to own the American trademark C-MARK and the domain name: c-mark.com, which is reasonable and legitimate and protected by American federal law.

American C-MARK is with its legal existence and not fabricated. Since its establishment, American C-MARK has been deeply committed to the promotion of professional audio industry. The trademark license presented by the Respondent is clearly classified as Class 9. There would be no confusion on markets provided that the Complainant had not claimed itself as American C-MARK, but the fact is that the Complaint is the one to blame and be accountable for the market confusion because of its years of false advertisement and should be eliminated from the market.

The so-called brand awareness is completely built upon its years of false advertisements. Now that American C-MARK has returned onto Chinese market, it is high time that Chinese customers have the right to know the truth. c-mark.com will consistently keep customers well informed that there are two C-MARK respectively in China and America. Please recognize it before your purchase.

Based upon all the above-mentioned reasons, the Respondent requests the Panel to reject all the claims by the Claimant.

4. Panel's Findings

It is significant for the parties to understand the legal nature of the current proceeding which is totally different from that of arbitration or litigation. Though the proceeding is known as administrative proceeding, it is really NOT the proceeding by a government agency. The jurisdiction by the Panel

over the current dispute on the domain name registered by the Respondent comes from the authorization by the organization for the administration of domain name registration and maintenance. Anyone intends to register a domain name needs to sign a registration agreement with the administrative authority which makes no substantive examination on the registration application, but stipulates in the registration agreement that whenever a claim against the registration is submitted, the registrant is obliged to be a procedural party which has rights to make arguments against the claim, but subject to an award by a Panel constituted in conformity with the stipulated procedural rules. As it is, the current proceeding is a part of the whole proceeding for the registration and maintenance of domain names. As such, the fundamental feature of the Panel's making a judgment on the entitlement to the disputed domain name is to decide which party should be the rightful holder of the disputed domain name, so as to be in conformity with the basic requirements set forth under the Policy and to help keep the good operative order for the running of the internet, and to be beneficiary to the protection of common interests of the web-users. Either of the disputing parties made a lot of say on the right to the related trademark "C-MARK" and asked the Panel to make a decision in its favor. Thus, the essential issue in the current proceeding identified by the Panel is to make judgment on which party prevails in terms of the entitlement to the disputed domain name in view of the submitted evidences.

One of the prerequisites for the Respondent to register the disputed domain name through the Registrar is to accept the Policy as the binding regulations for the registration. As mentioned, the Policy applies to this dispute as the substantive criteria for making the judgment of whether the Complainant's request is to be sustained or rejected. As stipulated in the Paragraph 4(a) of the Policy, when claiming the entitlement to a domain name registered by the Respondent, the Complainant must prove each and all of the following:

- (i) That the domain name of the Respondent is identical or confusingly similar to a trademark or service mark in which the Complainant has rights; and
- (ii) That the Respondent has no rights or legitimate interests in respect of the domain name; and

(iii) That the domain name has been registered and used in bad faith.

Based itself upon the stipulations under the Policy, what the Panel needs to do is to find out whether EACH AND ALL of the three basic facts can be attested by the Complainant. If the answer is yes, the Panel makes an award in the Complainant's favor in accordance with the relevant stipulations under the Policy, the Rules and the ADNDRC Supplemental Rules. If not, the claim by the Complainant shall be rejected.

Identity or Confusing Similarity

Pursuant to Paragraph 4(a) (i) of the Policy, the Complainant must prove that the domain name at issue is identical OR confusingly similar to a trademark or service mark to which it has rights. As stipulated in the Policy, the Complainant needs to prove either the IDENTITY or the CONFUSING SIMILARITY. To meet the requirement, the Complainant submits trademark certificate and document of assignment, etc. to prove that it is entitled to the trademark "C-MARK" which was registered on June 28, 1995 and was assigned to the Complainant on August 28, 2000, and is currently valid. Taking the relevant exhibits by the Complainant, the Panel holds that the Complainant is the owner of the trademark "C-MARK" registered in China in June 28, 1995.

Nevertheless, the Respondent submitted exhibits to prove that the same "C-MARK" was registered in the United States by a Chinese individual in July 18, 1995, and the related entitlement (probably the TM application) was assigned to a US-based entity by the name of C-MARK Light & Sound, Inc. on March 14, 1995. The US "C-MARK" was assigned to the Respondent on November 7, 1996, not long after its establishment in June 19, 1996. Based upon the relevant exhibits submitted by the Respondent, the Panel holds that the Respondent is entitled to a US trademark "C-MARK" which was coming into force soon after the date on which the Chinese mark "C-MARK" being registered.

Since the subject matter to be used to compare with the disputed domain name is Complainant's trademark, and the fact held by the Panel on the entitlement by the Respondent to the same mark in US relates more or less to the second issue in this domain name dispute, the Panel makes a simple

conclusion that the identifying part of the disputed domain name “c-mark” is identical to the trademark “C-MARK” to which the Complainant is entitled; thus, the Complainant meets the first requirement set forth under Paragraph 4(a)(i) of the Policy.

Rights or Legitimate Interests of the Respondent

Pursuant to Paragraph 4(a)(ii), the second requirement for the Complainant to meet in terms of the request for the transfer of the disputed domain name is to prove that the Respondent does NOT have any right to or legitimate interest in the domain name at issue. Reading the expression of the stipulation, it seems to be the Complainant who shall take the burden of proof to establish the fact that the Respondent does NOT have rights or legitimate interests in connection to the disputed domain name. Since the Complainant claims that it is entitled to the disputed domain names and the Respondent has nothing to do with the name except registered and used it in bad faith, it can hardly submit any evidence to prove something it does not think existing. Probably for this reason, the Panel pays more attention to whatever the Respondent claims with regard to the rights or legitimate interests in respect to the disputed domain name. The Policy gives the chance to the Respondent to make argument on this issue by stipulating several could-be circumstances in the relevant article of the Policy.

The Complainant says: “The constituent part ‘c-mark’ of the Disputed Domain Name does not reflect the name of the Respondent, the Respondent does not have any company or enterprise name that can reflect the main constituent part of the Disputed Domain Name and does not have any registered trademark that can reflect the main constituent part of the Disputed Domain Name, and meanwhile does not enjoy any reputation based on the main constituent part of the Disputed Domain Name.” It seems that the Complainant bases itself on two fundamental reasons in connection to the second issue in this dispute, i.e. the Respondent does not have a trade name bearing “c-mark” and is not entitled to a registered trademark of “C-MARK”. It is obvious that the Respondent’s business name does not include the words “c-mark”, thus it can hardly claim rights or legitimate interests in the disputed domain name by resorting to a trade name. Nevertheless, the Respondent claims and proves to be the legitimate owner

of a US-registered trademark “C-MAK” ever since November 7, 1996, earlier than the Complainant became the owner of the Chinese trademark “C-MARK”. As is known, the territoriality is one of the features with regard to the enforceability of a registered trademark, i.e. the Complainant and the Respondent can be parallel legitimate owners of the same mark registered under different jurisdictions. Nevertheless, pursuant to the essential meaning in Paragraph 4(a)(ii) of the Policy, the Panel pays more attention to the fact whether the Respondent enjoys trademark right in connection to the words “C-MARK”.

As stipulated in Article 4(c), “ Any of the following circumstances, in particular but without limitation, if found by the Panel to be proved based on its evaluation of all evidence presented, shall demonstrate your rights or legitimate interests to the domain name for purposes of Paragraph 4(a)(ii): (1) before any notice to you of the dispute, your use of, or demonstrable preparation to use, the domain name or a name corresponding to the domain name in connection with a bona fide offering of goods or services;” As shown by the held facts, the Respondent registered in 1997 the disputed domain name in conformity with its US trademark “C-MARK”, when the Complainant did not become the owner of the Chinese mark “C-MARK”, thus apparently the former prevailing in terms of the rights to and legitimate interests in the disputed domain name. What is more, “before any notice to you of the dispute”, the Respondent registered and started to “use the disputed domain name in connection with a bona fide offering of goods or services”, and the Complainant fails to prove that the Respondent’s use of the domain name was in bad faith, e.g. trying to mislead consumers to confuse the Respondent’s products with those of the Complainant’s; or trying to take any advantage from the Complainant; etc. What is more important is that the time when the Respondent was entitled to claim the rights to and legitimate interests in the disputed domain name was much earlier than the Complainant became qualified to claim rights to and legitimate interests in the domain name at issue.

All in all, the Panel holds that the Respondent does have rights to and legitimate interests in the disputed domain name; and further holds that the Complainant fails to meet the second requirement set forth under Paragraph

4(a)(ii).

Bad Faith

The Complainant has yet to establish the fact of bad faith on the part of the Respondent as set forth in the Paragraph 4(a)(iii) of the Policy. Upon the comprehensive analyzing of all the evidences provided by the disputing parties, the Panel holds the fact that the Respondent did NOT register and use the disputed domain name in bad faith. The principal reasons are.

- (1) The Respondent proves that the logo C-MARK was firstly used in China in 1994 at the year's CCTV Lunar New Year Eve Show, when the trademark "C-MARK" was NOT registered by anyone in China, which makes the Panel firmly believe that the origin of the word "C-MARK" is in the United States. Linguistically speaking, people can hardly say that the word "C-MARK" has any heritage from Chinese culture. As held by the court in the judgment provided by the Complainant as evidence, in the registration documents of the Respondent's there is another name "C-MARK". That is to say, the Respondent has more relations to the word "C-MARK" than the Complainant does. What is more, when the disputed domain name was registered, the Complainant was NOT the righter of the Chinese mark "C-MARK", and there is NO evidence to prove that the original register of the Chinese mark used or even publicized "C-MARK". As it is, how the Panel makes conclusion that the Respondent registered the domain name at issue in bad faith.
- (2) The Complainant submits that the Respondent used and continues to use the disputed domain name in bad faith. As a matter of fact, the Complainant tried to convince the trial court to sustain the same argument against the legal representative of the Respondent, but was rejected, as revealed in the Complainant's exhibit. The trial court holds that the Plaintiff (namely the Complainant) made extensive ads in the period of 2007 – 2009. Based on this fact-finding by the court, the Complainant became known to the public after the period. However, the Respondent started to use the domain name at issue long before the period. Furthermore, the Complainant fails to prove that the Respondent used and continue to use the disputed domain name for

deliberate purpose of misleading consumers to make a confusion of the products by the disputing parties. Quite to the contrary, the Respondent tries very hard to distinguish itself from the Complainant to avoid confusion by the public.

- (3) It is essential to point out that, whether the Respondent was liable to trademark infringement under the Chinese jurisdiction has nothing to do with the judgment by the Panel on the Complainant's intention to use the disputed domain name. As indicated in the foregoing paragraphs, the disputed domain name came into being in USA based upon the register's entitlements to the then-being US trademark. The relevant logical thinking is why such a register uses the domain name in bad faith? Pondering over what are said in the judgments provided by the Complaint as evidences, the Panel concludes that the Respondent endeavored to make it known to the consumers that the US makes are different from the Chinese products, even by the same name of "C-MARK".

Based upon all the above findings, the Panel rules that the Complaint fails to fulfill ALL the conditions provided in Paragraph 4(a)(i)(ii) (iii) of the Policy.

5. Decision

In light of all the foregoing findings and in accordance with Paragraphs 4(a), 8(a) of the Policy and 5(e) of the Rules, the Panel holds:

Since the Complainant fails to establish ALL THE THREE conditions provided in Paragraph 4(a)(i)(ii) (iii) of the Policy, thus NOT being qualified to request the transfer the disputed domain name, the Panel rules that the claim by the Complainant shall be rejected.

Sole Panelist: 

Dated: May 28, 2012