Decision for dispute CAC-UDRP-101727

Case number	CAC-UDRP-101727
Time of filing	2017-11-06 10:22:23
Domain names	nuohuachina.com, nuohuachina.net

Case administrator

Name	Aneta Jelenová (Case admin)

Complainant

Organization	Novartis AG

Complainant representative

Organization	BrandIT GmbH

Respondent

Organization	Chun Lian Luo / Guang Zhou Demily Biological Technology Co., Ltd

OTHER LEGAL PROCEEDINGS

None of which the Panel is aware.

IDENTIFICATION OF RIGHTS

The Complainant is the registered owner of the following trademarks.

(a) International Registration No.IR666218, for NOVARTIS, Registered on October 31, 1996 in Classes 41 and 42

(b) International Registration No.IR663765, for NOVARTIS, Registered on July 1, 1996 in Classes 01, 02, 03, 04, 05, 07, 08, 09, 10, 14, 16, 20, 22, 28, 29, 30, 31, 32, 40 and 42

(c) International Registration No.IR 1155214, for NOVARTIS, Registered on July 1,1996 in Classes 41 and 42

(d) China trademark No. 1144779 for (Nuohua) Registered on January 21,1998 in Class 05

(collectively " the NOVARTIS trademarks").

FACTUAL BACKGROUND

The Complainant is a well-known Swiss pharmaceutical and healthcare company. It manufactures a wide range of well-

known drugs and its products are available in more than 180 countries.

Its well-known trademarks are for NOVARTIS which are registered throughout the world and are more particularly described in this decision as the NOVARTIS trademarks.

It will be seen that one of the Complainant's trademarks is a Chinese trademark in the Chinese characters for the term Nuohua (in pinyin) or NOVARTIS when translated into English.

The NOVARTIS trademarks were registered before the disputed domain names were registered.

The Complainant has a strong presence in China where it also has a website at www.novartis.com.cn.

The Respondent is also doing business in China using the disputed domain names.

The Complainant has also registered a large number of domain names incorporating the term Novartis for use in its business, such as <novartis.com> under generic Top-Level domains and country codes reflecting its international operations , including in China, where the Complainant has the domain name <novartis.com.cn> which was registered on August 20, 1999.

The Respondent registered the disputed domain names on April 18, 2016.

PARTIES CONTENTIONS

CONTENTIONS OF THE PARTIES

A. Complainant

The Complainant made the following contentions.

i) LANGUAGE OF PROCEEDINGS

Complaint submitted that the language of the proceeding should be English based on the following grounds.

The disputed domain names contain the trademark NOVARTIS, which is owned by the Complainant, a global healthcare company based in Switzerland and whose company´s language is English. In fact, Complainant operates under the domain name www.novartis.com which content is displayed in English.

The Complainant submitted that the Respondent replied to its cease and desist letter in English and never mentioned that he did not understand the content of said letter. In fact, Respondent replied to the letter asking, among other things, for a price at which it could buy the domain names.

In addition, the website to which the disputed domain name <nuohuachina.com> resolves shows some English content, for instance “NUOHUA HEALTH” or “IMPROVE YOUR HEALTH AND IMPROVE YOUR QUALITY OF LIVE”, which means that Respondent is perfectly able to understand this language.

The Complainant also submitted that the Respondent has chosen to register the disputed domain names under the Top Level domain names “.com” & “net” which is a commercial TLD, and is applicable to a broader audience than merely China. A more suitable TLD if only addressing the Chinese market would be the .cn extension. The proceeding will likely be put through unnecessary trouble and delay if Chinese were made the language of the proceeding and there would be no discernible benefit to the parties or the proceeding, in the circumstances, that may be gained by maintaining the default language.

In WIPO decisions D2015-1508 and D2015-0614 the Panel decided to accept the Complaint to be filed in English despite the

fact that the Registrar had informed the Center that the language of the Registration Agreement was Turkish.

Finally, it was submitted that the translating of the Complaint would cause unnecessary delay in this matter and the Complainant would be unfairly disadvantaged by being forced to translate as the translation would raise high costs despite the evidence showing the Respondent understands the English language.

ii) SUBSTANTIVE ISSUES

IDENTITY OR CONFUSING SIMILARITY OF THE DOMAIN NAMES <NUOHUACHINA.COM> AND <NUOHUACHINA.NET> WITH THE NOVARTIS TRADEMARKS:

The Complainant submits that the disputed domain names are confusingly similar to the NOVARTIS trademarks. The Complainant submits that this is so because:

(a) the Chinese characters for Nuohua, which is pinyin, mean NOVARTIS in the English language.
(b) The Complainant's trademark NUOHUA is incorporated in the domain name, which is in effect NOVARTIS, and added to it is the word China, where the Complainant does business.

The impression is therefore given by this means that the Respondent is affiliated with the Complainant and is doing business in China under the Complainant's trademark.

In considering this issue, it is well established that both phonetic similarities and similarities in meaning should be taken into account.

In addition, the Top-Level Domains ".com" and ".net" should be disregarded in accordance with the usual principles.

As a consequence, the Complainant submits that the disputed domain names are confusingly similar to the NOVARTIS trademarks.

THE RESPONDENT HAS NO RIGHTS OR LEGITIMATE INTERESTS IN RESPECT OF THE DOMAIN NAMES <NUOHUACHINA.COM> AND <NUOHUACHINA.NET>

The Complainant submits that the Respondent has no rights or any legitimate interests in respect of the disputed domain names. That is so for the following reasons:

(a) The Respondent is not commonly known by the domain names.

(b) Had the Respondent performed reasonable searches before registering the disputed domain names, it would have discovered that the Complainant owned the NOVARTIS trademarks and had been using them in China.

(c) The Respondent has not used the domain names for a bona fide offering of goods or services, but has used them for business, wrongly adopting the name NOVARTIS as part of their name and has even applied for a trademark in China for ZHONG NOVARTIS, which the Complainant has opposed.

(d) The Complainant has sent a cease and desist letter to the Respondent , which replied in part by offering to sell the domain names to the Complainant.

(e) The principles in the decision in Oki Data Americas Inc., v. ASD Inc. WIPO Case No.D2001-0903 cannot give the Respondent a right or legitimate interest in the domain names as the facts of the present case fall outside the Oki Data principles.

(f) The Respondent's use of the domain names creates an overall impression that it is the Complainant or related to the Complainant, although at the present one of the domain names is not active.

Consequently, the Complainant submits that the Respondent has no rights or legitimate interests in respect of the disputed domain names.

BAD FAITH REGISTRATION AND USE

The Complainant also submits that the Respondent has registered and is using the disputed domain names in bad faith.

1. Bad faith registration

The Complainant submits that the Respondent registered the domain names in bad faith. The Complainant has previously demonstrated the strong reputation and the well-known character of the NOVARTIS trademarks.
In fact, the Respondent must have been aware of the existence of the Complainant and its well-known reputation when it registered the domain names.

2. Bad faith use

The Respondent has used the domain names in bad faith as is seen from the following circumstances.

(a) The Complainant's trademark, reflected in the domain names was very well-known.

(b) The Complainant has sent a cease and desist letter to the Respondent, which replied in part by offering to sell the domain names to the Complainant.

(c) The Respondent's website uses the NOVARTIS trademarks and brand as a result of which internet users seeking the Complainant have ended up at the Respondent's site.

(d) With respect to the website to which the <nuohuachina.com> domain name resolves, Respondent registered and used the domain name to capitalize or otherwise take advantage of the Complainant's marks through the creation of initial interest confusion.

(e) The Respondent has also tried to create confusion with the Complainant's marks in clear breach of the Policy.

(f) The Respondent nowhere disclaims the non-existing relationship between itself and the Complainant.

(g) With respect to the website to which the <nuohuachina.net> domain name resolves, this is not an active website, but the Respondent has engaged in passive use of the domain name and, if used, it may create confusion. The Complainant also relies in the case of this domain name of the fact that the NOVARTIS trademarks were registered before the registration of the domain names.

The Complainant's case is supported by documentary evidence attached to the Complaint.

As a consequence, the Complainant submits that the domain names were registered and used in bad faith by the Respondent.

B. Respondent
The Respondent did not reply to the Complainant's contentions and is in default.

The Panel notes the observations in the recent decision in similar circumstances in the CAC Case No 100053, Enterprise

Rent-a-Car Company v. Blupea c/o Janepanas, Sirinarin and will therefore decide this proceeding on the basis of the Complainant's submissions, drawing such inferences from the Respondent's default that are considered appropriate according to paragraph 14(b) of the Rules. It is also noted in that decision that it was said in Enterprise Rent-A-Car Company v. Marco Costa, NAF case No. 908572, that "the Panel is entitled to accept all reasonable allegations and inferences set forth in the Complaint as true unless the evidence is clearly contradictory". The Panel will therefore proceed along those lines.

RIGHTS

The Complainant has, to the satisfaction of the Panel, shown the disputed domain name is identical or confusingly similar to a trademark or service mark in which the Complainant has rights (within the meaning of paragraph 4(a)(i)of the Policy).

NO RIGHTS OR LEGITIMATE INTERESTS

The Complainant has, to the satisfaction of the Panel, shown the Respondent to have no rights or legitimate interests in respect of the disputed domain name (within the meaning of paragraph 4(a)(ii)of the Policy).

BAD FAITH

The Complainant has, to the satisfaction of the Panel, shown the disputed domain name has been registered and is being used in bad faith (within the meaning of paragraph 4(a)(iii)of the Policy).

PROCEDURAL FACTORS

The Panel is satisfied that all procedural requirements under UDRP were met and there is no other reason why it would be inappropriate to provide a decision.

PRINCIPAL REASONS FOR THE DECISION

DISCUSSION AND FINDINGS

This is a mandatory administrative proceeding pursuant to Paragraph 4 of the Uniform Domain Name Dispute Resolution Policy (the "Policy" or "UDRP") of the Internet Corporation for Assigned Names and Numbers ("ICANN"), the Rules for Uniform Domain Name Dispute Resolution Policy (the "Rules"), and the CAC Supplemental Rules.

A. Administrative deficiency

By notification dated November 6, 2017 and in accordance with paragraph 4 (b) of the Rules, the CAC notified the Complainant that the Complaint was administratively deficient in that:

(a) the Complaint did not indicate the name, postal and e-mail addresses, telephone and fax numbers of the Complainant;

(b) the Respondent's address differed from the address disclosed in Registrar Verification;

(c) the Respondent's fax number should be added into the Complaint.

On November 6, 2017 the Complainant filed an Amended Complaint and on November 9, 2017 the CAC determined that in view of the amendments so made, the Complaint should be forwarded to the Respondent.

The Panel has reviewed all of the above matters and makes a finding that within the meaning of paragraph 4(b) of the Rules, the administrative deficiencies have been corrected and that this matter has proceeded properly to the Panel in accordance with the Policy and the Rules.

B. Language of the Proceeding

The Complainant has submitted that the language of the proceeding should be English. The Registration Agreement for the disputed domain names is in the Chinese language and therefore, pursuant to Rule 11, the presumption is that the

proceeding will be conducted in the Chinese language. However, Rule 11 also provides that that provision is subject to the authority of the Panel to determine that the language of the proceeding be in a different language having regard to the circumstances of the proceeding. It is clear therefore that there is a discretion in the Panel to determine the language of the proceeding.The Complainant has requested that the Panel exercise its discretion to determine that the proceeding be conducted in the English language.

The Complainant has given several reasons set out above as to why that should be so. The Panel accepts those arguments and finds that there are strong grounds for the language to be English. Some of the material is already in English, it is unlikely that it will inconvenience either party if the language is English and it will cause some delay and cost if the language is to be Chinese. The Panel therefore determines that the proceeding be conducted in the English language.

C. Substantive matters

Paragraph 15 of the Rules provides that the Panel is to decide the complaint on the basis of the statements and documents submitted and in accordance with the Policy, the Rules and any rules and principles of law that it deems applicable.

In that regard, the Panel also notes that the onus is on the complainant to make out its case and past UDRP panels have consistently said that a complainant must show that all three elements of the Policy have been made out before any order can be made to transfer a domain name.

The Panel therefore turns to discuss the various issues that arise for decision on the facts as they are known.

For the complainant to succeed it must prove, within the meaning of paragraph 4(a) of the Policy, that:

(i) The domain names are identical or confusingly similar to a trademark or service mark in which the complainant has rights; and
(ii) The respondent has no rights or legitimate interests in respect of the domain names; and
(iii) The domain names have been registered and are being used in bad faith.

The Panel will therefore deal with each of these requirements in turn.

A. Identical or Confusingly Similar

The Panel finds that the disputed domain names <nuohuachina.com> and <nuohuachina.net> are confusingly similar to the NOVARTIS trademarks for the following reasons.

First, the Complainant submits that the disputed domain names incorporate the translation of NOVARTIS into Chinese characteristics , , and that they are recognized in pinyin as Nuohua which means NOVARTIS in English. The Panel accepts that the domain names would be seen in that way by a significant proportion of internet users who are likely to have occasion to see the domain names and to consider what they mean. They would therefore conclude that they were looking at two domain names relate to NOVARTIS, in other words to the Complainant.

Those internet users would be reinforced in that view when they saw the word “china” in the domain names and would therefore conclude that they may well be official domain names of the Complainant leading to an official website of the Complainant dealing with its business in China.

As the Complainant also rightly submits, the impression is therefore given that the Respondent is affiliated with the Complainant and is doing business in China under the Complainant’s trademark.

Moreover, as the Complainant also rightly submits, in considering this issue, it is well established that both phonetic similarities and similarities in meaning should be taken into account and when the internet user takes that matter into

consideration, the foregoing conclusion is strengthened.

Finally, as the Complainant submits and the Panel agrees, the Top-Level Domains ".com" and ".net" should be disregarded in accordance with the usual principles.

Accordingly, the disputed domain names are confusingly similar to the Complainant's trademarks and the Complainant has thus shown the first of the three elements that it must establish.

B. Rights or Legitimate Interests

Under paragraph 4(a)(ii) of the Policy, the Complainant has the burden of establishing that the Respondent has no rights or legitimate interests in respect of the disputed domain name. But by virtue of paragraph 4(c) of the Policy, it is open to a respondent to establish its rights or legitimate interests in a domain name, among other circumstances, by showing any of the following elements:

(i) before any notice to you [respondent] 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; or
(ii) you [respondent] (as an individual, business, or other organization) have been commonly known by the domain name, even if you have acquired no trademark or service mark rights; or
(iii) you [respondent] are making a legitimate noncommercial or fair use of the domain name, without intent for commercial gain to misleadingly divert consumers or to tarnish the trademark or service mark at issue.

Thus, if a respondent proves any of these elements or indeed anything else that shows that it has a right or legitimate interest in the domain name, the complainant will have failed to discharge its onus and the complaint will fail.

It is also well-established that a complainant is required to make out a prima facie case that the respondent lacks rights or legitimate interests and that when such a prima facie case is made, the respondent carries the burden of demonstrating rights or legitimate interests in the domain names. If the respondent does not or cannot do so, a complainant is deemed to have satisfied paragraph 4(a)(ii) of the UDRP.

The Panel, after considering all of the evidence in the Complaint, finds that the Complainant has made out a prima facie case that the Respondent has no rights or legitimate interests in the disputed domain names. That prima facie case is made out from the following considerations, some of which apply more to the domain name <nuohuachina.com> which resolves to an active website and some of which also apply to the domain name <nuohuachina.net> which does not resolve to an active website. The Complainant has submitted that:

(a) The Respondent is not commonly known by the domain names.
(b) Had the Respondent performed reasonable searches before registering the disputed domain names, it would have discovered that the Complainant owned the NOVARTIS trademarks and had been using them in China.
(c) The Respondent has not used the domain names for a bona fide offering of goods or services, but has used them for business, wrongly adopting the name NOVARTIS as part of their name and has even applied for a trademark in China for ZHONG NOVARTIS, which the Complainant has opposed.
(d) The Complainant has sent a cease and desist letter to the Respondent, which replied in part by offering to sell the domain names to the Complainant.
(e) The principles in the decision in Oki Data Americas Inc., v. ASD Inc. WIPO Case No.D2001-0903 cannot give the Respondent a right or legitimate interest in the domain names as the facts of the present case fall outside the Oki Data principles.
(f) The Respondent's use of the domain names creates an overall impression that it is the Complainant or related to the Complainant, although at the present one of the domain names is not active.

The Panel agrees with each of those submissions and accepts the extensive evidence submitted by the Complainant in their support.

It is also appropriate to make some specific comments on certain matters applying to the domain name <nuohuachina.com> which resolves to an active website. These matters make it clear beyond any doubt that the Respondent does not a have a right or legitimate interest in that domain name. In particular, the English translation of what appears on the website shows that the Respondent has purloined the Complainant's name by having the website managed by the company Swiss Novartis Health Industry Group or Switzerland Nuohua Health Group Co, Limited, in Hong Kong. Moreover, the Respondent has been brazen enough to apply for a trademark in China for ZHONG NOVARTIS in Chinese characteristics, which the Respondent has opposed.

The Panel concludes that the Respondent has been maintaining a persistent campaign to misappropriate the Complainant's name, pretend that it is or is related the Complainant and create the false pretence that it can provide the Complainant's products lawfully.

The fact that the Respondent has offered to sell the domain name to the Complainant further puts the matter beyond doubt.

In the case of the domain name <nuohuachina.net>, this is a clear case of passive holding and makes it clear that the Respondent had no right to register the domain name and has no right or legitimate interest in the domain name.

These facts and circumstances give rise to the prima facie case made out by the Complainant.

The Respondent has not filed a Response or made any other answer to the claims of the Complainant and is in default. Accordingly, the prima facie case has not been rebutted and the Complainant has made out the second of the three elements that it must establish.

C. REGISTERED AND USED IN BAD FAITH

The Complainant must prove on the balance of probabilities both that the disputed domain names were registered in bad faith and that they are being used in bad faith: Telstra Corporation Limited v. Nuclear Marshmallows, WIPO Case No. D2000-0003.

Paragraph 4(b) of the Policy sets out four circumstances, any one of which is evidence of the registration and use of a domain name in bad faith, although other circumstances may also be relied on, as the four circumstances are not exclusive.

The four specified circumstances are:

(i) circumstances indicating that the respondent has registered or 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; or
(iii) the respondent has registered the domain name primarily for the purpose of disrupting the business of a competitor; or
(iv) by using the domain name, the respondent has intentionally attempted to attract, for commercial gain, Internet users to the respondent's website or other on-line location, by creating a likelihood of confusion with the complainant's mark as to the source, sponsorship, affiliation, or endorsement of the respondent's website or location or of a product or service on the site or location.

1. Bad faith registration

The Panel finds that the Respondent registered the domain name in bad faith as it has been established that at the time of the registration of the domain names, the NOVARTIS trademarks had developed a strong reputation and in fact were famous

marks. The Complainant must be assumed on all the evidence to have been aware of this and therefore to have had actual notice of the existence of the marks and that the registration of the domain names would be improper. These factors make it clear that the Respondent registered the disputed domain names in bad faith.

2. Bad faith use

The Complainant has submitted that the Respondent has used the domain names in bad faith on the several grounds set out above. The Panel finds that the Complainant has made out each of those grounds.

In particular, the evidence shows that the Respondent has registered and used domain names incorporating the Complainant's famous trademarks, and used the same to offer goods and services similar to those of the Complainant. This is conduct that is evidence of bad faith use of the domain names.

Secondly, the Complainant has adduced evidence of correspondence between the parties, the last instalment of which is an email from the Respondent dated October 20, 2017 in which the Respondent, inter alia states: "So we would like to ask the Novartis company give us a reference price after which we can make further discussion with our own company on that." The Panel regards that email, in the context of the entire correspondence, to be clear evidence that the Respondent registered the domain name "for the purpose of selling, … the domain name registration to the complainant…" within the meaning of paragraph 4 (b) (i) of the Policy and therefore evidence of registration and use of the domain names in bad faith.

The conduct of the Respondent is also in clear breach of paragraph 4 (b) (iv) of the Policy as it shows that it has sought to create confusion as to the affiliation of its website with the Complainant. The Respondent has pretended to be the Complainant, offers services under the name of the Complainant and purports to sell products under the name of the Complainant that are likely to be the Respondent's own products and without a disclaimer. Such conduct has always been regarded as bad faith use, as in seen in such decisions as Franke Technology and Trademark Ltd v. Abraham Joffe, WIPO Case, DC2016-0021, cited by the Complainant. These facts bring the case squarely within paragraph 4(b)(iv) of the UDRP, i.e. "by using the domain name, (the Respondent) ... intentionally attempted to attract, for commercial gain, Internet users to (its) web site or other on-line location, by creating a likelihood of confusion with the complainant's mark as to the source, sponsorship, affiliation, or endorsement of (its) web site or location or of a product or service on (its) web site or location".

With respect to the website to which the <nuohuachina.net> domain name resolves, this is not an active website. But the Panel agrees with the submission of the Complainant that the Respondent has engaged in passive use of the domain name within the meaning of Telstra Corporation Limited v. Nuclear Mushrooms, WIPO Case D2000 -0003 and that, if used, the domain name may create confusion. In this regard the Panel notes that the NOVARTIS trademarks were registered before the registration of the domain names.

The Panel therefore finds that the Complainant has shown that the Respondent registered and used the disputed domain names in bad faith.

Accordingly, the Complainant has shown the third of the three elements that it must establish.

FOR ALL THE REASONS STATED ABOVE, THE COMPLAINT IS

Accepted

AND THE DISPUTED DOMAIN NAME(S) IS (ARE) TO BE

1. **NUOHUACHINA.COM**: Transferred
2. **NUOHUACHINA.NET**: Transferred

PANELLISTS

Name	**The Hon. Neil Brown, QC**

2017-12-11

DATE OF PANEL DECISION 2017-12-11

Publish the Decision