



## Alibaba.com wins landmark Intellectual Property lawsuit in China

### Defense of Alibaba Domain Name a Post-WTO Success Story

**Beijing (December 11, 2001)** - In a landmark case on ownership of Chinese domain names, the Beijing No. 1 Intermediate People's Court ruled yesterday that a China subsidiary of Alibaba.com Corporation (including its subsidiaries, "Alibaba") is entitled to retain legal ownership of its "ALIBABA" domain name in Chinese ("阿里巴巴"). An important test case for intellectual \*\*\*\* in post-WTO China, Alibaba's successful defense of its domain name marks a progressive court decision in the development of China's intellectual property law.

In November 2000, the China Internet Network Information Center ("CNNIC"), which manages China's top-level domain name with the suffix ".cn" and their Chinese equivalents, granted the Chinese "ALIBABA" domain name to Alibaba. CNNIC had reserved the "ALIBABA" domain name under the principle that it was a famous internet name that should belong to Alibaba, the company that operates the web site, www.alibaba.com. CNNIC had implemented this reservation policy for a number of other well-known internet companies in China including Sina.com and Sohu.com. However, Alibaba's legal ownership of the name was challenged by Beijing Zheng Pu Technology Development Co. Ltd. ("Zheng Pu"), a Beijing-based software re-seller, who brought the law suit against CNNIC and Alibaba in Beijing in February 2001. Zheng Pu claimed that due to CNNIC's reservation policy, it was not able to register the "ALIBABA" domain name in CNNIC's on-line registration system, and it challenged the legality of Alibaba's ownership of the domain name.

In its ruling, the Court pointed out that Zheng Pu had no basis for its claim to the "ALIBABA" domain name because it provided no evidence of any rights to any intellectual property relating to the name. Although Zheng Pu had applied to register "ALIBABA" as its trademark, which application is contested by Alibaba as having been submitted in bad faith with the intent of unfair competition, the Court found that mere submission of a trademark application does not give rise to any legal rights to the name until it is registered. The Court further stated that Alibaba should be the rightful owner of the domain name because Alibaba is the company that created the renowned ALIBABA brand based on the internet web site www.alibaba.com and the commercial value associated with the brand.

In a statement that indicates the Chinese authority's alignment of thinking with global standards of fairness in intellectual property law, the Court stated: "In the circumstance where the Alibaba web site is already well-known among internet

users, registration of the domain name by someone else could confuse internet users and —???. be detrimental to the rights of Alibaba, thereby constituting unfair competition." In light of China's entry into the WTO and commitment to enforce protection of well-known global brand names against unfair competition, the Court's opinion sounds a consistent tone with the spirit of fairness in intellectual property protection.

"We applaud the Court's decision." said Alibaba CEO Jack Ma. "This landmark case shows that the Court recognizes the national and international brand that Alibaba has built up in our business. We are pleased that the Chinese administrative and legal systems are protecting the intellectual \*\*\*\* of the rightful owners and preventing opportunists from taking advantage of other people's hard work."