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28/4/2008

D.SARAVANAN
ARBITRATOR
NEW No.346 (OLD No.161), 1 FLOOR,
THAMBU CHETTY STREET,
OPP. HIGH COURT, CHENNAI-600 001.

H 121297
E. S. SHAMUNGA SUNDARAM,
STAMP VENDOR,
L. NO. 34 / 109 / 68
HIGH COURT CAMPUS,
CHENNAI-600 104. (TAMIL NADU)

BEFORE THE SOLE ARBITRATOR D.SARAVANAN
.IN REGISTRY
C/o.NIXI (NATIONAL INTERNET EXCHANGE OF INDIA)
NEW DELHI, INDIA.
registry@nixi.in

Kentucky Fried Chicken (KFC) Corporation
1441, Gardiner Lane
Louisville, KY, 40213
United States of America
Rep. its Authorised Representatives
M/s.K & S Partners
navpreet@knspartners.com

Complainant

vs.

Webmaster Casinos Ltd.,
204, Woolwich Road
Concept Office
London SE7 7QY.
if@whoiscares.com ..

Respondent





தமிழ்நாடு தமில்நாடு TAMILNADU

E 351797

25.11.2008
28.11.2008

D. SARAVANAN
ARBITRATOR
NEW No.346 (OLD No.161), 1 FLOOR,
THAMBU CHETTY STREET,
OPP. HIGH COURT, CHENNAI-600 001.



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1. The Parties:

The Complainant is Kentucky Fried Chicken (KFC) Corporation 1441, Gardiner Lane, Louisville, KY, 40213, United States of America, Rep. its Authorised Representatives, M/s.K & S Partners, BK House, Plot No.109, Sector 44, Gurgaon 122002, India.

The Respondent is Webmaster Casinos Ltd., 204, Woolwich Road, Concept office, London SE7 7QY. Respondent neither represented himself nor represented by any one.

2. The Domain Name and Registrar:

The disputed domain name: www.kfc.co.in
The domain name registered with .IN REGISTRY

..3.



3. Procedural History:

March 25, 2008 : The .IN REGISTRY appointed D.SARAVANAN as Sole Arbitrator from its panel as per paragraph 5(b) of INDRP Rules of Procedure.

March 25, 2008 : Arbitrator has accorded his consent for nomination as Arbitrator and submitted Statement of Acceptance and Declaration of Impartiality And Independence to the .IN REGISTRY.

April 07, 2008 : Arbitral proceedings were commenced by sending notice to Respondent through e-mail as per Paragraph 4(c) of INDRP Rules of Procedure, marking a copy of the same to Complainant's authorized representative and .IN REGISTRY, to submit Response in writing within 10 days i.e., on or before 17.04.2008.

April 18, 2008 : Arbitral Tribunal sent an e-mail to Respondent notifying its default, a copy of which marked to Complainant's authorised representative and the .IN REGISTRY.

: The language of the proceedings in English.

4. Factual Background:**4.1 The Complainant:**

The Complainant is Kentucky Fried Chicken (KFC) Corporation 1441, Gardiner Lane, Louisville, KY, 40213, United States of America.



4.2 Complainant's Activities:

Complainant states inter-alia that Kentucky Fried Chicken (KFC) Corporation, a company organized and existing under the laws of the State of Delaware, United States of America with office at 141, Gardiner Lane, Louisville, KY, 40213, United States of America; the complainant Company is a wholly owned subsidiary of Yum ! Brands, Inc which runs a worldwide business in the field of restaurant products and services which comprises several separate chains of restaurants, including Taco Bell, Pizza Hut, Kentucky Fried Chicken etc., which are owned and operated by various subsidiaries; the Complainant, based in Louisville, Kentucky, is the world's most popular chicken restaurant chain with its roots dating to 1939, specializing in Original Recipe® Extra Crispy™, Twister® and Colonel's Crispy Strips® chicken with home-style sides; Complainant also prepares and sells its menu items in such non-traditional outlets such as supermarkets, kiosks, gas stations, airports, retail and convenience stores and school lunch programs; and as on to-day the Complainant under its trade mark 'KFC operates more than 14,258 restaurants worldwide; Complainant rules the roost when it comes to chicken; America's #1 fast-food chicken chain owns or franchises more than 14,000 outlets in more than 102 countries; the restaurants offer the Colonel's trademark fried chicken (in both Original Recipe and Extra Tasty Crispy varieties) along with chicken sandwiches, chicken pot pies, crispy chicken strips, mashed potatoes and gravy, and potato wedges; its locations can be found operating as free-standing units and kiosks (in shopping malls, gas stations, and airports).

4.3 Complainant's Trading Name:

The Complainant states that they have been continuously using the KENTUCKY FRIED CHICKEN (KFC) marks in connection with restaurant services and food products since 1959. Both, within the United States of America and other countries including India, it has used the KFC mark (which is a combination mark consisting of the abbreviated or expanded form of KFC along with the Colonels device) in various versions.



The Complainant further states that pursuant to the permission obtained from the Government of India in 1993, the Complainant has set up to undertake the fried chicken restaurant business in India and is currently running KFC outlets in Delhi, Bangalore, Mumbai, Chandigarh, Kolkatta, Hyderabad, Ludhianan and Pune, more particularly as detailed in the list filed by the Complainant as **Annexure A**. The estimated total value of fried chicken sales through the existing outlets under and by reference to the KFC marks in India for the period 2000-2006 has exceeded Rs.45 crores; KFC marks are widely advertised in India through the print and electronic media; and the estimated expenditure incurred by the Complainant in India in respect of the KFC outlets for the period 2000-2006 has exceeded Rs.5 crores.

The Complainant further states that the KFC marks are Internationally famous marks; since first adopted in 1959, the said mark has been used world-wide by the Complainant or its predecessors in title / group companies in relation to its fried-chicken restaurant services and products; and the said mark has been applied for and registered in over 102 countries across the world including India.

The Complainant further states that in connection with the world wide reputed business of the Complainant, the Complainant has been using various trade marks, including KFC and the Colonel logo which has been continuously and extensively used by the Complainant for the goods in reference and services; the goods and services under the said mark have been sold/rendered on an extensive scale; and the said mark has been used and registered and/or applied for registration in various jurisdictions of the world including India and is exclusively associated with their business.

The Complainant further states that the KFC marks, viz., KFC (Word) in Class 29 on 04.10.2000; KFC (Word) in Class 30 on 04.10.2000; KFC CRISPY STRIPS in Class No.29 on 04.10.2000; KFC CRISPY STRIPS (Word) in Class 30 on 04.10.2000; KENTUCKY FRIED CHICKEN (LABEL) in Class



30 on 05.04.1988; KENTUCKY FRIED CHICKEN (LABEL) in Class 20 on 05.04.1988; KFC LOGO in Class 29 on 24.06.1992; KFC LOGO in Class 30 on 24.06.1992; COLONEL'S MUG NO.4 WITH KFC in Class 42 on 19.09.2003; KFC in Class 42 on 19.09.2003 were registered by them and registrations of the said mark are still in force and subsisting.

The Complainant further submits that certain other marks, viz., COLONEL'S MUG NO.4 WITH KFC in Class 29 on 04.10.2000; COLONEL'S MUG NO.4 WITH KFC in Class 30 on 04.10.2000; KFC IN KANNADA in Class 29 on 04.10.2000; KFC IN KANNADA in Class 30 on 04.10.2000: and KFC IN KANNADA in Class 42 on 19.09.2003 were filed and pending which marks are still in force and stand renewed; and copies of relevant Journal advertisements affirming the status of the subject applications; including the goods/services for which the Complainant's KFC mark is registered/applied for has also been filed as **Annexure 'B'**.

The Complainant further submits that they have secured registrations of KFC mark in more than 10 countries of the world and have applications pending in some other countries as per the list set out and filed as **Annexure 'C'** by the Complainant.

The Complainant further submits that besides the reputation and goodwill enjoyed by the Complainant's KFC marks in India, these marks are internationally well-known marks and entitled to protection as such under the provisions of the Act; the Complainant further states that factors which constitute a sufficient basis for recognition of the KFC marks as internationally well-know are, namely, the KFC marks adopted in 1959 and have registered and used in over 102 countries across the world which include USA, UK, Australia, Canada, China, Hong Kong, Kuwait, New Zealand, Pakistan, Saudi Arabia and Sri Lanka; the enormous success of KFC restaurant and food products has been such that these constantly feature in newspaper reports and magazine articles which enjoy international circulation and readership; the substantial world-wide sales in



respect of the KFC restaurants reflect the enormous success of the KFC chain of restaurants all over the world; the sales revenue of the Complainant's on account of the KFC business has been constantly growing and runs into billions of dollars; the Complainant has made substantial expenditure in the advertising and promotion of its KFC marks/restaurants; products sold under KFC marks have also been advertised and promoted throughout the world since at least 1959 through leaflets, brochures and/or promotional materials which have been supplied to and distributed among the trade and the purchasing public; according to the books and records of the Complainant, expenditures by the Complainants on the worldwide advertisement and promotion of the KFC marks in the year 2006 has been approximately USD \$751.1 million, more particularly as per the statement filed by the Complainant as **Annexure 'D'** setting out world-wide sales and advertising figures during the year 2000-2006; in keeping with the international nature and reach of its business, the Complainant has been operating web-sites that use country code Top Level Domain Names (ccTLD) and Country Code Second Level Domain Names to target customers in various countries including India, such web sites include www.kfc.com.cn, www.kfc.co.uk, www.kfc.com.pl, www.kfc.com.au; in pursuance of its world-wide rights and goodwill in the KFC marks, the Complainant has been vigilant and pursuing all acts of infringement and misuse through appropriate legal means including by way of oppositions against/identical/deceptively similar trademarks applied for registration by third parties as well as through the arbitral forum administered by the World Intellectual Property Organization (WIPO) under the UDRP mechanism; in connection thereto, the domain www.kfc.ro in Romania was awarded to Complainant pursuant to the WIPO arbitral proceedings in case No.DRO2002-0004 and a copy of the order passed has been filed by the Complainant as **Annexure 'F'** ; the Complainant has been diligently enforcing its rights in the KFC marks in India to prevent any attempted registration and/or use of any marks which are identical or deceptively similar to the Complainant KFC marks; in two instances, the Complainant filed suits for infringement of passing off and the defendants in both actions



voluntarily gave up use of the impugned marks and gave an undertaking in that behalf and the Complainant filed Certified true copies of the orders passed in the suits as **Annexure 'G'**; it is a matter of common knowledge that, in these days of extensive travel abroad, a large number of Indians, both belonging to the trade and the public frequently travel outside India, for business, pleasure, studies or other reasons; as all the restaurant products and services sold by the Complainant have always been conducted under and by reference to the KFC marks, Indians are invariably exposed to and are fully aware of the reputation and goodwill enjoyed by the Complainant's KFC restaurants and the trademarks used in connection therewith; as fried chicken is very popular with Indians, the KFC restaurants are a favorite haunt for Indians because it generally suits their palate; the goodwill and reputation enjoyed by the Complainant's KFC name and logo has spilled over into India by diverse means such as media publicity and advertisements in leading international magazines and trade journals which enjoy circulation and readership in India.

The Complainant further submits that the KFC chain of restaurants throughout the world is governed by and subject to a multi layered system of quality control mechanisms and supervisions which stipulate that the products and services offered by every KFC outlet, whether owned by the Complainant or franchised, meet the Complainant's quality standards through the use of specifications and processes communicated by the Complainant; the Complainant has proprietary technology and Restaurant Operations Manuals relating to all aspects of KFC restaurant system, establishing standards of quality, cleanliness and service for all foods, beverages, furnishings, supplies, fixtures and equipment used in connection with the KFC business; through the years, the quality control exercised by the Complainant and its predecessors in all KFC restaurants worldwide has resulted in a consumer association of the KFC trade name and KFC marks with the highest standards of quality in fast food restaurant services and food products; the trade name KFC and the KFC marks are the most valuable corporate assets of the Complainant because of the enormous



amount of worldwide goodwill built up by many years of hard work, comprehensive research, painstaking development, significant investment, and extensive advertising; as a result of the quality control program followed by the Complainant and rigorously enforced, the KFC restaurants serve and sell wholesome, good tasting fried chicken products of a prescribed quality and recipe in clean, attractively decorated restaurants or service counters; the Complainant is today a market leader in fried chicken restaurant chain and operates 31 restaurants in India also; Complainant has also filed copies of invoices and restaurant stationary as **Annexure 'H'** and the copies of License Agreements of Complainants in India as **Annexure 'I'**; the Complainant has also filed the Annual Report of YUM! Brands Inc combining the international sales during the year 2000 - 2006, as **Annexure 'J'** ; the Complainant has also set out the details of substantial expenditure in US dollars that incurred in the domestic and international advertising and promotion of its KFC products during the years 2000-2006; the Complainant has also filed certain sample advertising materials published internationally as **Annexure 'K'**; by virtue of the aforesaid international registrations, superior quality, vast publicity and long-standing use of the KFC marks, the KFC marks have today become distinctive of and exclusively identified with the Complainant's restaurant business and food products alone; backed by a long standing tradition, painstaking development, hard work, substantial investment and uncompromising adherence to the highest standards of quality, the Complainant today enjoys an enviable reputation and goodwill in the KFC marks; by virtue of the aforesaid, the marks are exclusively associated by the members of the trade and consumers with the Complainant alone and, consequently, the Complainant alone is entitled to use the KFC marks and any unauthorized use would amount infringement and/or passing off actionable at law; the products under the above marks of the Complainant have met with astounding success and have come to be recognized as "well-known" trade marks; the consumers and the public at large associate the KFC marks only with the Complainant and no one else; the KFC marks have come to be inseparably and inextricably associated with the Complainant, so much, so



that the mere use of the trade mark KFC or any other similar mark by any unrelated 3rd party would be perceived and understood to be the Complainant's use of the said mark; the Complainant has been operating web-sites that use country code Top Level Domain (ccTLD) Names; the Complainant with an intent to create a domain name with '.in', conducted a general search at the .in Registry website and were surprised to note that domain name 'kfc.co.in' was registered in the name of 3rd party called Skype Network Limited of 204 Woodwich Road, London SE7 7QY, Great Britain; the Complainant in order to settle the matter amicably and to avoid any legal dispute had written to Skype Network Limited apprising them of their global rights in KFC mark and further requesting them to transfer the domain name to the Complainant, a copy of the letter in respect thereof has been filed, as **Annexure 'L'** ; upon not hearing, the Complainant was left with no option other than to file the subject complaint; before proceeding to file the subject complaint, the Complainant conducted a search at the .IN Registry website and was surprised to note that kfc.co.in domain name has been transferred to the Webmaster Casinos Ltd., of 204 Woolwich Road, Concept Office, London SE7 7QY who have also registered domain name www.tacobell.co.in, against which a separate complaint has been filed; the trial of correspondence and the due diligence indicate that on the day the erstwhile claimed owner Skype Network Limited transferred the impugned domain name 'kfc.co.in' in favour of the present Respondent, it had already been notified of the Complainant's rights in the trade mark and trade name KFC and its violation by them; consequently, being thus fully aware of Complainant's rights in the KFC marks, the transfer by the erstwhile owner of the impugned domain name is itself vitiated by bad faith and *malafide* to defeat the due process of law; the Respondent's registration of the domain name kfc.co.in is bound to cause immense confusion and deception in the market and lead them into believing that the Respondent enjoys Claimant's endorsement and/or originates from the Complainant, since the public identifies the mark KFC with the Complainant and thus, would rightfully assume that the domain name kfc.co.in belongs to Complainant; further, likelihood of confusion and deception is further intensified since the



Complainant is the Registrant of various ccTLD Names containing/incorporating the KFC mark; in view of the Complainant's prior adoption and use of the TACO BELL marks, the Respondent has no legitimate right to use the domain kfc.co.in; the domain has been obtained by the Respondent in bad faith and with an intention to trade on and usurp the goodwill negated by the Complainant in its well known KFC mark; it is writ large that the Respondent has registered or acquired the domain name primarily for the purpose of trafficking therein and the primary intention of the Respondent is to simply 'squat' on the impugned domain; by stating so, the complainant prays against the respondent who is the current registrant of the Domain name 'www.kfc.co.in' that (i) the respondent's Domain name be cancelled; the same be transferred in favour of the Complainant; award the costs; and other remedies as is deemed fit.

4.4 Respondent's Identity and activities:

The Respondent is the registrant of the Domain Name <kfc.co.in> which is registered with .IN REGISTRY, National Internet Exchange of India, New Delhi. The name of the registrant is referred to as Webmaster Casinos Ltd., 204, Woolwich Road, Concept Office, London SE7 7QY.

5. Parties contentions:

A. Complainant:

(a) The Domain Name is identical or confusingly similar to a Trademark or service mark of the Complainant has rights:

i) The Complainant submits that they are the worldwide proprietor of the well known trade mark 'KFC, including registrations of the KFC word mark, KFC Logo in India and various countries throughout the world and they have adopted and registered the Domain name www.kfc.com.cn , www.kfc.co.uk , www.kfc.com.pl , www.kfc.com.au and similar variants registered in many countries which has acquired the distinctiveness that is associated with their business; the respondent's Domain name <kfc.co.in> is similar and identical with the complainant's 'KFC mark which



incorporates the complainant's mark in its entirety and there are no alterations existing which distinguishes the respondent's Domain name from their mark as it is exactly the same as complainant's mark; the complainant has filed a list of Domain names incorporating 'KFC registered by the complainant and its units under **Annexure 'E'** ; and thus, it is apparent that the respondent has fraudulently acquired the Domain name <kfc.co.in> which is identical to the trading name/corporate name of the complainant, solely with a malafide intention of extorting money and/or deriving illicit gain.

(b) Respondent has no rights or legitimate interests in the domain name:

According to the Complainant, the respondent neither has any legitimate interest in their trade mark nor is the lawful owner of any right relating to the complainant's mark and that the respondent bears no relationship to the business of complainant neither as a licensee nor has obtained any authorization or whatsoever to use the complainant's mark; and the Respondent's domain name has no connection with bonafide offering of goods or services; on the other hand, it promotes and leads a link to various commercial websites.

(c) Respondent has registered and is using the domain name in bad faith:

i) According to the Complainant, the circumstances under which the respondent has registered or acquired the domain name indicates the dishonest intention and such registration is only for the purpose of gaining enrichment illegally by advertising various business websites, selling, renting or transferring the Domain name at an exorbitant price and according to the complainant, their registered trade mark is a well known brand throughout the world and the respondent must have been aware of the longstanding, enormous reputation of the KFC name; and the complainant has also based their claim that the respondent's Domain name is the very same, indential, and similar to their corporate name; therefore



the respondent's use of such Domain name will attract complainant's customers by causing them mistakenly to believe that the respondent's activities have been endorsed by the complainant; they owns and controls the Domain name such as www.kfc.com.cn , www.kfc.co.uk , www.kfc.com.pl , www.kfc.com.au that the Domain name is more than mere internet address which identifies the internet site to those who reach it and sends the message that the site is owned by, sponsored by, affiliated with or endorsed by the person with name, or owning the trade mark, reflected in the Domain name; and the present case is a clear case of cyber-squatting by the respondent whose intention is merely block the Domain name; gaining enrichment illegally and commercially by advertising business websites and deprive the complainant's right so as to take advantage of substantial reputation of the complainant's brand and its trade mark and its prominent presents on the internet in order to confuse the public to the detriment of the complainant.

B. Respondent:

The Respondent did not submit any response.

6. Discussion and Findings:

It has to be asserted as to whether the Constitution of Arbitral Tribunal was proper? And Whether the Respondent has received the notice of this Arbitral Tribunal?

Having gone through the procedural history, this Tribunal comes to the irresistible conclusion that the Arbitral Tribunal was properly constituted and Respondent has been notified of the complaint of the Complainant. However, the Respondent did not choose to submit any response, which ought to have been filed on or before April 17, 2008, and that non-submission of the Response by the Respondent had also been notified to the Respondent on April 18, 2008.



Under paragraph 4 of the IN Domain Name Dispute Resolution Policy (INDRP), the Complainant must prove each of the following three elements of its case:

- (i) The Respondent's 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 interest in respect of the domain name; and
- (iii) The Respondent's domain name has been registered or being used in bad faith.

(a) Identical or confusing similarity:

i) The Arbitral Tribunal finds that the Complainant has provided evidences that it possesses registered trademark and logo being KFC. The Respondent's domain name, <kfc.co.in>, consists of entirely Complainant's trademark, except ccTLD. Thus, this Arbitral Tribunal comes to the irresistible conclusion that the disputed domain name <kfc.co.in> is confusingly similar or identical to the Complainant's marks.

ii) The Arbitral Tribunal concludes that the Complainant has established paragraph 4(i) of the IN Domain Name Dispute Resolution Policy.

(b) Respondent's Rights or Legitimate Interests:

i) The Complainant contends that the Respondent has no legitimate interest in the disputed domain name. Paragraph 7 of the IN Dispute Resolution Policy sets out three elements, any of which shall demonstrate the Respondent's right or legitimate interest in the disputed domain name for the purposes of paragraph 4(ii) of the Policy. The Respondent had



been given sufficient opportunities to respond and to present evidence in support of the elements in paragraph 7 of the INDRP. The Respondent, despite sufficient opportunities, has not chosen to do so and has not filed any response in these proceedings to establish any circumstances that could assist it in demonstrating, any right or legitimate interest in the disputed domain name. Although, the Complainant is not entitled to relief simply by default of the Respondent to submit a Response, the Arbitral Tribunal can however and does draw evidentiary inferences from the failure of the Respondent to respond. The Complainant has established a prima facie case of lack of rights and legitimate interest and the Respondent has failed to rebut the presumption of absence of rights or legitimate interests.

ii) Based on the record, the Respondent does not have rights or legitimate interests in the disputed domain name as the Respondent's current use is neither an example of a bonafide offering of goods or services as required under paragraph 7(i) of the Policy nor is there any legitimate non-commercial or fair use of the disputed domain name and as such there is no evidence that paragraphs 7(ii) or 7(iii) of the Policy apply. The Complainant asserts that they have not licensed or otherwise authorized the Respondent to use their trademark.

iii) The Arbitral Tribunal is satisfied that the Respondent has no rights or legitimate interests in respect of the disputed domain name and, accordingly paragraph 4(ii) of the Policy is satisfied.

(c) Registration and Use in Bad faith:

i) Paragraph 6 of the Policy provides the circumstances evidencing registration and use of a domain name in bad faith are that, by using the same, the Respondent has intentionally attempted to attract, for commercial gain, internet users to the Respondent's web site or other online locations, 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 Respondent's web site or location.

ii) The Respondent has registered the domain name which appears to have been selected precisely for the reason that it is identical or confusingly similar to registered trademarks and trade names of the Complainant. It is clear that the Respondent has no affiliation with the Complainant. Registration of a domain name that is confusingly similar or identical to a famous trademark by any entity, which has no relationship to that mark, is itself sufficient evidence of bad faith registration and use.

iii) In view of the submitted evidence and in the specific circumstances of this case, this Arbitral Tribunal draws the inference that Respondent's purpose of registering the domain name was in bad faith within the meaning of the Policy, so as to block the Domain name; gaining enrichment illegally by advertizing various business websites and to deprive the rightful owner i.e., complainant's right to register and use the Domain name and held complainant's mark being infringed by the respondent. The Respondent has no legitimate rights or interests in the disputed domain name and there was no real purpose for registering the disputed domain name other than for commercial gains, and that the intention of the Respondent was simply to generate revenue, either by using the domain name for its own commercial purpose or through the sale of the disputed domain name to the complainant itself to a competitor for higher price or any other person that has the potential to cause damage to the ability of the Complainant to have peaceful usage of the Complainant's legitimate interest in using their own trade names.

In the light of the above, this Arbitral Tribunal finds that the Complainant has established that the disputed domain name was registered and is being used in bad faith.



7. Decision:

For all the foregoing reasons, in accordance with paragraph 10 of the Policy, the Arbitral Tribunal orders that the disputed domain name <kfc.co.in> be transferred to the Complainant. In the facts and circumstances of the case, there is no order as to costs.

Dated at Chennai (India) on this 9th day of May, 2008.


(D.SARAVANAN)
Sole Arbitrator