



हरियाणा HARYANA

M 682652

**BEFORE THE
NATIONAL INTERNET EXCHANGE OF INDIA
ARBITRATION AWARD**

In The Matter Between

WAL-MART STORES INC.
702, S.W., 8th Street
Bentonville
AR 72716-8611
UNITED STATES OF AMERICA

Complainant

Versus.

DIGITAL BUSINESS
Mukt Nagar,
Opposite LIG -545 of Padmanabapur
Durg 491001, Chhattisgarh
INDIA

Respondent

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1. The Parties

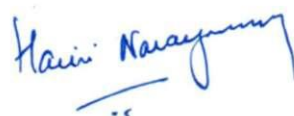
The Complainant is Wal-Mart Stores Inc. and is represented in these proceedings by Mr. Rahul Chaudhry of Lall Lahiri and Salothra of Gurgaon India. The Respondent is Digital Business of Durg, Chhattisgarh India, internally represented.

2. The Domain Name, Registrar and Policy

The present Arbitration proceeding pertains to a dispute regarding the domain name <wallmart.in> (hereinafter referred to as disputed domain name). The registrar for the disputed domain name is Go Daddy.com LLC. (R101- AFIN). The Arbitration proceeding is conducted in accordance with the Arbitration and Conciliation Act of 1996 (India), the .IN Domain Name Dispute Resolution Policy (the "INDRP Policy" or "Policy"), and the INDRP Rules of Procedure (the "Rules").

3. Procedural History

The sole arbitrator appointed in the case is Mrs. Harini Narayanswamy. The Arbitrator has submitted the Statement of Acceptance and Declaration of Impartiality and Independence, in compliance with the Rules. The Arbitrator received the Complaint from the .IN registry on March 20, 2014 and on March 21, 2014 sent by email, a notification of commencement of the arbitration proceedings to the Respondent. Under the INDRP Rules, copies of the notification were sent to other interested parties to the dispute. The Respondent was given twenty-one days time from the date of the notification to file a response. The Respondent sent an email reply on April 5, 2014. The Complainant was provided an opportunity to file a rejoinder to the Respondent's email, which it filed by email dated April 17, 2014. The Arbitrator gave the Respondent time till April 29, 2014 to reply the Complainant's submissions of April 17, 2014. The Respondent's reply was sent by email dated April 28, 2014. The Complainant by email dated May 16, 2014 had requested that the Respondent's reply ought not be taken on record as it was sent without marking a copy to the Complainant. The Arbitrator allowed the submission made by the


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Respondent in the interest of giving both parties a fair chance to represent their respective case.

Factual Background

The Complainant is an American multinational corporation incorporated under laws of Delaware, United States of America and runs a chain of large discount department stores and warehouse stores all over the world. Mr. Sam Walton founded the Complainant's business in 1962 and its first store was opened in Rogers, Arkansas.

The Complainant operates a website from its domain name <walmart.com> and owns other domain names such as <walmartindia.in>, <walmart-india.in> and <walmart-india.com>. The Respondent registered the disputed domain name <wallmart.in> on September 27, 2012.

The Parties Contentions

A. Complainant's Submissions

The Complainant states it a leading global retailer that currently has 10,900 retail stores in 27 countries and e-commerce websites in 10 countries with sale revenue of approximately US \$ 466 billion. It employs around 2.2 million associates worldwide and serves customers and members more than 200 million times per week. The Complainant states that it operates 69 different banners across the globe under its corporate name WALMART. In the United States it has WAL-MART Supercenters, WAL-MART Discount stores, WALMART Neighborhood Markets, WAL-MART Express, Sam's Club. In India it has Bestprice Modern Wholesale. The Complainant states its mark is registered in at least 90 jurisdictions of the world including India.

The Complainant asserts that its trademark and corporate name WAL-MART or WALMART is well established and is well known amongst the general public around the

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globe. The Complainant under its corporate name and trading style WAL-MART or WARMART has featured regularly amongst the top three in the list of FORTUNE GLOBAL 500 Companies, a survey conducted by the 'CNNMONEY.com'. The Complainant states its website www.walmart.com is visited by 10.8 million visitors per month as per Nielsen Net Ratings.

The Complainant states it is featured regularly in GLOBAL 2000 THE WORLD'S BIGGEST PUBLIC COMPANIES, an annual survey conducted by FORBES magazine, and was ranked 16th for the year 2012. The Complainant has provided details of its ranking in the survey for the seven year span of 2008 – 2013 along with details of its sales/ revenue, profits, assets and market value for the same period. The Complainant further states it is ranked 18th in the world's MOST VALUABLE BRANDS by FORBES for the years 2012 -13 taking into account its brand value, brand revenue and advertisement expenditure incurred, as per details in the given table:

| S. No | YEAR | RANK | BRAND VALUE (\$Billion) | BRAND REVENUE (\$ Billion) | COMPANY ADVERTISING (\$ Million) |
|-------|------|------|-------------------------------|----------------------------------|--|
| 1. | 2012 | 24 | 20.3 | 289.2 | 2300 |
| 2. | 2013 | 18 | 21.7 | 299.5 | 2300 |

The Complainant states that it entered into joint venture with a leading Indian business groups, Bharati Enterprises in August 2007, and formed Bharati Walmart Private Limited, to do business under this joint venture. Presently, the Complainant states it operates in India through its own subsidiary due to termination of joint venture with Bharati Enterprises. In India, the Complainant is the registered proprietor of the trademark WARMART or WARMART in classes 16,42, and 35 in relation to various goods and services and has provided the details of these registered marks:

| S. No. | Trademark | Reg. No. | Class | Date |
|--------|-----------|----------|-------|------------|
| 1. | WARMART | 928856 | 16 | 31.05.2000 |

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|----|-----------------------------------|---------|----|------------|
| 2. | WALMART NEIGHBOUHOOD MARKET | 1327636 | 42 | 23.12.2004 |
| 3. | WALMART (Device) | 1818585 | 35 | 15.05.2009 |
| 4. | WALMART (Word) mark | 1818308 | 35 | 14.05.2009 |

The Complainant has filed copies of registration certificates of its registered trademarks as evidence. By virtue of the registrations and the well-known character of the trademark, the Complainant states it has exclusive rights to use the trademark /corporate name WALMART in India and throughout the world. The Complainant states it is the original, honest and prior adopter, user and registered proprietor of the trademark WALMART that it has continuously used it in commerce since 1962. The Complainant has provided its worldwide sales figures under the mark from 1968 to 2013.

The Complainant states it has widely publicized and incurred considerable expenses in promoting and advertising its mark and its variants. The Complainant has provided as evidence copies of sample articles, advertisements, and brochures published and circulated in different countries including India and promotional figures for the period 1997 – 2013. The Complainant states its website <walmart.com> was created on February 23, 1995 and is popular all over the world including India. Its trademark is used extensively over the Internet to identify the Complainant and further information of its well-known brand is available on its website.

The Complainant states it recently came to know of the disputed domain name and argues the only difference between its trademark and the domain name is the additional “L” in the middle of the mark. The Complainant states it sent an email on February 14, 2014 to the Respondent. The Respondent in its reply email dated February 18, 2014 has stated “*it is currently not running any business.. and the question of infringement may arise only after it starts using it.*” The Respondent has further stated “ *it may perhaps run an adult*

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website, just for fun and stuff, probably an adult blog site under the impugned domain name." The Complainant has filed a copy of the email exchanged between the parties as evidence.

The legal grounds under which the Complainant requests for transfer of the disputed domain name under the INDRP Policy: The Respondent's domain name is identical or confusingly similar to the Complainant's well known mark, except for the extra alphabet "L", which is insignificant to finding confusing similarity. The Complainant states that the disputed domain name's similarity with its mark is detrimental to its interests as website linked to the disputed domain name has obscene photographs and Internet users are likely to believe that it is endorsed by the Complainant. The Complainant has cited some previous cases in support of its arguments.

The Complainant argues that the Respondent lacks rights and legitimate interests, as the Respondent is not commonly known by disputed domain name and there is no business relationship between the parties. The Respondent does not use the disputed domain name in relation to any goods and services. Further the registration of the disputed domain name has taken place five decades after Complainant commenced using the WALMART mark, and it is well established that the Complainant owns the mark.

The Complainant argues that the disputed domain name was registered in bad faith and is being used in bad faith with the dishonest intention to tarnish, mislead and divert consumers and to derive commercial gain from the goodwill and fame associated with the trademark. The Complainant further argues that the Respondent has registered and is using the domain name primarily for disrupting the business of Complainant. Posting obscene photos to attract web traffic using the Complainant's trademark is evidence of bad faith intentions of the Respondent and the Complainant requests for the transfer of the disputed domain name.

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Respondent's Email Response to the initial Complaint

The Respondent sent an email reply to the Complaint but filed no formal response in the proceedings. In the Respondent's email dated April 5, 2014 the Respondent alleges that the said mark is used in the domain name for services that are different from those in which the Complainant has rights and has stated – *"...tips on how to decorate an unadorned wall without spending too much.."* and *"intent to offer free "wallpaper" designs for our guests' computers None of our probable intentions have anything to do with selling any type of products."* The Respondent further states, *"we are fully aware of the brand Walmart, the retailing giant. But our stated purpose(s) would not infringe on any of their rights as we have no intention of selling anything."*

Complainant's reply dated April 17, 2014

The Complainant in its reply dated April 17, 2014 states that the Respondent's arguments are inapplicable to the dispute at hand. The Complainant asserts that it has clearly met its burden under the three prongs of the Policy and that the Respondent's arguments are factually incorrect. Rebutting the Respondent's statement that the Complainant uses the said marks only for goods, the Complainant argues that its mark is a well known mark under Section 2(1) (zg) of the Trademarks Act 1999 and is liable to be protected across all classes and further argues that under Section 29(4) of the Act, if the mark is well-known, it can be protected even for the goods or services for which the trademark is not registered. Complainant cites the case of *Brahmos Aerospace Pvt Ltd Vs. FIIT JEE Limited and Anr.*, CS (OS) 2655/ 2013 *"if the trade mark, for which infringement has been claimed, is a well-known mark – the same can be protected even in cases of dissimilar goods."* Thereby the well-known status can virtually confer a monopoly over usage of that Trade Mark by virtue of Section 29(4) of the Trade Marks Act, 1999..

" The Complainant further states that its mark is registered for services and provides details of such service registrations:

| Trade Mark | Registration No. | Class | Date Registration | of |
|------------|------------------|-------|----------------------|----|
|------------|------------------|-------|----------------------|----|

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|------------------------------------|---------|----|------------|
| WALMART | 1818308 | 35 | 14/05/2009 |
| | 1818858 | 35 | 15/05/2009 |
| WAL-MART | 1254210 | 42 | 09/12/2003 |
| WAL-MART NEIGHBORHOOD MARKET | 1327636 | 42 | 23/12/2004 |

The Complainant also argues that the Respondent is bound to make a declaration while registering the disputed domain that it does not infringe or violate the rights of any third party. As the Respondent has admitted to being aware of the Complainant's mark, the Complainant argues that registration of the disputed domain name is a violation of paragraph 3(d) of the INDRP.

Respondent's email in response to the Complainant's reply dated April 28, 2014

The Respondent has submitted that the disputed domain name consists of two generic words "Wall" and "Mart" with the domain extension ".in" and argues that generic words cannot be trademarked. The Respondent further argues that the term "Wallmart" is descriptive as it describes the goods or services of the Complainant and it cannot be "trademarked" unless it has acquired secondary meaning. The Respondent argues that the Complainant's mark has not acquired such secondary meaning with respect to the word "wall". The Respondent provides examples of combinations of generic words that according to the Respondent cannot be the subject of trademark rights. The Respondent further argues that if the owner of a fancy mark such as SHOPINCENTA were to find the generic term "Shopping Center" is infringing the mark, it would be a baseless argument.

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The Respondent then argues that registration of a fancy mark that closely resembles a generic term does not give the owner of the fancy mark rights to the generic term. The Respondent then goes on to state that a US entity had protected Basmati Rice as a patent but after the Indian Government challenged the same before the USPTO Office; the mark was voided on grounds that it described a type, quality, form or description of a product.

The Respondent asserts that its two companies Digital Business (India) and Amour Media (France) hold several thousand domain names in more than fifty extensions and the Respondent states it is well aware of what a fancy term, arbitrary mark and descriptive mark is. The Respondent claims that it holds a descriptive mark and states that the Complainant's WALMART mark is a fancy mark but the Complainant is trying to make a claim for the "descriptive mark" of the Respondent. As holder of a domain name with generic terms, which is not protected property, the Respondent argues it has legitimate interests in the disputed domain name and intends using it "...to make an adorned wall." Generic terms are not registered in bad faith, asserts the Respondent; therefore the Complainant's allegations of bad faith are baseless, as its generic domain name cannot infringe the Complainant's fancy mark. The Respondent rebuts the Complainant's statement that it is doing business under the disputed domain name and refutes the Complainant's statement that WALMART is a well-known mark. The Respondent also states the circumstances under which the judgment of the BRAHMOS case [supra], cited by the Complainant is not known.

Discussion and Findings

Under the INDRP Policy, the Complainant has to establish the following three elements in order to succeed in the proceedings:

- (i) The domain name is identical or confusingly similar to a name, 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 name; and
- (iii) The Respondent's domain name has been registered or is being used in bad faith.

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Identical or Confusingly Similar

The first element requires the Complainant to prove that the domain name registered by the Respondent is identical or confusingly similar to a mark in which the Complainant has rights.

The Complainant has filed extensive evidence that establishes it has rights in the WAL-MART/ WALMART trademark. Such evidence *inter alia* includes details of its Indian trademark registration, a list of its international trademark registrations, material from its website showing its extensive use of the mark in commerce internationally. To further support the international reputation and recognition of its mark, the Complainant has filed evidence of its listing in FORTUNE GLOBAL 500, FORBES listing of the world's MOST VALUABLE BRANDS and several other such recognized listings featuring the Complainant and its well known mark for several years. Trademark registration is considered *prima facie* evidence of rights in a mark, and as such it is sufficient for the Complainant to establish its rights in the mark. Under the first prong of the Policy several INDRP cases have determined, that a complainant's trademark rights can be garnered based on international registration of trademarks or even based on common law rights established in other countries. The Arbitrator finds, based on all the evidence including published articles in the media and extensive use of trademark WAL-MART/ WALMART in commerce for a long period, the Complainant has not only established its statutory and common law rights in the mark but has established that the mark has acquired secondary meaning.

The Arbitrator concurs with the Complainant's submission that the disputed domain name containing the additional letter "L" does not significantly affect the confusing similarity with its mark. Given the fame associated with the mark, the use of the additional letter "L" does not in anyway lessen the confusing similarity and the disputed domain name is found phonetically and visual similar to the WALMART trademark.

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The Arbitrator finds that the disputed domain name is virtually identical and confusingly similar to the trademark in which the Complainant has rights. The Complainant has satisfied the first element required under the Policy.


Rights and Legitimate Interests

The second element requires the Complainant to show that the Respondent lacks rights and legitimate interests in the disputed domain name. It is sufficient for the Complainant to put forward a *prima facie* case regarding the Respondent's lack of rights and legitimate interests.

The burden of proving rights or legitimate interests in the disputed domain name rests with the Respondent. Paragraph 7 of the Policy, provides a non-exhaustive set of circumstances that a respondent could rely on to establish rights in the domain name. These briefly are: (i) if before notice of the dispute, the respondent had used or made demonstrable preparations to use the domain name in connection with a *bona fide* offering of goods or services or (ii) the respondent (as an individual, business organization) has been commonly known by the domain name, or (iii) The respondent is making legitimate, non commercial or fair use of the domain name without intent for commercial gain.

The Complainant has submitted that the Respondent has no rights or legitimate interests in the disputed domain name as the Complainant has not licensed or otherwise permitted the Respondent to use its mark. The Arbitrator finds there is no evidence on record to show the Respondent has made preparations to use the disputed domain name for a *bona fide* offering of goods or services or that the Respondent has been commonly known by the disputed domain name or makes any legitimate non-commercial fair use of the disputed domain name.

The Respondent has claimed to be the owner the descriptive mark WALLMART, however no evidence is provided to show any rights in favour of the Respondent. The

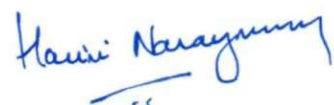


Respondent has failed to file any material in these proceedings that demonstrates his rights in the disputed domain name. In the absence of any material from the Respondent, or any other material on record to indicate the Respondent has rights, it is found that the Respondent has not established any rights or legitimate interests in the disputed domain

Accordingly, for the reasons discussed, the Arbitrator finds the Complainant has made a *prima facie* case that the Respondent lacks rights and legitimate interests in the disputed domain name and has satisfied the second element under paragraph 4 of the Policy.

Bad Faith

Under the INDRP Policy the Complainant is required to establish that the domain name was registered or is being used in bad faith. The Complainant has urged that the Respondent has intentionally registered the disputed domain name to exploit its well-known trademark. The Arbitrator finds the Complainant has provided sufficient evidence that shows the Respondent has engaged in a pattern of behavior that is recognized as bad faith registration and use as described under the Policy. Lack of use or passive use of the disputed domain name, under the circumstances, where the disputed domain name bears confusing similarity to a well known mark is recognized as bad faith registration and use under the Policy. Furthermore although the Respondent has argued that there are various intended uses of the disputed domain name, the Arbitrator finds there is absolutely no merit in the Respondent's arguments that the Respondent's intended use of the disputed domain name may not be for similar services as those offered by the Complainant or in its arguments of the Complainant's fancy mark lacks rights *vis a vis* its registration of generic terms. The Complainant has clearly established its prior rights in the mark, long extensive international fame associated with its mark prior trademark registrations and an arbitrary fancy mark has a high level of protection particularly if it is used extensively as the Complainant has proved. The Arbitrator finds the record clearly shows the disputed domain name is being used to post obscene photographs. The Respondent has not denied the document submitted by the Complainant in email communications where the Respondent has clearly stated that the intended use of the disputed domain name could be



for adult content / blog site. In the Arbitrator's view the evidence on record the Respondent has registered and used the disputed domain name to attract web traffic based on the association with the Complainant's trademark and posted obscene pictures. Therefore the Respondent's submissions of its lack of bad faith motives are found untenable. Further the Respondent arguments do not hold good as the Complainant has provided ample evidence of having acquired secondary meaning and the term WALMART being a distinct identifier of the Complainant's goods and services. The Respondent has just made bald statements with no supporting evidence and has not been able to produce any evidence in support of its claims.

The Complainant has adopted and used the mark WAL-MART extensively in several jurisdictions and under Paragraph 6 (iii) of the Policy, if the registrant of the domain name in dispute, has used the domain name to intentionally attract Internet users to the Registrant's website or other online location by creating a likelihood of confusion with the trademark of another, it is considered evidence of bad faith. The Arbitrator finds the circumstances here suggest that the Respondent seeks to use the Complainant's mark in the manner mentioned under Paragraph 6 of the Policy, namely to attract Internet traffic to the Respondent's website for deriving some gain based on the trademark of the Complainant, which is considered bad faith registration and use of the disputed domain name under the INDRP Policy.

Based on all the facts and circumstances of the case the Arbitrator finds that the disputed domain name was registered in bad faith and has been used in bad faith. The Arbitrator finds the Complainant has satisfied the third element under paragraph 4 of the Policy.

Decision

For the reasons discussed, it is ordered that the disputed domain name <wallmart.in> be transferred to the Complainant.



Harini Narayanswamy (Arbitrator)

Date: MAY 22, 2014