



ASIAN DOMAIN NAME DISPUTE RESOLUTION CENTRE (HONG KONG OFFICE)

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Decision Submission

[English](#)
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Decision ID	DE-0400033
Case ID	HK-0400051
Disputed Domain Name	www.woerma.com
Case Administrator	Dennis Choi
Submitted By	Lulin Gao
Participated Panelist	Lulin Gao
Date of Decision	02-11-2004

The Parties Information

Claimant	WAL-MART Stores,Inc.
Respondent	Weiqiu Zhong

Procedural History

A Complaint, made pursuant to the Uniform Domain Name Dispute Resolution Policy ("UDRP") implemented by the Internet Corporation for Assigned Names and Numbers ("ICANN") on October 24, 1999, and under ICANN Rules for UDRP and Asia Domain Name Dispute Resolution Center ("ADNDRC") Supplemental Rules for UDRP, was received by ADNDRC Hong Kong Office on 25 August, 2004. The Hong Kong office of ADNDRC confirmed receipt of the Complaint on 25 August, 2004 and the registration information was confirmed by the Registrar on 21 September, 2004.

Having verified that the Complaint satisfied the formal requirements of UDRP, the Hong Kong office of ADNDRC issued to the Respondent on 4 September, 2004, a Notification of Complaint to email address of the Respondent, advising the Respondent that the deadline for receipt of a response was 24 September, 2004. A copy of the Complaint was dispatched by courier to the Respondent on 30 August, 2004 and a response was submitted by the Respondent to the online system of ADNDRC on 14 September, 2004.

On 6 October, 2004, the Claimant submitted a reply to the Respondent' s response.

The sole panelist, Dr Lulin Gao, was appointed by the Hong Kong Office of ADNDRC on 7 October, 2004.

On 20 October, 2004, the Panel requires that the Claimant submit more evidence for its rights on the registered trademark "沃尔玛" within two days. Meanwhile the Panel requested Hong Kong Office of ADNDRC to extend the deadline for rendering the decision to 25 October, 2004.

On 22 October, 2004, the Claimant submitted more evidence on its registered trademark and the respondent also submits more evidence.

Factual Background

For Claimant

The Claimant is the world's largest retailer with its principal place of business located in Bentonville, Arkansas, USA. The Claimant was founded in 1962 by Sam and James Lawrence Walton who opened their first store in Rogers, Arkansas, USA under the name "Wal-Mart". By 2003, the Claimant's global sales had grown to US\$244.5 billion and in

2001, 2002 and 2003 it was ranked first amongst FORTUNE 500 companies for having the biggest sales revenue of any company in the world. It currently owns the registrations for the “WAL-MART” mark in various Classes in no less than 46 countries.

The Claimant first entered the People’s Republic of China (“PRC”) market in August 1996 with the opening of its first Supercenter Store and SAM’S Club Store in Shenzhen. The Claimant currently operates 31 WAL-MART stores in the PRC, the country of residence of the Respondent. The Claimant registered the Chinese character trademark “沃尔玛” in the PRC in Classes 1, 2, 5, 8, 12, 13, 14, 21, 22, 23, 29, 31, 34, 41, 42, and 43 in 2003 and further Claimant registered the English language “WAL-MART” trademark in the PRC in a number of Classes in that same year.

The Claimant has registered the domain names www.walmart.com, www.wal-martchina.com, www.walmartstores.com, all of which provide information about and the services of the Claimant.

The Claimant has not authorized the use of either the English language “WAL-MART” or its simplified Chinese character “沃尔玛” trademarks to the Respondent.

For Respondent

The Respondent registered the domain name “woerma.com” with Network Solutions on May 10, 2002. The Disputed Domain Name website is currently displaying a research paper wherein the author thereof is the Respondent in this case. The Respondent was a doctoral candidate at Dalian University of Technology from 2000 to March, 2004, and while he is now an Assistant Professor at Dalian University of Technology, he is currently paying an academic visit to Nagoya, Japan.

Parties' Contentions

Claimant

The Disputed Domain Name is identical to or confusingly similar to the Claimant's trademarks.

The Claimant registered the simplified Chinese character trademark “沃尔玛” in the PRC in Classes 1, 2, 5, 8, 12, 13, 14, 21, 22, 23, 29, 31, 34, 41, 42, and 43. As noted above, the pronunciation in English of the word “woerma” is the same as, or similar to, the pronunciation in Chinese of the Claimant's famous “沃尔玛” registered simplified Chinese character trademark. On this basis, the Claimant submits that the Respondent has used a phonetic English translation of the Claimant's registered simplified Chinese character trademark which is confusingly similar to the Claimant's registered simplified Chinese character trademark.

The Respondent has no rights or legitimate interests in the Disputed Domain Name

The Claimant submits that the Respondent does not have any rights or legitimate interests in respect of the Disputed Domain Name based on the following grounds:

(a) The Claimant started its business in the PRC as early as 1995 and the word “沃尔玛” has been used as part of the Claimant's trade name since 1996. Similarly, “沃尔玛” has been used as the Claimant's trademark since 1996. The Respondent was or should have been aware of the Claimant's rights in the “沃尔玛” mark at the time it registered the Disputed Domain Name. There exists no relationship between the Claimant and the Respondent that would give rise to any license, permission, endorsement or authorization by which the Respondent could own or use the Disputed Domain Name, which consists entirely of the Claimant's “沃尔玛” mark.

(b) The Respondent does not hold any registered trademark rights in respect of the “沃尔玛” mark.

(c) Instead, the Respondent is using the Disputed Domain Name with the intent garner commercial gain by misleadingly diverting the Claimant’s consumers to its website or by disrupting the Claimant’s business.

The Respondent registered and has used the Disputed Domain Name in bad faith

The Claimant submits that the Disputed Domain Name has been registered and used by the Respondent in bad faith. The grounds in support of the Claimant's submissions are set out as follows:

(a) The Disputed Domain Name does not appear to have been used by Respondent, which is in itself evidence of bad faith.

(i) The Disputed Domain Name does not appear to have been used by the Respondent for linking to any active website or

otherwise to conduct any business activities that refer to the word "Wal-Mart" or 沃尔玛 (woerma). Instead, the Disputed Domain Name, when inspected on 16 December 2003, immediately linked to an unrelated website <www.chinatoilets.com> which was run by the Dotcom Agency, and was a business for the sale of domain names.

(ii) The Disputed Domain Name was inspected again on 10 March 2004, and linked to another unrelated Chinese website entitled "A Study Concerning the Performance of Eroded Reinforced Concrete Structure". A further investigation on 23 August 2004 showed the Disputed Domain Name linking to that same unrelated Chinese website.

(iii) In Case No D2004-0028, Wal-Mart Stores, Inc. v Urfin Juice attached at Annex 29A, WIPO decided that the registration and use of <walmart-credit-card.info> to link to other unrelated sites also indicated the deliberate attempt to delude persons to believe those sites were in some way associated with the Claimant. The inappropriate nature of these website links indicated that there would be a likely tarnish to the Claimant's reputation and marks.

(iv) Further, in Case No CND0300008 Advance Magazine Publishers Inc. (前进杂志出版者公司) v 北京国网信息有限责任公司, the China International Economic and Trade Arbitration Centre (CIETAC) held that the lack of evidence of use of a disputed domain name by a respondent points to bad faith use, since passive holding of a domain name that is identical or confusingly similar to a famous mark has been found to constitute bad faith in itself.

(v) As the Respondent does not appear to have used the Disputed Domain Name, it is submitted that the Respondent registered the Disputed Domain Name in bad faith.

(b) Correspondence between Claimant and Respondent

The Respondent has apparently not provided accurate contact information in WHOIS, or is deliberately refusing to correspond in relation to this matter. Wal-Mart caused its lawyers in Hong Kong, Messrs Lovells, to send an email to the Registrant at the email address given for both the Administrative Manager and Technical Contact on WHOIS search. The email requested a transfer of the Disputed Domain Name registration. Messrs Lovells advise that no response to that email was ever received.

In Case No D2000-0003 Telstra Corporation Limited v Nuclear Marshmallows (attached as Annex 32), WIPO decided that when the registrant has actively provided false contact details for the purpose of its domain name registration, it has breached its warranty under paragraph 2(a) of the Policy and that this could constitute bad faith use of the domain name. This point was reinforced by the Panelist in Case No D2002-0771, Wal-Mart Stores, Inc. v Su Rong Ye (attached as Annex 33).

In Dr Pepper/Seven Up, Inc v NA, WIPO again decided that the provision of false contact information in the registration of a domain name constitutes evidence of bad faith pursuant to paragraph 4(b)(iv) of the Policy.

Circumstances indicate that the Disputed Domain Name was acquired, in bad faith, primarily for the purpose of diverting the Claimant's customers to the Respondent's site or disrupting the Claimant's business by preventing the Claimant from using the domain name for its own business. As the Respondent's use of this domain name creates a strong likelihood of confusion in the marketplace, this Panel should recognize the Respondent's bad faith registration.

(c) No authorization by Claimant

The Claimant has not licensed, authorized or permitted the Respondent to use the Disputed Domain Name or the trademarks "Wal-Mart".

WIPO Panelists have found the lack of such authorization to be relevant in deciding that a Respondent has no right or legitimate interest in a disputed domain name. See for example SDMO Industries v Coldwell Banker Burnet WIPO Case No. DBIZ2001-00016.

In Dr Pepper/Seven Up, Inc v NA of 21 November 2003, WIPO decided that using a domain name for commercial advantage constitutes evidence of bad faith pursuant to paragraph 4(b)(iv) of the Policy.

This case also supports the Claimant's contention that bad faith can be found from the fact that the Disputed Domain Name is so obviously connected with the Claimant and thus its very use by the Respondent who has no connection with the Claimant suggests "opportunistic bad faith".

For the reasons stated above, the Claimant submits that it has proved that the Respondent have registered the Disputed Domain Name in bad faith.

The Claimant further submits that the Respondent who registered the Disputed Domain Name in bad faith, has prevented the Claimant, as a rightful owner of the Wal-Mart, 沃尔玛 (woerma in simplified characters) and 沃爾瑪 (woerma in traditional Chinese characters) names and marks, from reflecting its names and marks in the corresponding domain names.

Respondent

The Respondent alleges that he did not have any intention or evil thought to offend the legal rights of any companies or persons when he registered the domain name woerma.com. The purpose of the web was to provide a forum to exhibit his research work on the Internet.

The Respondent doesn't know of the Claimant and while it is unfortunate that woerma is identical to the pinyin translation of “沃尔玛”. But this cannot become the reason that the Claimant divests his domain name.

The word “WAL-MART” is perhaps better translated as 沃尔玛特 (woermate in pinyin) instead of 沃尔玛. The use of the woerma.com domain name is unintentionally identical to the pinyin translation of the improper translation of 沃尔玛 in Chinese characters. With regards to the pinyin “woerma”, it can also be the pinyin translation of many other Chinese characters. In the Chinese language, because of the large number of homonyms, any pinyin spelling of pronunciation may, in fact, correspond to many different Chinese characters and have many other meanings. With regard to the “woerma” pinyin, corresponding Chinese characters can produce many common and meaningful Chinese expressions, including 我儿吗 or 我儿嘛 (just my son), or 我儿妈 (my wife).

The domain name has never generated any relationship with the Claimant and the Claimant could have registered it prior to the registration by the Respondent.

Findings

Identical / Confusingly Similar

The Disputed Domain Name is “woerma.com”. The identifying part of the Disputed Domain Name is “woerma”. Although the Claimant does not have the trademark registration of “woerma”, the Panel finds that this part of the domain name is exactly the same as the pinyin spelling of the Chinese Characters “沃尔玛”, to which the Claimant owns numerous trademark registrations in PRC.

Nevertheless, based on the evidence that the Claimant has provided, the Panel finds that all the current PRC registrations of “沃尔玛” were granted in 2003, which actually post-dates the registration (May 10, 2002) of the Disputed Domain Name. However, the Panel is still of the view that the Claimant enjoys the trademark right to “沃尔玛” prior to the registration date of the Disputed Domain Name. The reasons are as follows:

- (1) According to the evidence provided by the Claimant, the Panel finds that the Claimant registered the trademark for “沃尔玛” (both in simplified Chinese characters as well as in traditional Chinese characters) in Hong Kong Special Administrative Region on June 22, 2001, which is prior to the registration date of the Disputed Domain Name.
- (2) According to the evidence provided by the Claimant, the Panel finds that the Claimant started to use the trademark “沃尔玛” in mainland China from 1996, although the registrations of the trademark “沃尔玛” in mainland China is later than the registration of the Disputed Domain Name. Additionally, the Panel finds the trademark “沃尔玛” has gained a high degree of fame in China through the consecutive use by the Claimant in retailing business in China from 1996.

According to the evidence provided by the Respondent, some other persons other than the Claimant have registered the trademark “沃尔玛” in some Classes in the PRC. However, considering the extensive use of the trademark “沃尔玛” by the Claimant, the high degree of the of fame in China through the consecutive use by the Claimant, the distinctiveness of the trademark “沃尔玛” as well as current registrations in many Classes in the PRC by the Claimant, the Panel finds that the Claimant should have the trademark right for “沃尔玛” than the registration date of the Disputed Domain Name.

Since the Claimant has rights in trademark “沃尔玛”, and in combination with its reputation and goodwill, the Panel finds that the Disputed Domain Name is confusingly similar to the Claimant's trademark of “沃尔玛” under the transliteration of the Claimant's Chinese trademark. This principle is also acknowledged in Inner Mongolia Yili Joint Stock Corporation v. Changshu Yili Clothes Co., Ltd (ADNDRC Case CN-020007).

Rights and Legitimate Interests

The Respondent has not provided evidence of circumstances of the type specified in paragraph 4(c) of UDRP, or of any other circumstances giving rise to a right to or legitimate interest in the domain name. In light of (i) the fact that the Claimant has not licensed or otherwise permitted the Respondent to use any of its trademarks or to apply for or use any

domain name incorporating any of those marks, and (ii) the fact that the word “woerma” appears to be an invented word, and as such is not one traders would legitimately choose unless seeking to create an impression of an association with the Claimant, the Panel finds that the Respondent has no rights or legitimate interests in the domain name.

Bad Faith

In accordance with Paragraph 4 (b) of UDRP, it sets out four non-exclusive criteria which shall be evidence of the registration and use of a domain name in bad faith:

(i) the respondent has registered or has acquired the domain name primarily for the purpose of selling, renting, or otherwise transferring the domain name registration to the claimant who is the owner of the trade mark or service mark or to a competitor of that claimant 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 trade mark 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 its web site or other on-line location, by creating a likelihood of confusion with the claimant’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. Given the fame of the Claimant’s mark of “沃尔玛”, the Claimant’s long-standing use of the mark and the existence of trademark registrations for the Claimant’s mark in the PRC where the Respondent is based, the Panel finds it difficult to accept that the Respondent registered the domain name without knowledge of the Claimant’s rights in “沃尔玛”. The Respondent has not put forward any reasonable arguments to demonstrate it has any rights or legitimate interests in the domain name. It is not possible to conceive of a plausible situation in which the Respondent would have been unaware of this fact at the time of registration. These findings, together with the finding above that the Respondent has no rights or interests in the domain name, lead the Panel to conclude that the Disputed Domain Name has been registered by the Respondent in bad faith. Accordingly, the Panel finds that the domain name has been registered in bad faith.

However, the Panel notes that the provision of paragraph 4(a) of UDRP, contains the conjunction "and" rather than "or". The significance of the use of the conjunction "and" is that paragraph 4(a)(iii) requires the Claimant to prove use in bad faith as well as registration in bad faith. That is to say, bad faith registration alone is insufficient ground for obtaining a remedy under UDRP. This point is acknowledged in the Panel Decision in *Telstra Corporation Limited v. Nuclear Marshmallows* (WIPO Center Case No. D2000-0003 “hereinafter referred to as the Telstra case”).

This interpretation is confirmed, and clarified, by the use of both the past and present tenses in paragraph 4 (a)(iii) of UDRP. The use of both tenses draws attention to the fact that, in determining whether there is bad faith on the part of the Respondent, consideration must be given to the circumstances applying both at the time of registration and thereafter. So understood, it can be seen that the requirement in paragraph 4(a)(iii) that the domain name "has been registered and is being used in bad faith" will be satisfied only if the Claimant proves that the registration was undertaken in bad faith and that the circumstances of the case are such that the Respondent is continuing to act in bad faith.

Based on the evidence the Claimant provides, it is difficult to prove that the respondent’s use of the Disputed Domain Name meet one of the four requirements stipulated in Paragraph 4 (b) of UDRP in connection with bad faith.

The Claimant claimed that its outside counsel sent an email to both the Administrative Manager and Technical Contact on WHOIS search, but no response to that email was ever received. The Respondent denied the receipt of that email. However, the Panel finds that the Administrative Manager and Technical Contact’s email address used by the Claimant in said email was not commensurate with contact information in WHOIS search result presented by the Claimant. Furthermore, no response from the respondent does not mean false contact information registered with WHOIS, and additionally there is no extra evidence presented by the Claimant that the Respondent has engaged in conduct provided in paragraph 4 (b) (i) sufficient to satisfy paragraph 4 (b) (i).

There is no evidence that the Respondent has engaged sufficient to satisfy paragraph 4 (b) (ii). The reason is that the Claimant does not have “woerma” trademark registration either in the PRC or in any other countries and thus the Disputed Domain Name does not prevent the Claimant from reflecting the mark in a corresponding domain name. There is not sufficient evidence presented by the Claimant that the Respondent has registered the domain name primarily for the purpose of disrupting the business of the Claimant as the Respondent has only put his research paper on the website of the Disputed Domain Name. The evidence that the Claimant presented is not sufficient to prove that the Disputed Domain Name has been directed by the Respondent to the website of www.chinatoilet.com. Therefore, the stipulations of paragraph 4 (b) (iii) are not satisfied here.

There is no evidence presented by the Claimant that the Respondent has attempted to cause confusion among Internet or email users between the Claimant’s mark and any on-line location of the Respondent or any research papers offered by the Respondent on-line sufficient to satisfy the stipulations of paragraph 4 (b) (iv).

The Panel notes that bad faith conditions may not be limited to the above four conditions according to UDRP. The Panel also notes that the Claimant has mentioned that the Disputed Domain Name does not appear to have been used by the Respondent, which is in itself an evidence of bad faith.

It is possible, in certain circumstances, for passive holding by the Respondent to amount to the domain name being used

in bad faith. This is a principle established in the Telstra case. However, the Telstra case was a fact intensive case and the principle that passive holding may constitute bad faith nevertheless dependent upon the specific facts and situations of the case.

The particular circumstances which lead to passive holding have been identified in the Teltra case:

- (i) the Complainant's trademark has a strong reputation and is widely known, as evidenced by its substantial use in Australia and in other countries,
- (ii) the Respondent has provided no evidence whatsoever of any actual or contemplated good faith use by it of the domain name,
- (iii) the Respondent has taken active steps to conceal its true identity, by operating under a name that is not a registered business name,
- (iv) the Respondent has actively provided, and failed to correct, false contact details, in breach of its registration agreement, and
- (v) taking into account all of the above, it is not possible to conceive of any plausible actual or contemplated active use of the domain name by the Respondent that would not be illegitimate, such as by being a passing off, an infringement of consumer protection legislation, or an infringement of the Complainant's rights under trademark law.

The Panel finds that in the response, the Respondent alleged he would provide more research works in the Internet at the Disputed Domain Name. However, the Respondent has displayed the same research paper for quite a long time, and did not make any update. These acts cannot prevent the Panel from believing that this is not a kind of active use. Meanwhile, the Respondent has provided no evidence whatsoever of any actual or contemplated good faith use by it of the domain name.

Considering the distinctiveness of the trademark “沃尔玛” of the Claimant, substantive use and fame in the PRC and other countries or regions, the panel may infer that the Respondent has no real intension of active use of the Disputed Domain Name by only putting a research paper on the website to keep alive the website. Furthermore, the topic/title/content of the research paper displayed by the Respondent have no connection with the Disputed Domain Name, and there is no display of “woerma” in the website. Meanwhile, the Respondent has not submitted enough evidence to show its good faith use of the Disputed Domain Name in the past and at present. Taking into account all of the above particular circumstances, the panel may infer that such acts of the Respondent have constituted the passive holding of the Disputed Domain Name, which amounts to the being used in bad faith.

Therefore, the Panel finds that the Disputed Domain Name has been registered and is being used in bad faith.

Status

www.woerma.com

Domain Name Transfer

Decision

For all the forgoing reasons, the Panel has decided that the Claimant has proved sufficiently the three elements of Paragraph 4(a) of UDRP. Accordingly, the Panel directs that the Disputed Domain Name be transferred to the Claimant.

[Back](#)

[Print](#)