



## ASIAN DOMAIN NAME DISPUTE RESOLUTION CENTRE (HONG KONG OFFICE)

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### Decision Submission

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Version  
 Decision ID DE-0800163  
 Case ID HK-0800195  
 Disputed Domain Name www.chinawalmart.com  
 Case Administrator Dennis CAI  
 Submitted By Yun Zhao  
 Participated Panelist

Date of Decision 03-11-2008

Language Version : English

#### The Parties Information

**Claimant** (1) : Wal-Mart Stores, Inc.:(2): Wal-Mart China Co. Ltd.  
**Respondent** East Treasure Trading Co LLC

#### Procedural History

On 26 August 2008, the Complainants submitted a Complaint in the English language to the Hong Kong Office of the Asian Domain Name Dispute Resolution Center (the ADNDRC) and elected this case to be dealt with by a one-person panel, in accordance with the Uniform Domain Name Dispute Resolution Policy (the Policy) approved by the Internet Corporation for Assigned Names and Numbers (ICANN), the Rules for Uniform Domain Name Dispute Resolution Policy (the Rules), and the ADNDRC Supplemental Rules for Uniform Domain Name Dispute Resolution Policy (the ADNDRC Supplemental Rules). On 1 September 2008, the ADNDRC sent to the complainants by email an acknowledgement of the receipt of the complaint. All correspondence to and from the ADNDRC described herein was in the English language.

On 1 September 2008, the ADNDRC transmitted by email to the Registrar a request for registrar verification in connection with the disputed domain name. On 3 September 2008, the Registrar transmitted by email to the ADNDRC its verification response, confirming that the Respondent is listed as the registrant and providing the contact details. On 18 September 2008, the ADNDRC transmitted the Complaint to the Respondent and notified the Respondent of the commencement of the action and requested the Respondent to submit a Response within 20 calendar days. Since the Respondent failed to submit a Response within the specified period of time, the ADNDRC notified the Respondent's default on 9 October 2008.

Since the Respondent did not mention the Panel selection in accordance with the time specified in the Rules, the ADNDRC Supplemental Rules, and the Notification, the ADNDRC informed the Complainants and Respondent that the ADNDRC would appoint a one-person panel to proceed to render the decision.

Having received a Declaration of Impartiality and Independence and a Statement of Acceptance, the ADNDRC notified the parties that the Panel in this case had been selected, with Dr ZHAO Yun acting as the sole panelist. The Panel determines that the appointment was made in accordance with Rules 6 and Articles 8 and 9 of the Supplemental Rules. On 10 October 2008, the Panel received the file from the ADNDRC and should render the Decision within 14 days.

Pursuant to Paragraph 11 (a) of the Rules, unless otherwise agreed by the Parties, or specified otherwise in the Registration Agreement, the language of the administrative proceeding shall be the language of the Registration Agreement, subject to the authority of the Panel to determine otherwise, having regard to the circumstances of the administrative proceeding. The

language of the current disputed domain name Registration Agreement is English, thus the Panel determines English as the language of the proceedings.

## Factual Background

### For Claimant

There are two Complainants in this case. The 1st Complainant is Wal-Mart Stores, Inc., a corporation registered in the United States. The registered address is 702 S.W. 8th Street, Bentonville, Arkansas 72716-0520, United States of America. The 2nd Complainant is Wal-Mart China Co. Ltd. The registered address is 12/F, Tower 3, SZITIC Square, 69 Nonglin Road, Futian District, Shenzhen, Guangdong Province 518040, China. The 2nd Complainant is and was an affiliate of the 1st Complainant. Both Complainants shall be referred to in this Complaint as "the Complainant".

### For Respondent

The Respondent, East Treasure Trading Co LLC, is the current registrant of the disputed domain name <chinawalmart.com> according to the Whois information. The registered address is PO Box 25132, Deira, Dubai, 000AE.

## Parties' Contentions

### Claimant

The Complainant is the world's largest and most well-known retailer and the operator of "WAL-MART" department stores worldwide under the WAL-MART trademark. The first WAL-MART store was opened in Rogers, Arkansas, USA in 1962. Since 1962 the Complainant's business and the number of WAL-MART stores has grown exponentially worldwide. The Complainant has been listed as the number one Fortune 500 company every year from 2002 until 2008, with the exception of 2006 when the Complainant placed second on the Fortune 500 list. The Complainant currently operates more than 6,800 stores and employs more than 1.9 million employees worldwide. The Complainant exceeded US\$374 billion in global sales in the 2007-2008 US financial year. More than 180 million customers per week visit the Complainant's stores worldwide. The Complainant is the largest and most well-known retailer in Guangdong Province, China and one of the largest and most well-known retailers throughout China. The Complainant opened the first WAL-MART store in Shenzhen, China in 1996. Since 1996, the number of stores in China has grown exponentially. The Complainant currently operates 99 Supercenters, 3 Sam's Clubs, 2 Neighborhood Markets and 101 Trust-Mart Hypermarkets in 15 provinces and employ over 83,000 employees in China. The Complainant procures the majority of goods sold in its stores in China from Chinese suppliers. In addition to operating WAL-Mart stores in China, the Complainant sources a substantial amount of its global retail products from China via the Wal-Mart Global Procurement Center.

The Complainant has registered numerous domain names worldwide comprising the trademark and operates its various websites which are accessible via the Internet worldwide and to which these domain names resolve.

The trademark "WAL-MART" is one of the most well-known trade marks in the world and in China. The trademark is an invented trademark associated by members of the public worldwide solely with the Complainant and its famous business. The Complainant spends in excess of US\$1 billion annually on advertising and promotional expenses worldwide.

1. The Disputed Domain Name is identical with or confusingly similar to the Complainant's Marks in which the Complainant has rights

The Complainant has numerous registrations for the trademark and its registrations are valid and subsisting and serve as prima facie evidence of its ownership and the validity of the trademark. The Respondent's registration of the disputed domain name postdates the Complainant's registration priority dates for the trademark. The disputed domain name comprises the word "walmart" in its entirety, which is identical or confusingly similar to the trademark. The deletion of a hyphen and the

use of the generic word "china" and the TLD ".com" are not sufficient to negate the confusing similarity between the disputed domain name and the trademark.

## 2. The Respondent has no rights or legitimate interests in respect of the Disputed Domain Name

The Respondent does not hold any registered trademark rights in respect of the trademark. The Respondent's website to which the disputed domain name is resolved displays numerous hyperlinks as a commercial link farm website. This does not give rise to any rights or legitimate interests in the disputed domain name. The Complainant has prior rights in the trademark, which precede by many years the Respondent's registration of the disputed domain name. The Complainant operates under the trademark in over 15 countries and is extremely well-known throughout the world. The Respondent could not therefore have been in ignorance that trademark rights were vested in the trademark, and that any use of the same without the consent of the trademark owner is prohibited. The Complainant has not authorized, licensed, endorsed or otherwise permitted the Respondent to register or use the disputed domain name or to use the trademark in relation to its business as a business name or otherwise. The Complainant has not in any way acquiesced to the Respondent's registration or use of the disputed domain name or the use of the Complainant's trademark or similar marks in relation to the Respondent's business or otherwise.

The Respondent's use of the trademark, or confusingly similar marks, is infringing. Such unlawful use of the disputed domain name cannot be considered bona fide. The trademark is an invented word, and as such are not words traders would legitimately choose unless seeking to create an impression of an association with the Complainant. The disputed domain name does not reflect the Respondent's common name, and the website does not in any way reflect or refer to the Respondent's common name. There is no evidence that the Respondent has ever had any bona fide interest in establishing any legitimate business or activities under the disputed domain name or any variant thereof. There can be no valid suggestion that the Respondent is making a legitimate non-commercial or fair use of the disputed domain name. The evidence establishes clearly that the disputed domain name is being used to sell competing products via the third party hyperlinks displayed on the website. Finally, it is well established that, where the Complainant contends the Respondent has no right or legitimate interests in a disputed domain name, the burden of proof shifts to the Respondent to come forward with proof to the contrary. Absent a showing to the contrary by the Respondent, the Complainant has therefore established that the Respondent has no rights or legitimate interests in the disputed domain name.

## 3. The Disputed Domain Name was registered and is being used by the Respondent in bad faith

(1) The Complainant is famous worldwide, and the trademark is used globally to designate the Complainant's products. The trademark carries substantial goodwill throughout the world and in Greater China. It is inconceivable that the Respondent did not have knowledge of the trademark before the registration. Such knowledge of the Complainant's rights and the Respondent's blatant willingness to profit therefrom underscores the Respondent's bad faith registration and use of the disputed domain name. Registration of a domain name containing a famous mark is strong evidence of bad faith.

(2) Under the 'Representations and Warranties' Clause of the Registration Agreement between the Respondent and enom.com, the Respondent has expressly represented inter alia that, to the best of the Respondent's belief, neither the registration nor the manner which it is directly or indirectly used infringes the legal rights of a third party. The Respondent has therefore breached its Registration Agreement with Enom, Inc. as it is inconceivable that the Respondent did not have any knowledge of the trademark before registration.

(3) The website provides links to various websites which offer for sale retail goods that are in direct competition with the Complainant. By providing links to such website, the Respondent has intentionally attempted to attract, for commercial gain, Internet users to the website, by creating the likelihood of confusion with the Complainant's trademark as to the source, sponsorship, affiliation, or endorsement of the website, the hyperlinked websites or products or services on such sites. The presence of third-party links on the website shows that the Respondent receives a financial benefit from its diversion of the Complainant's potential customers to its site. Further, the trademark is listed under "Related Searches" on the website. This underscores the Respondent is attempting to capitalizing on the goodwill of the trademark to generate traffic and advertising revenue from the provided links. By intentionally creating a likelihood of confusion with the trademark through unlawful capitalizing on the name recognition and goodwill of the trademark to divert Internet traffic to its sites, the Respondent has undoubtedly registered and has been using the disputed domain name in bad faith. In addition to the registration and widespread use of the trademark by the Complainant, since the Complainant has already owns and uses the domain names with the trademark, persons accessing the website are highly likely to think that the disputed domain name has a connection with the Complainant or is otherwise associated or affiliated with, authorized, sponsored or approved by the Complainant. There is a high risk of confusion, as a consumer may think that the disputed domain name directly refers to the Complainant's products. As a result of the Respondent's actions, consumer expectations are frustrated as they are either unable to purchase genuine or licensed Wal-Mart products, or mistakenly purchase competing products believing them to be genuine or licensed

goods.

(4) The Respondent has no prior right to the trademark and no authorization from the Complainant to use the trademark in any form. Thus, the registration was not made with a bona fide intention.

(5) The Respondent uses the disputed domain name to provide links to websites which are clearly direct competitors that sell competitive products and services to those offered by the Complainant. These linked websites are accessible to persons worldwide. The Respondent has therefore registered the disputed domain name with the intention of disrupting the business of the Complainant. Further, where a disputed domain name includes a collection of generic words linking to online stores offering products competitive to the Complainant's products, the website does not constitute a bona fide offering of goods or services.

In accordance with Paragraph 4(b)(i) of the Policy, the Complainant requests the Panel to issue a decision to transfer the Disputed Domain Name to the Complainant.

### **Respondent**

The Respondent failed to submit a Response within the specified time period.

### **Findings**

Paragraph 15(a) of the Rules instructs the Panel as to the principles the Panel is to use in determining the dispute: "A Panel shall decide a complaint on the basis of the statements and documents submitted in accordance with the Policy, these Rules and any rules and principles of law that it deems applicable."

Paragraph 4 (a) of the Policy requires that the Complainant should prove each of the following three elements to obtain an order that a domain name should be cancelled or transferred:

- 1) the domain name registered by the Respondent is identical or confusingly similar to a trademark or service mark in which the Complainant has rights; and
- 2) the Respondent has no rights or legitimate interests in respect of the domain name; and
- 3) the domain name has been registered and is being used in bad faith.

### **Identical / Confusingly Similar**

The Complainant, first established in 1962, is one of the largest retailers worldwide. The evidence submitted by the Complainant shows that the Complainant has registered the trademark "WAL-MART" worldwide since 1962 and that the Complainant has obtained trademark registration in respect of each and every of the 45 International classes of goods and services in China alone. The Panel finds that the Complainant enjoys the indisputable prior rights and interests in the service mark/trade name "WAL-MART".

The disputed domain name is "chinawalmart.com". The Panel finds that the addition of the name of a place to a trademark, such as the addition of "China" to "walmart", is a common method for specifying the location of business provided under the trademark. The addition of a place name generally does not alter the underlying mark to which it is added. The deletion of a hyphen similarly does not alter the underlying mark to which it is deleted. As the suffix ".com" only indicates that the domain name is registered under this gTLD and is not distinctive, the Panel has no problem in finding that the disputed domain name <chinawalmart.com> is confusingly similar the Complainant's trademark "WAL-MART".

The Panel therefore holds that the Complaint fulfills the condition provided in Paragraph 4 (a)(i) of the Policy

### **Rights and Legitimate Interests**

The Complainant contends that the Respondent does not have rights to or legitimate interests in the disputed domain name. The Complainant's assertion is sufficient to establish a prima facie case under Policy 4 (a)(ii), thereby shifting the burden to the Respondent to present evidence of its rights or legitimate interests.

The Respondent fails to submit a Response, neither does it put forward any evidence to show any positive interests that it relies on. No evidence shows that the Respondent has acquired any trademark rights or other proprietary interests relevant to support its claim to the dispute domain name. The registration of a certain domain name does not of itself confer upon the registrant rights or legitimate interests in the domain name or in the subject matter of the domain name.

The Panel therefore finds that the Complaint fulfills the condition provided in Paragraph 4(a)(ii) of the Policy.

### **Bad Faith**

Under Paragraph 4 (b) of the Policy, the following are relevant examples a Panel may take as evidence of registration and use in bad faith:

- (i) Circumstances indicating that you have registered or you have 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 your documented out-of-pocket costs directly related to the domain name; or
- (ii) You have 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 you have engaged in a pattern of such conduct; or
- (iii) You have registered the domain name primarily for the purpose disrupting the business of a competitor; or
- (iv) By using the domain name, you have intentionally attempted to attract, for commercial gain, internet users to your 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 your website or location or of a product or service on your website or location.

The Complainant has been continuously using the trademark "WAL-MART" since 1962. "WAL-MART" is not a name commonly used in trade. Through years of use and promotion, the Complainant's trademark "WAL-MART" has achieved a strong reputation. It is indeed one of the largest and well-known retailers worldwide. As such, the public has come to recognize and associate the Complainant's trademark "WAL-MART" as originating from the Complainant and no other. The fact that the website of the disputed domain name contains the trademark "WAL-MART" is obvious to all that the Respondent is aware of the existence of the Complainant and its trademark. The action of registering the disputed domain name per se has constituted bad faith. Actually, it is impossible to conceive of any plausible active use of the disputed domain name by the Respondent that would not be illegitimate.

The evidence further shows that the website of the disputed domain name creates hyperlinks to some websites which offer retail goods that are in direct competition with the Complainant. This is exactly the type of bad faith use of disputed domain name as identified in the Policy, i.e. the Respondent has intentionally attempted to attract, for commercial gain, Internet users to the website or other on-line location, by creating a likelihood of confusion with the Complainant's trademark as to source, sponsorship, affiliation, or endorsement of the website or location or of a product or service on the website or location.

The Panel concludes that the Respondent has registered and used the domain name in bad faith. Accordingly, the Panel finds that the Complaint satisfies the condition provided in Paragraph 4 (a) (iii) of the Policy.

### **Status**

www.chinawalmart.com                      Domain Name Transfer

### **Decision**

Having established all three elements required under the ICANN Policy, the Panel concludes that relief should be granted. Accordingly, it is ordered that the <chinawalmart.com> domain name should be TRANSFERRED from the Respondent to the Complainant.

ZHAO Yun  
Sole Panelist

DATED: 13 October 2008