

WIPO Arbitration and Mediation Center

ADMINISTRATIVE PANEL DECISION

Wal-Mart Stores, Inc. v. Richard MacLeod d/b/a For Sale

Case No. D2000-0662

1. The Parties

The Complainant is Wal-Mart Stores, Inc., a United States corporation with its headquarters in Bentonville, Arkansas, United States of America.

The Respondent is Richard MacLeod d/b/a For Sale, 21 Simpson Avenue, Toronto, ON M8Z1C9, United States of America.

2. The Domain Name and Registrar

The domain name at issue is wal-martsucks.com. The domain name is registered with Register.com.

3. Factual Background

The Panel has reviewed the Complainant's Complaint and Respondent's Response. The following facts appear to be undisputed: The Complainant operates over 2,500 stores worldwide. All its trading operations, advertisements and promotions are conducted under the mark "Wal-Mart," and it has used this mark continuously since 1962. Its Internet addresses include walmart.com, wal-mart.com, and walmartstores.com. Its businesses include discount retail stores, grocery stores, pharmacies, membership warehouse clubs, and deep discount warehouse outlets.

Complainant holds registrations for the mark "Wal-Mart" in the United States, Switzerland, the United Kingdom, Denmark, and numerous other countries. The Respondent has no rights granted by the Complainant in any of the marks involving the word "Wal-Mart".

The Respondent registered the domain name wal-martsucks.com on February 12, 2000.

4. Procedural Background

Complainant filed its Complaint by email on June 22, 2000. Because of a deficiency noted by the Center (Complainant had failed to comply with Rule 3(b)(xiii)), Complainant filed an Amended Complaint, which was received in hardcopy by the Center on July 10, 2000.

On July 14, 2000, the Center formally commenced this proceeding and notified Respondent that its Response would be due by August 2, 2000. Respondent timely filed its Response, which was received by the Center in hardcopy on July 26, 2000.

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On August 4, 2000, the Center appointed a Panel. The Panelist thereafter developed a conflict of interest, and recused himself. On September 6, 2000, the Center appointed David H. Bernstein as a substitute Panelist. Neither party requested a three-member Panel.

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5. Parties' Allegations

The Complainant submits that its mark is famous throughout the United States and all those other countries in which it trades. It further argues that the domain name is identical to its "Wal-Mart" mark because the domain name wholly incorporates "Wal-Mart" and also is confusingly similar to its "Wal-Mart" marks because "Wal-Mart" is so famous that buyers "would be likely to think that any commercial site connected with the domain name wal-martsucks.com, particularly a site selling consumer products," or "any domain name incorporating the Wal-Mart name (or a close approximation thereof)" originates with the Complainant.

The Complainant argues that Respondent has no rights or legitimate interests in respect of the domain name. First, Respondent is not currently using the domain name in connection with any ongoing business. Second, to the best of the Complainant's knowledge, Respondent has no rights to any use of the term Wal-Mart.

The Complainant further submits that the domain name wal-martsucks.com was registered and is used in bad faith. Improper use of the name is shown by the Respondent's attempt to sell the name through the Great Domains website for \$530,000 and on Respondent's website for \$545,000.

The Respondent focuses his response on the first factor of the ICANN policy, arguing that wal-martsucks.com is neither identical to nor confusingly similar to "Wal-Mart." He relies on *Bally Total Fitness Holding Corp. v. Faber*, 29 F. Supp. 2d 1161 (C.D. Cal. 1998), which concluded that the addition of the word "sucks" prevents any reasonably prudent user from confusing a "sucks" website with an authorized website.

Respondent concedes that his original intention upon registration of wal-martsucks.com was to sell the name for profit, and concedes that this constitutes registration in bad faith, but claims that he had a "change of heart" when he learned of Wal-Mart's abusive employment and consumer practices, so that the website no longer is being "used" in bad faith. He further claims that Wal-Mart cannot prove that it was actually Respondent who offered wal-martsucks.com for sale because Great Domains does not verify sellers. Thus,

he claims that Complainant has insufficient evidence to show bad faith. Finally, he suggests that Complainant knew of the availability of the wal-martsucks.com domain name long before he registered it and should have done so when the name was available.

6. Discussion and Findings

The burden for the Complainant under paragraph 4(a) of the ICANN Policy is to prove:

- (a) That the domain name registered by the Respondent is identical or confusingly similar to a trademark or service mark in which the Complainant has rights;
- (b) That the Respondent has no rights or legitimate interests in respect of the domain name; and
- (c) The domain name has been registered and used in bad faith.

Initially, the Panel rejects any suggestion that Complainant's failure to register wal-martsucks.com before Respondent did so precludes this Complaint under any theory, including laches. Trademark owners are not required to create "libraries" of domain names in order to protect themselves, and there are strong policy reasons against encouraging this behavior. Moreover, as human creativity reaches its utmost where disparagement (not to mention money) is involved, any such attempt by a trademark owner would be futile, and thus Respondent has no equitable argument against Complainant.

The second and third elements of the Policy are easily disposed of in this case. Respondent's sole argument with respect to the second element is that he is using wal-martsucks.com to criticize Wal-Mart. Respondent could potentially have a legitimate interest in using wal-martsucks.com as a site critical of Wal-Mart; the Policy specifically provides that "a legitimate noncommercial or fair use of the domain name, without intent for commercial gain to misleadingly divert consumers or to tarnish the trademark or service mark," can establish legitimate rights and interests in a domain name. Policy paragraph 4(c)(iii). In this case, however, Complainant alleges, and Respondent does not deny, that before Complainant initiated the present proceeding, he was using the site solely for the purpose of selling it. While Respondent claims to have had a "change of heart," this change appears to have been driven by his domain name disputes with Complainant, and it is too little, too late.

Respondent admits that he registered the domain name in bad faith. The Panel specifically rejects Respondent's argument that Complainant produced insufficient evidence of bad faith use. Though Respondent questions the reliability of the information on the Great Domains website (Respondent claims that anyone can list a domain name for sale on that site, and thus Complainant has not proven that it is Respondent who offered the name for sale), he never actually denies that it was he who listed wal-martsucks.com on Great Domains, nor does he deny that he offered the domain name for sale on his own site. Indeed, the Respondent's intent is made clear by the name in which

he registered the domain name: “For Sale.” See *Unibanco v. Vendo Domain Sale*, Case No. D2000-0671 (WIPO, Aug. 31, 2000). Combined with Respondent’s own admission, this is ample evidence of bad faith use. Again, Respondent’s newly developed critical use of the site during the pendency of this proceeding is insufficient to erase the prior bad faith use.

The difficult question in this case is whether Complainant has shown that *wal-martsucks.com* “is identical or confusingly similar to” Complainant’s mark under Paragraph 4(a)(1) of the Policy. In prior cases, this Panel has held that a domain name that incorporates a mark but also adds another word is not “identical” to the mark under the Policy. See, e.g., *EAuto, L.L.C. v. Triple S. Auto Parts d/b/a Kung Fu Yea Enterprises, Inc.*, No. D2000-0047 (WIPO, Mar. 24, 2000). This Panel has also held that incorporating a distinctive mark in its entirety creates sufficient similarity between the mark and the domain name to render it confusingly similar. *Id.*

Following this reasoning, Complainant contends that consumers are likely to believe that any domain name incorporating the sequence “Wal-Mart” or a close approximation thereof is associated with Complainant. In the ordinary case, when a generic term is appended to the trademark (such as the domain name *walmartstores.com*), this would be so. But the fame of a mark does not always mean that consumers will associate all use of the mark with the mark’s owner. No reasonable speaker of modern English would find it likely that Wal-Mart would identify itself using *wal-martsucks.com*. Complainant has no evidence of any potential confusion. The Panel specifically rejects Complainant’s argument that consumers are likely to be confused as to the sponsorship or association of a domain name that combines a famous mark with a term casting opprobrium on the mark.

Nevertheless, the Panel understands the phrase “identical or confusingly similar” to be greater than the sum of its parts. The Policy was adopted to prevent the extortionate behavior commonly known as “cybersquatting,” in which parties registered domain names in which major trademark owners had a particular interest in order to extort money from those trademark owners. This describes Respondent’s behavior. Thus, the Panel concludes that a domain name is “identical or confusingly similar” to a trademark for purposes of the Policy when the domain name includes the trademark, or a confusingly similar approximation, regardless of the other terms in the domain name. In other words, the issue under the first factor is not whether the domain name causes confusion as to source (a factor more appropriately considered in connection with the legitimacy of interest and bad faith factors), but instead whether the mark and domain name, when directly compared, have confusing similarity. Having so concluded, Respondent’s use of the domain name *wal-martsucks.com* meets all three of the conditions necessary to justify a transfer of the domain name to Complainant.

The Panel is cognizant of the importance of protecting protest sites that use a trademark to identify the object of their criticism. The “legitimate interest” and “bad faith” factors should adequately insulate true protest sites from vulnerability under the Policy, especially as the Complainant retains the burden of proof on each factor. Where, as here,

a domain name registrant does not use a site for protest but instead offers it for sale for substantially more than the costs of registration, the site does not further the goal of legitimate protest; rather, it constitutes trademark piracy.

7. Decision

For the foregoing reasons, the Panel decides:

(a) that the domain name wal-martsucks.com is identical or confusingly similar to the Wal-Mart trademark in which the Complainant has rights;

(b) that the Respondent has no rights or legitimate interests in respect of the domain name; and

(c) the Respondent's domain name has been registered and is being used in bad faith.

Accordingly, pursuant to paragraph 4(i) of the Policy, the Panel requires that the registration of the domain name wal-martsucks.com be transferred to the Complainant.

David H. Bernstein
Sole Panelist

Dated: September 19, 2000