



ADMINISTRATIVE PANEL DECISION

Wal-Mart Stores Inc

V

Lars Grothe

LEADR Case No. auDRP_14_07

Domain Name: <walmart.com.au>

Name of Complainant: Wal-Mart Stores Inc

Name of Respondent: Lars Grothe

Provider: LEADR

Panel: Alan L. Limbury (Chair)

Rowena McNally

John McDermott

THE PARTIES

1. The Complainant is **Wal-Mart Stores Inc** of Bentonville, Arkansas, United States of America, represented by Mary Still of Clayton Utz, Solicitors of Sydney, New South Wales, Australia.
2. The Respondent is **Lars Grothe** of Bombala, New South Wales, Australia.

THE DOMAIN NAME, REGISTRAR AND PROVIDER

3. The disputed domain name is <walmart.com.au> ("the Domain Name"), registered with Discount Domain Name Services, of Burnley, Victoria ("the Registrar").

4. The Provider in relation to this proceeding is LEADR, ABN 69 008 651 232.

PROCEDURAL HISTORY

5. The Complaint was received by the Provider on June 6, 2014 and was acknowledged by the Provider that day. Having found the Complaint to be compliant with the .au Domain Name Dispute Resolution Policy ("the auDRP" or "the Policy"), AUDA's rules for the auDRP ("the Rules") and the LEADR Supplemental Rules for the auDRP ("the Supplemental Rules"), on June 10, 2014 the Provider notified the Registrar of the Complaint, sought confirmation of the registrant's details and asked that the Domain Name be locked. On June 13, 2014 the Registrar confirmed via email that the Respondent is the registrant and that the Domain Name has been locked.
6. On June 17, 2014 the Provider advised AUDA of the Complaint and formally commenced the proceedings by sending written and emailed notification of the Complaint to the Respondent. The due date for a Response was July 7, 2014.
7. On July 1, 2014 the Respondent acknowledged receipt of the Complaint and requested an extension of time to file a Response. The Provider granted an extension of time until July 14, 2014.
8. On July 14 2014, the Respondent submitted a Response and requested a 3-member Panel. Further submissions were received from the Respondent between July 15 and 23, 2014.
9. On July 23, 2014 the Provider appointed Alan L. Limbury (Chair), Rowena McNally and John McDermott as Panelists. Each Panelist is impartial and independent, having declared to the Provider, before accepting appointment, that there are no circumstances giving rise to justifiable doubt as to the Panelist's impartiality or independence.
10. On July 30, 2014, the Complainant filed an Additional Submission. In reply, the Respondent also filed an Additional Submission that same day. The Panel has chosen to have regard to those unsolicited submissions in the interests of fairness to the parties.

11. On August 5, 2014, the Panel extended the time for delivery of its decision from August 6, 2014 until August 12, 2014.

FACTUAL BACKGROUND

12. The Complainant holds *inter alia* Australian registered trade mark No. 572534 WAL-MART, registered on February 14, 1992 in Class 6 for retail department store services. It is also the applicant for registration of the mark WALMART (Application No. 1614722 filed on April 1, 2014). That application has been accepted for registration.
13. The Domain Name was registered by the Respondent on May 1, 2000 with the Registrar Melbourne IT. It resolves to a website headed "Wall Market" which states:

"Wall Market Art
Educational marketplace for Indigenous Australian wall art.
This site is dedicated to providing education about the fascinating Indigenous Australians of the Western Desert, their profound cultural importance as a people, and the significant contributions their unique art offers"

PARTIES' SUBMISSIONS

Complainant

14. The Complainant was incorporated in 1968 by its founder, Mr. Sam Walton, who opened his first store in 1962. The Complainant is one of the largest companies in the world, operating more than 11,000 retail outlets in 27 countries and e-commerce websites in 10 countries. Wal-Mart is a name and trade mark that is recognised and has been publicised around the world, including in Australia.
15. When the Domain Name was registered by the Respondent in 2000 with Melbourne IT, the Respondent also registered in New South Wales the business name Wall Market. That business name was subsequently cancelled by the Office of Fair Trading on the basis that no business was being conducted. On January 16, 2003 the Respondent registered in New South Wales the business name Wall Market Art and changed the Registrar of the Domain Name to Discount Domain Name Services.
16. In November 2002, January, 2003 and November, 2003, upon the instructions of the Complainant's then United States' lawyers, letters demanding that the Respondent cease use of the Domain Name were sent to the Respondent by Clayton Utz. In

about 2004 the Complainant brought its trade mark work in-house. In April, 2014, Clayton Utz received instructions from the Complainant's present United States' lawyers to attempt to resolve the matter. Its attempts have been unsuccessful.

17. The Complainant has registered the trade marks WAL-MART and WALMART in many countries and, since its incorporation, has traded under those marks and the Wal-Mart company name. It also has numerous domain names, including <walmart.com> and <walmartstores.com>.
18. The Complainant says that the Domain Name is confusingly similar to the Complainant's WAL-MART trade mark and that the Respondent has no rights or legitimate interests in respect of the Domain Name, which, says the Complainant, the Respondent registered in bad faith.
19. As to legitimacy, the Complainant submits that the Respondent is not commonly known by the Domain Name; and says that even if the Respondent does not appear to be making a commercial use of the Domain Name, he intends misleadingly to divert consumers to his web page by using the WAL-MART mark.
20. As to bad faith, the Complainant says that the Respondent first registered the Domain Name in connection with the business name Wall Market, which was subsequently cancelled because no business was being conducted through the entity. The Complainant contends that registration of the Domain Name in circumstances where the trade mark is very well known internationally, the Respondent has no right to use the trade mark and is not commonly known by the Domain Name nor has any other relationship with the Domain Name constitutes bad faith registration.

Respondent

21. The Respondent says that since childhood, he has had an interest in the culture and art of Indigenous Australians. He says he bought objets d'art in the Outback and sold some at local markets. He was prompted by a large mural at the Sydney Opera House painted by Michael Nelson Tjakamurra to envisage the existence of Indigenous Australian art as large as a wall. His purchases included original works of art by Australian artists, primarily from the Western Desert Art Movement. The Respondent says he developed the concept of an Australian Indigenous art collection

that would travel to various venues in order to educate the viewers of the sophisticated Indigenous Australian art and rich culture. This endeavor would be partly funded by selling objets d'art and/or some works of art. The Respondent says that his business model, name, mark(s), word(s), term, symbol, device, or any combination of these, were conceptualized by him prior to any notice to the Respondent by the Complainant.

22. The Respondent says he registered business names in good faith with the Department of Fair Trading, first under the name Wall Market and later Wall Market Art, to which the Respondent has rights. The Respondent says that names he considered as potential business names included: Large Wall Art, Wall Market, WallMarket, Indigenous Art Mart, Wall Market Art, Wallart, Wall Art, Walart, Art Mart, Australian Art Mart, AusArt, AusArtMart, WallArt, ArtMart, Large Art Market, LargeArt, Large Indigenous Art, Indigenous ArtMart, Australian Art Mart, IndigeMart, Indigiart, Indigart, AusArt Mart.
23. The Respondent contends that his registration of the Domain Name featured combined aspects of partial words relating to the Respondent's business names, Wall Market and/or Wall Market Art. The Respondent utilized a few letters from two and/or three words, respectively, in the Respondent's business names: **W a l l M a r k e t** and/or **W a l l M a r k e t A r t**.
24. The Respondent asserts that this is common practice in business and that even the name "Wal-Mart" originated when Mr. Sam Walton, founder of Wal-Mart Stores, Inc., combined part of his last name with the word "mart." The Respondent says it is also common knowledge that the registration of a shorter domain name is generally preferred over a longer domain name.
25. The Respondent contends that his intent in so selecting the Domain Name was and is in good faith. Before any notice from the Complainant, the Respondent says he demonstrated aligned actions for the use of the business name Wall Market Art, because the Respondent did in fact manifest curating a collection of Australian art that would travel to venues, and has sold various objects d'art and paintings.
26. The Respondent says he has further capacity to expand his product line almost immediately. He says his current curatorial body of art could be displayed on his website and sold most likely to museums, art investors and art collectors, specializing in premium Indigenous Australian art by historically significant artists from the

Western Desert Art Movement or via use of marketing channels related to art business, outside the use of the Domain Name <walmart.com.au>.

27. The Respondent asserts that the intention behind Wall Market and Wall Market Art was: (1) to provide information about the profound artistic contributions made by Indigenous Australians; (2) to exhibit art at museums, galleries, art councils, and/or other marketing channels, as a means of promoting art and educating audiences about the powerful artistry of Indigenous Australians with and/or without the sale of art; and, (3) to sell original works of art by Indigenous Australian artists primarily from the Western Desert Art Movement.
28. The Respondent has provided evidence of his intention to sell art based on correspondence dated May, 2000. The Respondent says that factors beyond the Respondent's control have impeded progress to pursue the intended goals regarding the use of the Domain Name. Nonetheless, the Respondent's interests have never ceased. The Respondent plans to have the website redesigned to include, *inter alia*, the addition of works for art for sale in the near future, as evidence of the Respondent's original intentions.
29. The Respondent says that the Complainant has no stores located in Australia; Australians are not prevented from purchasing products from the Complainant using <www.wal-mart.com>, which includes a hyphen and that the Respondent has not disrupted the Complainant's activities. The Respondent notes that the Complainant has been subject to much criticism in Australia and worldwide.
30. The Respondent also contends that the Domain Name does not include a hyphen so is not identical to the Complainant's WAL-MART mark.
31. The Respondent says that the Complainant cannot establish confusing similarity, based on United States trade mark principles, including the factors specified by the United States Ninth Circuit Court of Appeals in *AMF, Inc v. Sleekcraft Boats*, 599 F.2d 341 (C.A.9) 1979, namely strength of the mark; proximity of the goods; similarity of the marks; evidence of actual confusion; marketing channels used; type of goods and the degree of care likely to be exercised by the purchaser; defendant's intent in selecting the mark; and likelihood of expansion of the product lines.

32. As to the Complainant's submission: "the addition of a suffix does not enable the Domain Name to escape confusing similarity with the Complainant's Mark", the Respondent cites *Wal-Mart Stores, Inc. v. walmartcanadasucks.com*, WIPO Case No. 2000-1104, Nov. 23, 2000.
33. The Respondent has not rented the Domain Name and has never attempted to contact the Complainant in an effort to transfer the Domain Name registration for valuable consideration in fourteen years.
34. In the opinion of the Respondent, the Complainant is most likely trying to intimidate the Respondent by continued unfounded allegations and threats of legal action, in hopes the Respondent will relinquish the Domain Name.
35. The Respondent says that the Complainant's inaction has demonstrated acquiescence. The Complainant demanded that the Respondent relinquish the registration of the Domain Name and threatened to take action against the Respondent in the Federal Court of Australia. The Respondent says he considered this matter resolved, as the Respondent had not heard from the Complainant for over a decade.
36. The Respondent contends that trade mark law itself does not ordinarily find infringement in the absence of active commercial use, as evidenced by the US Anti-cybersquatting Consumer Protection Act 15 USC 1125(d)(1)(A)(i) which specifically requires the additional indication of a bad faith "intent to profit." Trade mark law does not grant a mark owner worldwide exclusive rights in a name nor should the UDRP [sic]. The Respondent submits that UDRP [sic] should only be invoked when there is a specific intent to harm the mark owner (as all the bad faith examples indicate). Mere registration of a single domain name simply does not prove any of these elements.
37. The Respondent says he has demonstrated rights to and legitimate interests in the Domain Name.

Complainant's Additional Submission

38. The Complainant says that Respondent's assertion that the Complainant is the subject of criticism in Australia and worldwide is irrelevant, save to bolster the

Complainant's claim that Wal-Mart is a name and trade mark recognized around the world.

39. The Complainant says it does not claim that the Domain Name is identical to its WAL-MART mark but expects that its application to register the mark WALMART, which has been accepted, will result in registration within the next 3 months.
40. The Complainant says that USPTO information about the likelihood of confusion between trade marks is irrelevant to the issue of similarity between the Domain Name and the Complainant's mark. Likewise the *Sleekcraft* test is irrelevant – the Complainant has never asserted that the Respondent is using a trade mark for related goods which is likely to confuse the public. The Complainant submits, and the Panel accepts, that the test of confusing similarity under the Policy is confined to “a comparison between the disputed domain name and the name or mark alone independent of other marketing and use factors usually considered in trade mark infringement or other competition cases”: *The Crown in Right of the State of Tasmania trading as “Tourism Tasmania” v. James Gordon Craven*, WIPO Case No. DAU2003-001 (16 April 2003); *John Brigden v. Aptom Pty Ltd*, LEADR Case auDRP_05_13.
41. The Complainant says, and the Panel accepts, that the Respondent's reference to *Wal-Mart Stores, Inc. v. walmartcanadasucks.com*, WIPO Case No. D2000-1104 (Nov. 23, 2004) is irrelevant because it addressed the question whether a domain name with the suffix “sucks” is confusingly similar to the text string to which that suffix is appended. The Complainant's submission in this case, which the Panel accepts, is that the suffix “.com.au” (the only suffix used in the Domain Name) does not enable the Domain Name to escape a finding of confusing similarity.
42. The Complainant denies trying to intimidate the Respondent into relinquishing the Domain Name.

Respondent's Additional Submission

43. The Respondent contends that the Complainant has demonstrated unreasonable delay. The Respondent invokes the doctrine of laches defence and asserts that the Complainant has displayed an unreasonable and inexcusable lack of diligence concerning the Domain Name.

44. The Complainant's solicitors wrote to the Respondent on November 27, 2002, January 24, 2003 and (in a letter which the Panel notes was marked "Without prejudice save as to costs") on November 10, 2003. The Respondent sets out some of the contents of the November 10, 2003 letter and says he heard no more from the Complainant in over a decade following that correspondence.
45. The Respondent submits that the Complainant's inaction granted an implied licence because the Complainant failed to act within a timely manner, and instead, waited over a decade to lodge this Complaint on June 17, 2014. Thus, says the Respondent, the Complainant waived any alleged rights by demonstrating an unreasonable delay in pursuing an alleged right and/or claim.
46. The Respondent asserts that the Complainant's failure to act essentially demonstrated the Complainant no longer objected to the Respondent's conduct and that the Complainant's inaction led the Respondent to conclude that the Complainant had ceased to press its allegations of trademark infringement. As a result, says the Respondent, he continued to promote its business using the Domain Name for twelve more years.
47. The Respondent cites *Victoria's Secret Stores Brand Management v. Pickard*, WIPO Case No. DAU2012-0015 (July 3, 2012.) as supporting, in an Australian context, an increasing viewpoint of UDRP panelists that the longer a complainant delays in bringing action for transfer of a domain name, the less likely the domain name will be transferred.
48. As in that case, the Respondent disputed the Complainant's assertions in its correspondence dated 27 November 2002 and posed a series of interrogatories that went unanswered. In correspondence dated February 11, 2003, the Respondent asked the following:
- "As far as infringing on your client's legal rights due your determination that we incorporated their trade mark WAL-MART into our domain name, please resolve the following substantive issues:
- (i) Does their trademark include a hyphen as indicated in your correspondence dated November 27, 2002 and January 24, 2003?
 - (ii) Does their trademark also exclude a hyphen?
 - (iii) Does their domain name registration include www.wal-mart.com and www.walmart.com?
 - (iv) When they registered their domain name(s), did they have the opportunity to register domain names specific to any countries in which they "enjoyed a reputation" and/or commercial presence?"

49. The Complainant never attempted to respond to any of those questions.
50. The Respondent contends that he has established rights over the course of fourteen years and the Complainant has been aware of the Respondent for twelve of those years. As in the *Victoria's Secret* case, the Complainant's inaction allowed the Respondent to operate his business and continue to build his reputation in the Domain Name. The Respondent asserts that bad faith registration cannot be inferred because the Respondent has held the Domain Name for fourteen years. The Respondent further contends that he has exercised a lengthy *bona fide* use of the Domain Name which demonstrates that he has a legitimate interest in it.
51. The Respondent submits that transfer of the Domain Name, which the Respondent has utilized for over fourteen years, would result in harm to the Respondent's goodwill and that numerous visitors to the website associate the Respondent with the website. The Respondent contends that terminating that association would result in the Respondent losing a substantial degree of established goodwill.

DISCUSSION AND FINDINGS

52. Paragraph 15(a) of the Rules provides: "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."

53. Paragraph 4(a) of the Policy places the onus upon the Complainant to prove:

- (i) the Domain Name is identical or confusingly similar to a name (Note 1), trade mark 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 (Note 2); and
- (iii) the Domain Name has been registered or subsequently used in bad faith.

Note 1

For the purposes of this policy, auDA has determined that a "name ... in which the complainant has rights" refers to:

- (a) the complainant's company, business or other legal or trading name, as registered with the relevant Australian government authority; or
- (b) the complainant's personal name.

Note 2

For the purposes of this policy, auDA has determined that "rights or legitimate interests in respect of the domain name" are not established merely by a registrar's determination that the respondent satisfied the relevant eligibility criteria for the domain name at the time of registration.

Identity or confusing similarity.

54. The test of identity or confusing similarity under the Policy is the same as under the Uniform Domain Name Dispute Resolution Policy ("UDRP"). Accordingly, the suffix ".com.au" is generally considered irrelevant for the purpose of determining whether a domain name is identical or confusingly similar to the trade mark in question: *Magnum Piering, Inc. v. The Mudjackers and Garwood S. Wilson, Sr.*, WIPO Case No. D2000-1525; *Rollerblade, Inc. v. Chris McCrady*, WIPO Case No. D2000-0429.
55. The Complainant does not assert that the Domain Name is identical to its WAL-MART trade mark.
56. Many cases have established that the test of confusing similarity under the UDRP is confined to a comparison of the disputed domain name and the trade mark alone, independent of the other marketing and use factors, such as the "Sleekcraft factors" cited by the Respondent – *AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341,346 (9th Cir. 1979), which are usually considered in trade mark infringement or unfair competition cases. See *BWT Brands, Inc. and British American Tobacco (Brands), Inc v. NABR*, WIPO Case No.D2001-1480; *Britannia Building Society v. Britannia Fraud Prevention*, WIPO Case No. D2001-0505; *Wal-Mart Stores, Inc. v. Richard MacLeod d/b/a For Sale*, WIPO Case No. D2000-0662; *Koninklijke Philips Electronics N.V. v. In Seo Kim*, WIPO Case No. D2001-1195; *Energy Source Inc. v. Your Energy Source*, NAF Case No. FA 96364; *Vivendi Universal v. Mr. Jay David Sallen and GO247.COM, Inc.*, WIPO Case No.D2001-1121, and the cases there cited. See also the similar approach adopted by the U.S. Federal court in *Northern Light Tech., Inc. v. N. Lights Club* 2000 U.S. Dist. LEXIS 4732 (D. Mass. March 31, 2000).
57. Cases under the auDRP have adopted the same approach to the determination of confusing similarity. See, in addition to the cases cited by the Complainant, *GlobalCenter Pty Ltd v. Global Domain Hosting Pty Ltd*, WIPO Case No. DAU2002-0001 (March 5, 2003).

58. In *Microsoft Corporation v. Microsof.com aka Tarek Ahmed* (WIPO case D2000-0548) contributing factors to the likelihood of confusion were held to be the visual similarity between the domain name and the complainant's mark and the mark being strong and immediately recognizable.
59. As under the UDRP, the Complainant's pending application to register WALMART as a trade mark in Australia is of no consequence in this proceeding because that application has not yet given rise to any trade mark rights: see *Aspen Grove, Inc. v. Aspen Grove*, WIPO Case No. D2001-0798 and *Spencer Douglass MGA v. Absolute Bonding Corporation*, WIPO Case No. D2001-0904.
60. However, the Panel accepts that the Complainant is the proprietor of Australian registered trade mark WAL-MART, No. 572534, registered on February 14, 1992. That Panel also accepts the Complainant's submission that the mark is strong, immediately recognizable and extremely well-known worldwide, including in Australia. Disregarding the ".com.au" suffix, the Panel finds that the Domain Name <walmart.com.au> differs from the Complainant's WAL-MART trade mark only by the absence of the hyphen and is for that reason confusingly similar to that mark. By virtue of the similarity between the Domain Name and the Complainant's mark, Internet users seeing the Domain Name or entering it into their browser would erroneously expect it to lead to a website operated by or associated with the Complainant. It matters not that, upon arriving at the Respondent's website they would immediately be disabused of that erroneous expectation.
61. The Panel finds that the Complainant has established this element.

Bad faith registration or use

62. Since the Panel regards the Respondent's purpose in registering the Domain Name as relevant to the issue of rights or legitimate interests, it is convenient to address next the issue of bad faith registration or use.
63. Paragraph 4(b) of the Policy sets out a non-exhaustive list of circumstances which, if found by the Panel to be present, shall be taken as evidence of the registration and [sic] use of a domain name in bad faith for the purposes of paragraph 4(a)(iii) of the Policy, i.e.

- (i) circumstances indicating that the respondent has registered or acquired the domain name primarily for the purpose of selling, renting or otherwise transferring the domain name registration to another person 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 a name, trade mark or service mark from reflecting that name or mark in a corresponding domain name; or
- (iii) the respondent has registered the domain name primarily for the purpose of disrupting the business or activities of another person; or
- (iv) by using the domain name, the respondent has intentionally attempted to attract, for commercial gain, Internet users to a web site or other on-line location, by creating a likelihood of confusion with the complainant's name or mark as to the source, sponsorship, affiliation, or endorsement of that web site or location or of a product or service on that web site or location.

64. The Panel accepts that the Respondent is genuinely passionate about Indigenous Australian wall art and that there is no reason why he should not trade under the business names Wall Market or Wall Market Art.

65. In the "cease and desist" letter to the Respondent dated November 27, 2002, the Complainant's solicitors said:

"You no doubt have some knowledge of our client".

66. Although the Respondent, in his Additional Submission, quotes from his reply of February 11, 2003, the passages presented to this Panel do not address that assertion. Nor has the Respondent asserted otherwise before this Panel. The Panel concludes that, in choosing and registering the Domain Name <walmart.com.au>, the Respondent was aware of the Complainant's WAL-MART trade mark.

67. The Eligibility and Allocation Rules for .com.au, insofar as applicable to this Complaint, provide that registrants be trading under a registered business name in an Australian State or Territory and that the domain name be an exact match, abbreviation or acronym of the registrant's name...or otherwise closely and substantially connected to the registrant. This means that, at the time of the application, the applicant for registration of a domain name must already be using a registered business name corresponding to or otherwise closely and substantially connected with the applied-for domain name.

68. Exhibit N to the Response is a letter to the New South Wales Department of Fair Trading dated January 6, 2003 in which the Respondent wrote:

“Wall Market was originally registered with the Department of Fair Trading to facilitate the registration of a URL. As you may already know, this is a requirement of the Melbourne IT Web Registration Department.”

69. This makes clear that the Respondent chose the Domain Name before applying to register the Wall Market business name. The Panel therefore rejects the Respondent’s assertion that the Domain Name was designed as a contraction of a business name, as set out in the Response and summarised in paragraph 23 above. When the Respondent changed registrars on January 16, 2003 the Eligibility Name was Wall Market Art, indicating that that business name, registered in 2003, was also designed to enable him to keep the Domain Name which he had registered in 2000.
70. The Panel concludes that when the Respondent registered the Domain Name in 2000 his purpose was to attract Internet users who would think they were going to a site operated by or associated with the Complainant, in order to gain greater traffic to his site than would have been generated by a domain name which did not carry the reputation of the Complainant’s mark. Once at that web site, the Internet user would realise that that site had nothing to do with the Complainant but the Respondent stood to make sales to people who might not otherwise visit the site. His intent to sell original works is stated in the Response and in Ex 0 thereto. It follows that the Panel finds that the Domain Name was registered in bad faith. This finding as to the circumstances at the time of registration cannot be changed by the Complainant’s delay, discussed below, since the relevance of delay is to make it harder, in some cases, for a Complainant to establish its case.
71. Here, despite its delay, the Complainant has established this element.

Rights or legitimate interests

72. Paragraph 4(c) of the Policy sets out three illustrative circumstances as examples which, if found by the Panel to be proved based on its evaluation of all evidence presented, are to be taken to demonstrate a respondent’s rights to or legitimate interests in the disputed domain name for the purposes of paragraph 4(a)(ii) of the Policy, i.e.
- (i) before any notice to the respondent of the subject matter of the dispute, the bona fide use by the respondent of, or demonstrable preparations to use, the domain name or a name corresponding to the domain name in connection with an offering of goods or services (not being the offering of domain names

that the respondent acquired for the purpose of selling, renting or otherwise transferring); or

(ii) the respondent (as an individual, business or other organisation) has been commonly known by the domain name, even if the respondent has acquired no trade mark or service mark rights; or

(iii) the respondent is making a legitimate non-commercial or fair use of the domain name, without intent for commercial gain to misleadingly divert customers or to tarnish the name, trade mark or service mark at issue.

73. The Panel finds that the WAL-MART mark is distinctive and very well known and that the Complainant's assertions are sufficient to constitute a *prima facie* showing of absence of rights or legitimate interests in the Domain Name on the part of the Respondent. As under the UDRP, the evidentiary burden therefore shifts to the Respondent to show by concrete evidence that he does have rights or legitimate interests in that name: *Do The Hustle, LLC v. Tropic Web*, WIPO Case No. D2000-0624 and the cases there cited.

74. There is no evidence before the Panel that the Respondent, Lars Grothe, is known by the Domain Name. Having regard to the Panel's findings under the previous heading that the Respondent was aware of the Complainant's WAL-MART mark when he registered the Domain Name and that he did so for the purpose of attracting to his web site Internet users who would expect to arrive at a web site operated by or affiliated with the Complainant, the Panel finds that the Respondent's use of the Domain Name for the exhibition and sale of Indigenous art is not a *bona fide* use in connection with an offering of goods or services. See *Madonna Ciccone, p/k/a Madonna v. Dan Parisi and "Madonna.com"* (WIPO case D2000-0847)[madonna.com]:

"Use which intentionally trades on the fame of another cannot constitute a 'bona fide' offering of goods or services".

75. Further, since the Respondent's purpose in registering the Domain Name was, *inter alia*, to sell works of art, the Panel finds that his intent, from the moment of registration, has been misleadingly to divert customers for commercial gain.

76. The above conclusions may usually be expected to lead to a finding that the Respondent has no rights to or legitimate interests in the Domain Name. However, the question arises whether the Complainant's delay should lead to a different result in this case.

77. For the reasons given in *Adjudicate Today v. The Institute of Arbitrators and Mediators*, WIPO Case No. DAU2012-0033 (<adjudicate.org.au>), the Panel does not admit into this proceeding the content of the Complainant's "Without Prejudice" letter to the Respondent dated November 10, 2003. The Panel merely notes that the communication was made and that this was the last communication by the Complainant to the Respondent prior to the filing of this Complaint in June, 2014.
78. There is no explanation from the Complainant for the delay of more than 10 years between the Complainant's initial complaints and today. This indicates that the Complainant was not particularly troubled during this time by the Respondent's registration and use of the Domain Name. In *Victoria's Secret Stores Brand Management v. Pickard*, WIPO Case No. DAU2012-0015 (July 3, 2012.), cited by the Respondent, the learned panelist found that, as here, the respondent was aware of the Complainant's trademark at the time it registered and began using the disputed domain name and that the respondent's choice of the disputed domain name was motivated by the notoriety of the Complainant's trademark and was a deliberate attempt to benefit from that notoriety in the promotion of its own business.
79. The learned panelist continued:

"The above conclusion would typically be sufficient to satisfy this Panel that the Respondent had no rights or legitimate interests in the disputed domain name. According to the present record, however, this is not a typical case. The exceptional circumstances of this case are that the Respondent appears to have been using the disputed domain name almost continuously for a period of more than 10 years before the filing of this Complaint, and for a period of seven years after the Complainant first became aware of, and complained about, the Respondent's use of the disputed domain name. These circumstances raise the question of what, if any, is the significance of the Complainant's delay in bringing action against the Respondent.

The issue of delay – and the related issue of acquiescence and the doctrine of laches – has been considered in a number of cases decided under the Uniform Domain Name Dispute Resolution Policy ("UDRP"). The Policy is based upon, and is very similar to, the UDRP and so this Panel considers it is appropriate to consider the reasoning in cases decided under the UDRP in determining this issue under the Policy. According to the WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Second Edition ("WIPO Overview 2.0") at paragraph 4.10, UDRP Panels have recognized that the doctrine or defense of laches as such does not generally apply under the UDRP, and that delay (by reference to the time of the relevant registration of the disputed domain name) in bringing a complaint does not of itself prevent a complainant from filing under the UDRP, or from being able to succeed under the UDRP, where a complainant can establish a case on the merits under the requisite three elements. The WIPO

Overview 2.0, at paragraph 4.10, goes on to state, however, that "Panels have also noted that a delay in bringing a complaint under the UDRP may make it more difficult for a complainant to establish its case on the merits, particularly in relation to the second and third elements" of the Policy.

The approach reflected in the WIPO Overview 2.0 received strong support in the recent case *Alimak Hek, Inc. v. Richard Wheat*, WIPO Case No. D2011-1344, where it was stated: "The proper approach to delay-based defenses, now reflected in paragraph 4.10 of the Overview, [...] is sound, rejecting a standalone equitable defense based only upon the passage of time in favor of considering delay in light of the Policy's latter two express requirements." This Panel agrees, and believes that the principles that apply in relation to delay under the UDRP also apply in relation to delay under the Policy. This Panel further believes that delay can, in exceptional circumstances, contribute to the Respondent acquiring through its subsequent *bona fide* use a right or legitimate interest in a domain name even though it had no such right or legitimate interest at an earlier time.

In this Panel's view, the exceptional circumstances of this case produce just that outcome. The Panel's finding, above, about the Respondent's knowledge of the Complainant's trademark and the Respondent's motivation for registering the disputed domain name precludes the conclusion that the Respondent had a right or legitimate interest in the disputed domain name when it registered and first began using the disputed domain name in the early 2000s. In this Panel's view, however, the situation changed some time after the Respondent replied to the Complainant's second cease-and-desist letter in August 2005. In its response to the second cease-and-desist letter, the Respondent disputed the Complainant's allegations of trademark and trade practices infringements, and requested the Complainant's legal representative to "provide full details of the matters on which your client relies in relation to (a) its distribution of the VICTORIA'S SECRET catalogue in Australia and (b) the 'range of products and associated services' in relation to which your client's VICTORIA'S SECRET registered trade mark are used". It appears that the Complainant never responded to this request.

In this Panel's opinion, once a reasonable period of time had elapsed without the Complainant providing such information or initiating some legal action, the Respondent was entitled to conclude that the Complainant had ceased to press its allegations of trademark and trade practices infringement. From that time forward, it became possible for the Respondent to acquire a right or legitimate interest in the disputed domain name through subsequent use of it, so long as that subsequent use was *bona fide*. The present record of this case persuades this Panel that just such a situation arose. In the seven years that elapsed between the Respondent's unanswered communication and the filing of this Complaint, the Respondent continued to promote its business using the disputed domain name. This continued use of the disputed domain name became *bona fide* use a reasonable period of time after the Complainant failed to take any further action against the Respondent, because the failure to press the allegations of infringement led the Respondent to understand that the Complainant no longer objected to the Respondent's behavior. The effect of this subsequent *bona fide* use of the disputed domain name was that, by the time the Complaint was filed, the Respondent had acquired a right or legitimate interest in the disputed domain name. This Panel thus finds that the Complainant has not succeeded in establishing the requirement of paragraph 4(a)(ii) of the Policy. Accordingly, the Complaint fails."

80. This Panel takes the view on the facts of this case that the Respondent has always had the improper purpose of trading off the reputation of the Complainant's WAL-MART mark; that the Complainant's failure to take action following its initial correspondence has not changed the Respondent's purpose; that accordingly the Respondent's use of the Domain Name to generate traffic to his web site that would not otherwise have been generated has never been *bona fide* use, and that the Complainant's delay in bringing this Complaint has not transformed that use into *bona fide* use, even if the Respondent formed the view that the Complainant had ceased to object. It follows that the Respondent had no rights or legitimate interests in the Domain Name at the time of registration and has not acquired any rights or legitimate interests since.

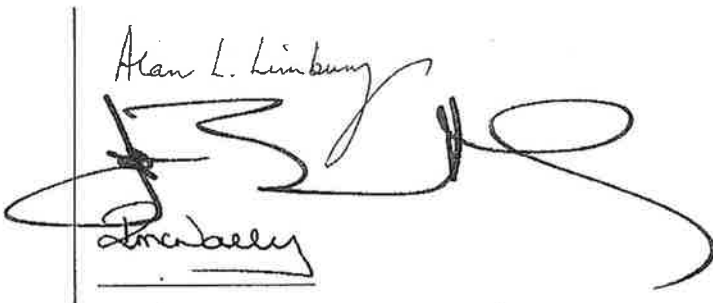
81. Accordingly the Panel finds the Complainant has established that the Respondent has no rights to or legitimate interests in the Domain Name. The Complainant has established this element.

DECISION

Transfer of the Domain Name

82. The Complainant having established all three elements entitling it to relief under the Policy, the Panel orders that the Domain Name <walmart.com.au> be transferred to the Complainant, provided that the Registrar determines that the Complainant is eligible to hold the Domain Name. If the Registrar determines otherwise, the Panel orders that the Domain Name <walmart.com.au> be cancelled.

Dated this 7th day of August, 2014.

The image shows two handwritten signatures in black ink. The top signature is 'Alan L. Limbury' written in a cursive style. Below it is a larger, more stylized signature that appears to be 'Rowena McNally'. The signatures are written over a vertical line that is part of a signature box.

Alan L. Limbury (Chair)

Rowena McNally

John McDermott