

ADMINISTRATIVE PANEL DECISION

Khadi & Village Industries Commission v. True Magic LLC
Case No. D2022-5042

1. The Parties

The Complainant is Khadi & Village Industries Commission, India, represented by Fidus Law Chambers, India.

The Respondent is True Magic LLC, Puerto Rico, United States of America.

2. The Domain Name and Registrar

The disputed domain name <khadionline.com> is registered with Register.com (the “Registrar”).

3. Procedural History

The Complaint was filed with the WIPO Arbitration and Mediation Center (the “Center”) on December 31, 2022. On January 3, 2023, the Center transmitted by email to the Registrar a request for registrar verification in connection with the disputed domain name. On January 5, 2023, the Registrar transmitted by email to the Center its verification response confirming that:

- (a) the disputed domain name is registered with it;
- (b) the Respondent is listed as the registrant and providing the contact details; and
- (c) English is the language of the registration agreement.

The Center verified that the Complaint satisfied the formal requirements of the Uniform Domain Name Dispute Resolution Policy (the “Policy” or “UDRP”), the Rules for Uniform Domain Name Dispute Resolution Policy (the “Rules”), and the WIPO Supplemental Rules for Uniform Domain Name Dispute Resolution Policy (the “Supplemental Rules”).

In accordance with the Rules, paragraphs 2 and 4, the Center formally notified the Respondent of the Complaint, and the proceedings commenced on January 11, 2023. In accordance with the Rules, paragraph 5, the due date for Response was January 31, 2023. The Respondent did not submit a response. Accordingly, the Center notified the Respondent’s default on February 1, 2023.

The Center appointed Warwick A. Rothnie as the sole panelist in this matter on February 10, 2023. The Panel finds that it was properly constituted. The Panel has submitted the Statement of Acceptance and Declaration of Impartiality and Independence, as required by the Center to ensure compliance with the Rules, paragraph 7.

4. Factual Background

The Complainant is a statutory body formed in 1957 pursuant to an Act of the Indian Parliament, the *Khadi and Village Industries Commission Act of 1956*.

Its objects are to promote employment in rural areas, to produce saleable articles and to create self-reliance among people and build up a strong rural community spirit.

In carrying out those objects, amongst other things, it promotes the training of artisans, weavers and other members of small-scale village and rural industries. It undertakes those activities in almost 250,000 villages throughout India.

The Complainant then markets products produced through its programs throughout India and the world under the trademark KHADI or KHADI INDIA. The Complainant owns and operates seven sales outlets across India itself and its products are available in some 8,050 other stores.

Garments and other products bearing the Complainant's trademarks have also been featured in exhibitions around the world and in media. The Complainant has also exhibited its KHADI brand garments at the Lakme Fashion Week in 2018, 2019 and again in 2022.

The Complainant has some 68,000 follows of its Facebook account, 17,000 follows of its Twitter account, some 80,000 views of its YouTube channel and 20,000 followers on Instagram. These accounts are mostly under the name "Khadi India".

The Complaint includes evidence that the Complainant owns multiple registered trademarks. For present purposes, it is sufficient to note:

- (a) the Complainant has 32 registered trademarks in India (Nos 2851524 to 285156), KHADI, all of which have been registered with effect from November 27, 2014, in respect of, respectively, classes 1, 2, 4, 5, 6, 7, 8, 9, 14, 16, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 32, 33, 34, 35, 36, 38, 39, 41 and 42;
- (b) International Registration No 1272626, KHADI, which was registered on December 2, 2014, in respect of a wide range of goods and services in International classes 1, 3, 5, 16, 18, 20, 21, 23, 24, 25, 26, 27, 29, 30, 32 and 35 and designating Australia, China, Germany, the European Union, the United Kingdom and the Russian Federation.

The Complainant's trade mark, KHADI, has been entered on the list of well-known trademarks by the Registrar of Trade Marks in India.

Court cases in India have recognized the Complainant has established a substantial goodwill in its KHADI trademark. In one ruling, it was noted that the Complainant's turnover in 2019 – 2020 was almost Rupees 90,000 Crores.

According to the Whois record, the disputed domain name was registered on August 21, 2009.

At the time the Complaint was filed, it resolved to a website which appeared to be providing links for Ayurvedic Products, Indian Dresses and Sarees. These appear to be pay-per-click ("PPC") links. Annexure T of the Complaint includes captures from the Wayback Machine for February 8, 2011, and October 21,

2016, also showing that the disputed domain name resolved to a landing page with PPC links only.

A LinkedIn page for [...] of Puerto Rico stated on December 5, 2022, that he was the founder of the Respondent and claims that the Respondent is a leading company in the “domain name investment space”, at that time holding a portfolio of more than 55,000 domain names.

5. Discussion and Findings

No response has been filed. The Complaint and Written Notice have been sent, however, to the Respondent at the electronic and physical coordinates confirmed as correct by the Registrar in accordance with paragraph 2(a) of the Rules. The Panel finds that the Respondent has been given a fair opportunity to present its case.

When a respondent has defaulted, paragraph 14(a) of the Rules requires the Panel to proceed to a decision on the Complaint in the absence of exceptional circumstances. Accordingly, paragraph 15(a) of the Rules requires the Panel to decide the dispute on the basis of the statements and documents that have been submitted and any rules and principles of law deemed applicable.

Paragraph 4(a) of the Policy provides that in order to divest the Respondent of the disputed domain name, the Complainant must demonstrate each of the following:

- (i) the disputed domain name is identical or confusingly similar to a trademark or service mark in which the Complainant has rights; and
- (ii) the Respondent has no rights or legitimate interests in respect of the disputed domain name; and
- (iii) the disputed domain name has been registered and is being used in bad faith.

A. Identical or Confusingly Similar

The first element that the Complainant must establish is that the disputed domain name is identical with, or confusingly similar to, the Complainant’s trademark rights.

There are two parts to this inquiry: the Complainant must demonstrate that it has rights in a trademark at the date the Complaint was filed and, if so, the disputed domain name must be shown to be identical or confusingly similar to the trademark.

The Complainant has proven ownership of, amongst other things, the registered trademark for KHADI.

The second stage of this inquiry simply requires a visual and aural comparison of the disputed domain name to the proven trademarks. This test is narrower than and thus different to the question of “likelihood of confusion” under trademark law. Therefore, questions such as the scope of the trademark rights, the geographical location of the respective parties and other considerations that may be relevant to an assessment of infringement under trademark law are not relevant at this stage. Such matters, if relevant, may fall for consideration under the other elements of the Policy. See e.g. WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Third Edition ([WIPO Overview 3.0](#)), section 1.7.

In undertaking that comparison, it is permissible in the present circumstances to disregard the generic Top Level Domain (“gTLD”) component as a functional aspect of the domain name system. [WIPO Overview 3.0](#), section 1.11.

Disregarding the “.com” gTLD, the disputed domain name consists of the Complainant’s registered trademark and the term “online”. As this requirement under the Policy is essentially a standing requirement, the addition of this term does not preclude a finding of confusing similarity. See e.g. [WIPO Overview 3.0](#),

section 1.8. Apart from anything else, the Complainant's trademark remains visually and aurally recognisable within the disputed domain name.

Accordingly, the Panel finds that the Complainant has established that the disputed domain name is confusingly similar to the Complainant's trademark and the requirement under the first limb of the Policy is satisfied.

B. Rights or Legitimate Interests

The second requirement the Complainant must prove is that the Respondent has no rights or legitimate interests in the disputed domain name.

Paragraph 4(c) of the Policy provides that the following circumstances can be situations in which the Respondent has rights or legitimate interests in a disputed domain name:

- (i) before any notice to [the Respondent] of the dispute, [the Respondent's] use of, or demonstrable preparations to use, the [disputed] domain name or a name corresponding to the [disputed] domain name in connection with a *bona fide* offering of goods or services; or
- (ii) [the Respondent] (as an individual, business, or other organization) has been commonly known by the [disputed] domain name, even if [the Respondent] has acquired no trademark or service mark rights; or
- (iii) [the Respondent] is making a legitimate noncommercial or fair use of the [disputed] domain name, without intent for commercial gain to misleadingly divert consumers or to tarnish the trademark or service mark at issue.

These are illustrative only and are not an exhaustive listing of the situations in which a respondent can show rights or legitimate interests in a domain name.

The onus of proving this requirement, like each element, falls on the Complainant. Panels have recognized the difficulties inherent in proving a negative, however, especially in circumstances where much of the relevant information is in, or likely to be in, the possession of the respondent. Accordingly, it is usually sufficient for a complainant to raise a *prima facie* case against the respondent under this head and an evidential burden will shift to the respondent to rebut that *prima facie* case. The ultimate burden of proof, however, remains with the Complainant. See e.g., [WIPO Overview 3.0](#), section 2.1.

The Complainant states that it has not authorised the Respondent to use the disputed domain name. Nor is the Respondent affiliated with it.

The disputed domain name is not derived from the Respondent's name. Nor is there any suggestion of some other name by which the Respondent is commonly known from which the disputed domain name could be derived. From the available record, the Respondent does not appear to hold any trademarks for the disputed domain name.

The Respondent registered the disputed domain name long after the Complainant began using its trademark but before the Complainant had registered its trademark. By 2009, however, the Complainant had been using and promoting its trademark for more than 50 years and, as a result, had built up a valuable goodwill in it.

The Complainant does allege that the Respondent is offering the disputed domain name for sale. Apart from the evidence that the Respondent is a domain name "investor", there is no direct evidence of that.

As noted above, however, the disputed domain name appears merely to have been parked at a webpage which over the years has consisted of PPC links to products which appear to compete with the

Complainant's products. While panels have recognised that using a domain name in connection with PPC links is not necessarily contrary to the Policy, here the PPC links seek to capitalise directly on the Complainant's trademark.

It is well-established under the Policy that the use of a domain name to take advantage of its resemblance to a trademark to sell competing goods or services does not constitute an offer of goods or services in good faith. See, e.g., *VIVO S.A. and PORTELCOM PARTICIPAÇÕES S.A. v. Domains By Proxy - NA Proxy Account Niche Domain Proxy Manager*, WIPO Case No. [D2010-0925](#); *Overstock.com, Inc. v. Metro Media*, WIPO Case No. [DME2009-0001](#); *Fifth Third Bancorp v. Texas International Property Associates*, WIPO Case No. [D2007-0537](#); *MasterCard International Incorporated v. Paul Barbell*, WIPO Case No. [D2007-1139](#), *Shaw Industries Group, Inc., and Columbia Insurance Company v. Parth Shah*, WIPO Case No. [D2007-1368](#) and *Alfa Laval AB and Alfa Laval Corporate AB v. Alfalava.com*, WIPO Case No. [D2007-1881](#) cited by the learned panelist in *Donald J. Trump v. Mediaking LLC d/b/a Mediaking Corporation and Aaftek Domain Corp.* WIPO Case No. [D2010-1404](#).

These matters, taken together, are sufficient to establish a *prima facie* case under the Policy that the Respondent has no rights or legitimate interests in the disputed domain name. The basis on which the Respondent has adopted the disputed domain name, therefore, calls for explanation or justification. The Respondent, however, has not sought to rebut that *prima facie* case or advance any claimed entitlement.

Accordingly, the Panel finds the Complainant has established the second requirement under the Policy also.

C. Registered and Used in Bad Faith

Under the third requirement of the Policy, the Complainant must establish that the disputed domain name has been both registered and used in bad faith by the Respondent. These are conjunctive requirements; both must be satisfied for a successful complaint: see e.g. *Burn World-Wide, Ltd. d/b/a BGT Partners v. Banta Global Turnkey Ltd* WIPO Case No. [D2010-0470](#).

Generally speaking, a finding that a domain name has been registered and is being used in bad faith requires an inference to be drawn that the respondent in question has registered and is using the disputed domain name to take advantage of its significance as a trademark owned by (usually) the complainant.

The Complainant contends that the fame and reputation it has built up in its KHADI trademark over 50 years before the Respondent registered the disputed domain name coupled with the Respondent's role as a domain name "investor" and use of the disputed domain name to generate PPC links to competing products should lead to an inference that the Respondent was aware of the trademark when registering the disputed domain name and registered it to take advantage of the Complainant's reputation in its trademark.

The Respondent has not sought to dispute that contention.

Having regard to the length and extent of the usage and the lack of an obvious connection between the Respondent and the Complainant's trademark, the Panel accepts the Complainant's contention. Accordingly, the Panel finds that the Respondent registered the disputed domain name in bad faith under the Policy.

Further, the use of the disputed domain name in connection with PPC links that capitalise on the Complainant's reputation and trademark constitutes use in bad faith.

Accordingly, the Complainant established all three requirements under the Policy.

6. Decision

For the foregoing reasons, in accordance with paragraphs 4(i) of the Policy and 15 of the Rules, the Panel orders that the disputed domain name, <khadionline.com>, be transferred to the Complainant.

/Warwick A. Rothnie/

Warwick A. Rothnie

Sole Panelist

Date: February 24, 2023