

# Domain Name Dispute Resolution Center (DNDRC)

## Arbitration and Mediation Center

### COMPLAINT PANEL DECISION

**Budget Rent a Car System, Inc. v. Budget (trading as Budget Car Rental)**

**Case No. C2007-0002**

**Also in PDF C2007-0002**

#### **1. The Parties**

The Complainant is Budget Rent a Car System Inc. (“Complainant”), located at 6 Sylvan Way, Parsipanny, New Jersey 07054, United States of America, having contact number; +1(973) 496-7864, fax number; +1 (973) 496-344, email: [ted.kushner@avisbudget.com](mailto:ted.kushner@avisbudget.com). The current legal status of the Complainant is that of ‘corporation’, and the place of incorporation is Delaware, USA, with the principal place of business being 6 Sylvan Way, Parsipanny, New Jersey 07054, United States of America.

Respondent (“Respondent”) is Budget (trading as Budget Car Rental), located at Near Shiraz Restaurant, University Road, Peshawar, Pakistan, telephone number: +92 (91) 570-1780; +92 (91) 710-2666, fax number: +92 (91) 570-1781, email: [budget@budget.com.pk](mailto:budget@budget.com.pk). The legal status of the Respondent is unknown; the place of incorporation is also unknown. The principal place of business is Near Shiraz Restaurant, University Road, Peshawar, Pakistan. The authorized Representative for the Respondent is Mr. Fayaz Khan Khalil, address: Street No.6, Abshar Colony, Warsak Road, Peshawar, Pakistan. Telephone number: +92 (91) 570-4334 (business), +92 (91) 520-1770 (residence). Cell number: +92 (345) 906-6661; +92 (301) 858-8886; +92 (346) 787-7777; +92 (346) 910-6444, fax number is unknown, email: [fayazkhan666@yahoo.com](mailto:fayazkhan666@yahoo.com), [fayazkhan666@hotmail.com](mailto:fayazkhan666@hotmail.com), [fkhalil@yahoo.com](mailto:fkhalil@yahoo.com).

#### **2. The Domain Names and Registrar**

The domain name at issue is <[budget.com.pk](http://budget.com.pk)>. Vide their email dated 17.09.2007 the Complainant submitted their Complaint Form. The Complainant has informed DNDRC from the verified records with PKNIC that the Respondent applied for registration of the domain name through Pakhost.com on and its Create Date was 22<sup>nd</sup> October 2006 with an Expire/Paid until Date of 22<sup>nd</sup> October 2008.

#### **3. Procedural History**

The Complaint was filed with the Domain Name Dispute Resolution Centre (“DNDRC”) on 17.09.2007.

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

In accordance with the Rules, paragraphs 2(a) and 4(a), DNDRC formally notified the Respondent of the Complaint vide email dated 23.09.2007 at 20:16 PST to all emails available in the registry.

In accordance with the Rules, paragraph 5(a), the due date for Response was within 7 days. The Respondent did not submit any response.

DNDRC appointed Mr. Mustafa Syed, as the sole panelist in this matter on 17<sup>th</sup> October 2007.

The Panel became aware of the pending litigation filed by the Complainant before the Peshawar Civil Court. It seems that PKNIC was a Defendant in that litigation until recently until the voluntary unconditional withdrawal of the suit against PKNIC by the Complainant on 18.08.2007. It is the view of this Panel that under normal circumstances it would not entertain Complaints where the Complainant has chosen to initiate litigation rather than approach the appropriate arbitration forum to which the Respondent is always bound under the PKNIC - Internet Domain Registration Policy August 7, 2007 version 4.2 for speedy, convenient and efficacious relief. However, it is acknowledged that since this is a relatively new process exception may be allowed at this nascent stage of the development of DNDRC’s process. However, such an exception should be avoided in the future. It is the Panel’s view that litigation in this specialized area of Domain Names should be avoided if such litigation has a tendency to be delayed whilst stay orders effectively undermine the economic benefit of the domain name to any party. If such activity is not discouraged the stability of the .pk ccTLD and its economic value and attractiveness to users would be lost as more and more domain names would cease to be used due to stay orders and users would be discouraged to opt for domain names under the .pk ccTLD. This is the very reason why the ICANN domain name dispute resolution processes under the UDRP have been introduced which PKNIC has followed by appointing DNDRC to undertake this task and provide a secure, efficient and accurate ccTLD registry.

Hence, the Panel finds that as a result of the reasons mentioned above and the unconditional withdrawal of the litigation by the Complainant it is able to proceed with the matter. The Panel finds that it was properly constituted.

#### **4. Factual Background**

The Complainant and its affiliated companies carry on one of the world’s largest vehicle rental business, which is commonly known as the “Budget Rent a Car business”. Under the Budget Rent a Car business, Budget and its affiliates rent and lease (with or without chauffeurs) and sell cars, vans, trucks and other vehicles and certain other products and services directly related to the vehicle rental business through an international network of mutually interdependent licensees/franchisees and corporately-owned operations, all operating under and using the BUDGET Marks.

The Respondent is apparently a private individual. Other details of the Respondent are not available.

## 5. Parties' Contentions

### A. Complainant

The Complainant is generally aggrieved by the domain name registration and potential use of <budget.com.pk> by the Respondent.

The Complainant is the proprietor of the following registered trade and pending marks in Pakistan:

"Budget", Class 12, Registration dated 22/08/1994, Registration No. 126227

"BUDGET & Dual Triangles Design", Class 12, Registration dated 13/11/1997, Registration No. 144921

"BUDGET", Class 39, Application dated 08/04/2005, Application No. 207982

"BUDGET & Dual Triangles Design", Class 39, Application dated 08/04/2005, Application No. 207983

(Collectively referred to as the "Registered Trade Marks").

The duly certified copies of the entries in the Register of Trade Marks in respect of each of the above-mentioned trade marks issued by the Pakistan Trade Mark Registry have been received by DNDRC.

The Complainant's contentions are reproduced below:

*"Complainant, Budget Rent a Car System, Inc. ("Budget"), owns the trade names, trade marks, service marks and/or designs, including, without limitation, "Budget", "Budget Rent a Car", "Budget Rent a Van", "Budget Truck Rental" and "Budget with Dual Triangles Design", and their associated logos, get-ups and colour-schemes (hereinafter collectively referred to as the "BUDGET Marks"). Attached hereto as Exhibit 5 are representations of a variety of the BUDGET Marks.*

*Budget is the proprietor in Pakistan and elsewhere of the BUDGET Marks, in respect of a variety of goods and/or services, including those falling in classes 12, 16, 35, 39, 41 and/or 42 of the International Classification of Goods and Services, such as vehicles and their apparatus and parts thereof, renting and leasing of motor vehicles and for retail outlets featuring automobiles, vans, and trucks. Budget has over 300 registrations or applications for registration of the BUDGET Marks in over 100 jurisdictions or countries around the world, including Pakistan. A list of such trade marks and the countries in which Budget maintains Registered Trade Mark registrations and applications around the world is attached hereto as Exhibit 6. Also attached hereto as Exhibit 7 are photocopies of certificates and other documentary proof of a random selection of those registrations and pending applications."*

This Complaint is based on the following Factual grounds:

*“FACTS”:*

- (i) *Budget and its affiliated companies carry on one of the world’s largest vehicle rental business, which is commonly known as the “Budget Rent a Car business”. Under the Budget Rent a Car business, Budget and its affiliates rent and lease (with or without chauffeurs) and sell cars, vans, trucks and other vehicles and certain other products and services directly related to the vehicle rental business through an international network of mutually interdependent licensees/franchisees and corporately-owned operations, all operating under and using the BUDGET Marks.*
- (ii) *The Budget Rent a Car business was founded in 1958 in the United States of America by Budget’s predecessors in business. Budget acquired the Budget Rent a Car business and the BUDGET Marks from its predecessors in business with effect from 22 November 2002 and is since then the sole and exclusive owner of the Budget Rent a Car business and related assets, including the BUDGET Marks, and of the rights and goodwill associated therewith. Attached hereto and collectively marked Exhibit 9 are copies of pages downloaded from the Internet, including Budget’s websites, containing historical background of the Budget Rent a Car business worldwide.*
- (iii) *A variety of the BUDGET Marks have since at least as early as July 1960 been and continue to be used extensively in many countries throughout the world, by Budget and until October 2002 by its predecessors in business. Budget believes that, between 1958 and October 2002, its predecessors in business generated many millions of US Dollars in revenue from the conduct of the Budget Rent a Car business under the BUDGET Marks and from sale of services and goods bearing the BUDGET Marks during that period. In 2005 and 2006, the total worldwide operating revenue of Budget’s parent company, i.e., Avis Budget Group, Inc. (formerly known as Cendant Corporation), was over US \$10 Billion. Furthermore, Budget spent more than US \$90,000,000 on advertising and promotional activities in connection with the BUDGET Marks in 2005 and 2006, in the United States alone. Attached hereto as Exhibits 10, 11, 12 and 13 are photocopies of Budget’s annual reports for the years 2002, 2003, 2004, and 2006 respectively.*
- (iv) *The growth of the Budget Rent a Car business worldwide has been significant and impressive. The Budget vehicle rental system is currently one of the largest car and truck rental companies in the world with a network of over 6,700 company-owned and franchised locations worldwide, all operating under the BUDGET Marks. As of 31st January 2007 there were over 3,000 locations of the Budget Rent a Car business operating in the United States and over 3,700 locations operating in over 130 other territories around the world including a number of the Budget Rent a Car business locations in the Middle East and Far Eastern countries. Budget’s worldwide fleet averaged over 30,000 vehicles in 2006 and the total operating revenue of Budget’s parent company in 2006 was over US \$5 billion.*
- (v) *For over 45 years, Budget or its predecessors in business have expended significant time, resources and efforts and multi-millions of dollars in advertising, promoting and establishing the goodwill of the BUDGET Marks in association with the Budget Rent a Car business. In recent years, Budget has advertised its BUDGET Marks on television, radio, newspapers and magazines, including in the New York Times; the Los Angeles Times; Chicago Tribune; Washington Post; USA Today; National Geographic; Travel Weekly; and other media. Photocopies of a random selection of*

*such advertisements which were published during 2004-2006 are attached hereto as Exhibit 14.*

- (vi) *Since at least as early as March 1995 the Budget Rent a Car business and the BUDGET Marks have also been promoted on the Internet by Budget and prior to November 2002 by its predecessors in business. Budget or its parent company operates Internet websites at <http://www.budget.com>, <http://www.budgettruck.com> and <http://www.budgetcarsales.com>. Copies of print-outs of the home pages of these websites are attached hereto as Exhibit 15. Budget or its parent company advertises, promotes and/or sells the products and services under the BUDGET Marks, including but not limited to, the vehicle rental and sales services on these websites.*
- (vii) *As a result of its marketing and advertising efforts, Budget has created enormous monetary value, reputation, and goodwill in the BUDGET Marks. The BUDGET Marks are symbols of Budget's high-quality reputation and valuable goodwill, and have become, through extensive use and advertising, famous and well known marks throughout the world, including Pakistan, and represent assets of incalculable value to Budget.*
- (viii) *Apart from the common law rights enjoyed by Budget in the BUDGET Marks, Budget has actively obtained registrations for the BUDGET Marks in various countries around the world [see Exhibits 6, 7 and 8]. The first registration of BUDGET CAR SALES mark was obtained in 1981, in the United States, in respect of retail auto agency services. In Pakistan, the earliest registration for the BUDGET word mark dates back to 22 August 1994 and for the Dual Triangles Design Mark dates back to 13 November 1997. The BUDGET Marks mentioned above clearly antedate any apparent use or registration of the disputed domain name and are in full force and effect. Budget therefore has the prima facie exclusive prior right to use the BUDGET Marks throughout the world and at the very least throughout Pakistan, in connection with its registered products and related services and in connection with associated marketing and promotional activities such as in Internet domain names and its websites.*
- (ix) *Each of the BUDGET Marks contains the word "Budget" as the principal element of the mark and/or design. Furthermore, the word Budget" forms an essential part of the trade name of Budget, of its parent company (i.e., Avis Budget Group, Inc.) and of a number of other related companies of Budget, including, Avis Budget Car Rental LLC, Budget Truck Rental LLC, and Budget Rent A Car Limited.*
- (x) *In addition, Budget or its parent company owns numerous domain names containing the word "budget", including but not limited to 'budget.com, 'budgetgroup.com', 'budgetcarrentals.com' and 'drivebudget.com'. Ownership details of these domain names as downloaded from the Internet are attached hereto as Exhibit 16.*
- (xi) *Budget is thus the exclusive proprietor of the valuable rights enjoyed by it in respect of the BUDGET Marks, in a number of countries around the world, including Pakistan, and as such the use of the BUDGET Marks or any of them or any variation thereof (such as 'Budget Car Rental', 'budget.com.pk') by any company or person in those countries, including a Pakistani company or person, without the permission, consent or license of Budget is bound to be dishonest and only motivated by an attempt to deceive or confuse the public into believing that such company or person's business and the associated services and/or products are related to or associated with Budget in some or the other manner. Further, such use will constitute infringement of the exclusive rights vested in Budget as aforesaid.*

- (xii) Respondent, without permission or authorisation from Budget, has on 22 October 2006 secured a domain name registration for “budget.com.pk” (“Domain Name”) [see Exhibit 1], which consists of nothing more than the Complainant’s Registered Trade Mark in its entirety. Furthermore, the Domain Name redirects to the Internet web site <http://www.budget.com.pk> through which the Respondent purports to offer car rental services under the Complainant’s BUDGET, BUDGET CAR RENTAL and BUDGET RENT A CAR names and the Dual Triangles Design Mark [see Exhibits 2A and 2B. Budget learned of the Respondent’s Domain Name and its website, on 12 March 2007.
- (xiii) In March/April, Budget, via an independent investigator, conducted inquiries into the business activities of Respondent and based on the results of such inquiries, on 23 April 2007, Budget sent a cease and desist letter to Respondent demanding inter alia that the Respondent voluntarily transfer to Budget the Domain Name, remove the BUDGET Marks and any other infringing material from the website [www.budget.com.pk](http://www.budget.com.pk) until the said transfer has been effected, and undertake to immediately cease and permanently refrain from using the BUDGET Marks or any of them or any variation thereof. Photocopy of the above-mentioned cease and desist letter is attached hereto as Exhibit 17. This letter was sent to the Respondent, via TCS courier and Registered Post A/D, and was duly received by the Respondent. Photocopies of the relevant delivery and tracking receipts are attached hereto as Exhibit 18. Respondent failed to respond to the above-mentioned cease and desist letter by the deadline therein stated. Hence, a follow-up letter dated 7 June 2007 was sent to Respondent by Budgets counsel requiring the Respondent to reply to its earlier letter dated 23 April 2007 by 18 June 2007. Photocopies of this follow-up letter and of its delivery and tracking receipts are attached hereto as Exhibit 19. Respondent however ignored Budget’s letters dated 23 April 2007 and 7 June 2007 and the demands therein comprised and consequently, Budget was constrained to file a lawsuit against the Respondent as per the details given in paragraph 6 above.
- (xiv) Respondent, without any authorisation continues to hold in its name the domain name registration for ‘budget.com.pk’ and to operate on such domain name the website ‘[www.budget.com.pk](http://www.budget.com.pk)’ and the email address of ‘budget.com.pk’ [see Exhibits 1 and 2B] all of which infringe the exclusive rights vested in Budget in respect of the BUDGET Marks and further mislead the general public, including the Internet users in Pakistan and elsewhere, and cause them into believing that the Respondent’s Domain Name and the website and the email address mentioned above are authorised or controlled by Budget or persons having a business connection with Budget, which is not the case.”

The Complainant thereafter submitted the following legal arguments and grounds in their Complaint:

**“A. The disputed domain name is identical or confusingly similar to the trade marks and service marks in which the Complainant has rights [ICANN Policy, para. 4(a)(i); ICANN Rules, para. 3(b)(ix)(1)].**

- (i) The facts and evidence provided in paragraphs 7 and 8(i) to (xiv) above clearly demonstrate that the BUDGET Marks or any of them are the exclusive property of

*the Complainant, who has the prima facie prior registered right to use the BUDGET Marks in relation to inter alia vehicle rental business and/or related services and products, throughout the world, including Pakistan. The WIPO Panel has also upheld Budget's rights in respect of the BUDGET Marks in a number of earlier UDRP cases, such as Budget Rent a Car Corporation v. Pat Maloy (Case No. D2000-0986, dated 23 October 2000); Budget Rent a Car Corporation v. Cupcake City (Case No. 02000-1020, dated 19 October 2000), Budget Rent a Car Corporation v. Budget-Rent-A- Phone and Robert Farkas (Case No. D2001-0772, dated 11 September 2001); and Budget Rent a Car Corporation v. Spiros Pettas (Case No. D2001-1056, dated 29 October 2001). Copies of the WIPO decisions in the above-mentioned cases are attached hereto as Exhibit 20.*

- (ii) *The disputed domain name consists of the word "budget", which is the principal element of each of the BUDGET Marks and of the trade name of Complainant and its related companies and of the various domain names owned and registered by Complainant (principally, budget.com). The disputed domain name in fact consists of nothing more than the Complainant's Registered Trade Mark/service mark in its entirety. The addition of the suffix ccTLD "COM.PK" is an irrelevant distinction based on the findings of the WIPO Panel in the following cases, namely: BIC Deutschland GmbH & Co KG v. Paul Tweed (WIPO Case No. D2000-0418, dated 20 June 2000; Zwiesei Kristallglas AG v. WWW Enterprise Inc. (Case No. D2005-1223, dated 23 January 2006); LG Chemical Ltd v. ChangHwan, OH (Case No. D2000-0889, dated 25 September 2000); and Rosemary Conley Diet and Fitness Clubs Limited v. Nikolina Bartels-King (Case No. D2006-1401, dated 18 January 2007). Copies of these cases are attached hereto as Exhibit 21.*
- (iii) *Based on the above, there can be no doubt that the disputed domain name is identical and/or confusingly similar to the principal textual elements of the BUDGET Marks in which Complainant has prior exclusive rights.*

***B. The Respondent has no rights or legitimate interests in respect of the disputed domain name [ICANN Policy, para. 4(a)(ii), 4(c); ICANN Rules, para. 3(b)(ix)(2)].***

- (iv) *Pursuant to ICANN Policy, sub-paragraph 4(c), Respondent may show rights in the domain name by its (1) use or preparations to use the domain name in connection with a bona fide offering of goods or services prior to notice of the dispute; (2) being commonly known by the domain name; or (3) legitimate non-commercial or fair use. Respondent fails on all counts as discussed below:*

*Respondent purports to use the Domain Name for a legitimate purpose, by redirecting the Domain Name to a web site ostensibly for the purposes of offering car rental services under the BUDGET Marks. However, Respondent is NOT a franchisee or licensee under the BUDGET system nor does it have any affiliation with Complainant or any of its related companies. Complainant further believes that the Respondent has never been known by the Domain Name nor has it ever been known by the BUDGET Marks or any other name containing the word BUDGET. Respondent furthermore has misappropriated the BUDGET Marks*

owned by Complainant including the domain name registration for 'budget.com'. Thus, Respondent has not used the Domain Name to make a bona fide offering of any goods or services.

As to the third prong, Respondent is clearly not making a non-commercial, fair use of the Domain Name. Through the use of the Domain Name (which consists of the Complainant's famous trade mark BUDGET) Respondent is intentionally attempting to attract, for commercial gain, the general public including Complainant's customers and the Internet users to its website (and through such site to its car rental business), by creating a likelihood of confusion with the BUDGET Marks as to the source, sponsorship, affiliation, or endorsement of the Respondent's business and/or website and the Domain Name. As a result, Respondent's use cannot constitute a fair, non-commercial use.

**C. The disputed domain name was registered and is being used in bad faith [ICANN Policy, paras. 4(a)(iii), 4(b); ICANN Rules, para. 3(b)(ix)(3)].**

- (v) Respondent has intentionally registered and used the Domain Name in bad faith based on ICANN Policy sub-paragraphs 4(b) (ii), (iii) and (iv). Subparagraph 4(b)(ii) of the ICANN Policy allows for a finding of bad faith when the registration was acquired to prevent a trade mark owner from reflecting the mark in a corresponding domain name. When Respondent acquired the Domain Name, it had constructive knowledge of the BUDGET Marks via Complainant's trade mark registrations in Pakistan; and must have had actual knowledge that the BUDGET Marks were used in relation to vehicle rental business and/or related services and products for years prior to its registration, due to the fame of the BUDGET Marks. Notwithstanding this knowledge and complete lack of authorization, Respondent intentionally registered the Domain Name containing the famous Registered Trade Mark or service mark, without authorization for use on competing web site. As stated by the WIPO Panel in *Kraft Foods (Norway) v. Fredrik Wide and Japp Fredrik Wide* (Case No. D2000-091 1, dated 23 September 2000 — copy attached as Exhibit 22), the fact "that the Respondent chose to register a well-known mark to which he has no connections or rights indicates that he was in bad faith when registering the domain name at issue".
- (vi) ICANN Policy, sub-paragraph 4(b)(iii), allows a finding of bad faith if the registration is primarily for the purpose of disrupting the business of a competitor. Respondent's action in registering the Domain Name is likely to deprive Complainant of "the chance to be contacted by prospective customers - see *SGS Societe Generale de Surveillance S.A. v. Inspectorate* (WIPO Case No. D2000-0025, dated 17 March 2000 - copy attached as Exhibit 23); especially since the Domain Name (and its website) passes off as a legitimate, authorized website address of Complainant in Pakistan. Existing or prospective customers of Complainant and its licensees may inadvertently type into their Internet browsers the Domain Name expecting to find an official site for Budget in Pakistan, but without realizing they have accessed a non-authorized site, and thus are diverted to Respondent's web site. As noted, Respondent is not an authorized licensee of Complainant Furthermore, a customer who checks a "whois" database may adopt the mistaken belief that

- Respondent has an affiliation with Complainant or its licensees based on its registration of a domain name that contains the BUDGET name or mark.*
- (vii) *ICANN Policy, sub-paragraph 4(b)(iv), furthermore allows a finding of bad faith where the Respondent intentionally attempts to attract, for commercial gain, Internet users to its web site 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 the web site. The WIPO Panel in Red Bull GmbH v. Harold Gutch (Case No. D2000-0766, dated 21 September 2000 — copy attached as Exhibit 24), found that the use of the domain name by respondent therein would lead visitors to the belief that the domain name was affiliated with the complainant, therefore making the registration alone equal to use in bad faith. Clearly, Respondent is using the famous BUDGET Marks to divert the customers of Budget and its franchisees/licensees to its own portal web site, thus creating a likelihood of confusion as to the source, sponsorship, affiliation and endorsement of its web site. In sum, Respondent's registration and use of the Domain Name has been in bad faith.*
- (viii) *Furthermore, given Budget's prior established goodwill and proprietary rights in the BUDGET Marks, the registration and use of the Domain Name by the Respondent is clearly in bad faith with an attempt to misappropriate and cash on and to trade unfairly upon the reputation and goodwill enjoyed by Budget.*
- (ix) *Without prejudice to the foregoing, it appears from Exhibit 2B, which is a recent print-out of the Respondent's website that Respondent has concealed some of the images (including the Budget Dual Triangles Design) which previously appeared on its website and have now been made blank. These changes are temporary as the Respondent can revise the website at will, and could potentially post or remove offending contents on an hourly basis to the detriment of Budget. In addition, notwithstanding the above changes, the mere domain name registration for "budget.com.pk" as used in connection with the offering of car or other vehicle rental services by Respondent (whether or not the specific website contents reference "Budget" car rentals) is an indication of bad faith on the part of the Respondent. In this regard, reference may be made to the earlier case of Asset Loan Co. Pty Ltd v. Gregory Rogers (Case No. D2006-0300, dated 2 May 2006 - copy attached as Exhibit 25), in which the WIPO Panel held that "... when comparing a domain name and a trademark for the present purposes, the exercise must involve only a straight comparison of the two names without regard to the contents of the website to which the contentious domain name resolves".*

***D. The disputed domain name vis-à-vis Respondent contravenes the provisions of the Policy Agreement (which is a part of the domain registration form] and the PKNIC - Internet Domain Registration Policy, as amended lately on 7 August 2007, ver. 4.2 (which is incorporated by reference into the PICNIC Policy Agreement.***

- (x) *The unauthorised adoption, use and registration by the Respondent of the Domain Name (which consists of the Complainant's registered and well known mark) constitutes inter alia the actionable wrongs of infringement, passing-off and unfair competition. By such adoption and use the Respondent infringes the exclusive rights vested in the Complainant in respect of the BUDGET Marks or any of them in Pakistan, and also passes off its respective business, website, domain name and/or email address as and for the business, website, domain name and/or email address of*

*Complainant or its affiliated companies and further unfairly competes with the Budget Rent a Car business and/or the BUDGET Marks or any of them. Moreover, through such use or registration of the Domain Name, the Respondent intends to mislead the general public, including the Internet users in Pakistan and elsewhere, and to cause them into believing that the Respondent's Domain Name, website, email address and/or business is authorised or controlled by Complainant or persons having a business connection with Complainant, which is not the case.*

- (xi) *The unauthorised adoption, registration and/or use by the Respondent of the Domain Name further falls within the prohibition of the provisions of the Trade Marks Ordinance 2001 and the Pakistan Penal Code 1860, including, in particular, sub-section (6) of section 40 of the Trade Marks Ordinance 2001; clause (1) of paragraph 4 of Third Schedule to the Trade Marks Ordinance 2001; and sections 480, 481, 482, 483, 485 and/or 486 of the Pakistan Penal Code 1860. Text of these provisions is attached hereto as Exhibit 26. Furthermore, in this regard, Complainant relies on the analysis and findings of the DNDRC Panel in Standard Chartered PLC v. Hosting Campus Domain (Case No. C2007-0001, dated 30 August 2007 — copy attached as Exhibit 27).*
- (xii) *In view of the above, there is no doubt that the Domain Name and/or the Respondent contravene the provisions of the Policy Agreement and the PKNIC - Internet Domain Registration Policy (attached hereto as Exhibits 28 and 29 respectively), which provide inter alia that:*

*(a) The applicant for registration of a domain name at the time of making the application expressly represents, agrees and warrants as follows:*

*- applicant's statements in the application are true and the applicant has the right to use the domain name as requested in the application;*

*- applicant has a bona fide intention to use the domain name on a regular basis on the Internet;*

*- the use or registration of the domain name by the applicant does not interfere with or infringe the right of any third party in Pakistan, with respect to trade mark, service mark, trade name, company name or any other intellectual property right; and*

*applicant is not seeking to use the domain name for any unlawful purpose, including, without limitation, tortious interference with contract or prospective business advantage, unfair competition, injuring the reputation of another, or for the purpose of confusing or misleading a person, whether natural or incorporated.*

*(b) The applicant of a domain name at the time of making the application certifies that, to his or her knowledge, the use of the domain name does not violate trade mark or other statutes.*

- (xiii) *It will be noted that the DNDRC Panel in the above-mentioned case (see Exhibit 27) has found that if a complainant simply establishes that the respondent's domain*

*name infringes upon the complainant's registered trade name or trade mark, this renders the respondent's domain name to be illegal, unlawful and invalid and further constitutes an adequate ground for the transfer of the domain name to the complainant."*

In conclusion the Complainant alleges that:

*"In sum, (1) the Domain Name is clearly identical and/or confusingly similar to the textual elements of the well known BUDGET Marks, as the Domain Name consists of nothing more than the Registered Trade Mark or service mark in its entirety; (2) Respondent has no right, title or legitimate interest in or to the Domain Name and/or the BUDGET name or mark; (3) Respondent's use and registration of the Domain Name is in bad faith as it is an intentional attempt to (a) prevent the rightful owner, that is, Complainant, from reflecting the mark in the corresponding domain names; (b) disrupt the business of Complainant and its licensees (including Complainant's prospective licensees in Pakistan); and (c) use Complainant's name/mark and associated goodwill to drive traffic to Respondent's web site related to the Domain Name; and (4) Domain Name violates the terms and conditions of ICANN Policy, ICANN Rules, PKNIC Policy Agreement and PKNIC - Internet Domain Registration Policy (which incorporates ICANN Policy and ICANN Rules)."*

Hence, the Complainant seeks the following Remedies:

*"In accordance with ICANN Policy, paragraph 4(i), and PKNIC - Internet Domain Registration Policy, paragraph 4, for the reasons described in paragraph 8 above, Complainant requests the Administrative Panel appointed in this administrative proceeding to issue a decision that the disputed domain name "budget.com.pk" be transferred to Complainant."*

## **B. Respondent**

The Respondent has not submitted any reply to the Complainant.

## **6. Discussion and Findings**

As a result of the failure of the Respondent to respond to the Complaint the Panel could enter an *ex parte* decision without the necessity of recording reasons. However, keeping in mind the nascent stage of development of these disputes the Panel will undertake an analysis of the Complaint.

The Panel finds that the recent seminal decision in the case of *Standard Chartered PLC v. Hosting Campus Domain* case no. C2007-0001 ([http://www.dndrc.com/cases\\_resolved/pdf/c2007-0001.pdf](http://www.dndrc.com/cases_resolved/pdf/c2007-0001.pdf)) dated 30 Aug 2007 rendered through the DNDRC is of much use in analyzing the facts in this case and applying the various aspects of

the PKNIC - Internet Domain Registration Policy Aug 07 2007, version 4.2 and the UDRP. As such much of the intricate legal analysis with regard to applicability of the PKNIC - Internet Domain Registration Policy Aug 07 2007, version 4.2 and the Rules and the UDRP can be avoided in this discussion and hence, much reference may be made to that decision here.

In *Standard Chartered PLC v. Hosting Campus Domain* (case no. C2007-0001), the Panel laid down the following 4 heads under which to analyze cases, under the The PKNIC - Internet Domain Registration Policy, dated 07-Aug-2007, version 4.2 and the UDRP:

1. *Illegality, unlawfulness or otherwise invalidity of the Application & Registration (a criteria in terms of the PKNIC - Internet Domain Registration Policy June 20, 2006 version 4.1 in addition to the criteria of the UDRP)*
2. *Identical or confusing similarity to a trademark or service mark in which the Complainant has rights (a UDRP criteria)*
3. *Legitimate interest in Domain Name (a UDRP criteria)*
4. *Registration and use in bad faith (a UDRP criteria)*

This Panel will also follow the same based upon the findings and legal analysis conducted in *Standard Chartered PLC v. Hosting Campus Domain* (case no. C2007-0001).

#### **I. Illegality, unlawfulness or otherwise invalidity of the Application & Registration**

The PKNIC - Internet Domain Registration Policy Aug-07-2007 version 4.2 clearly states that it creates an exception for and thus, excludes the registration of domain names that:

- a. *infringes upon a registered tradename,*
- b. *is not bona fide as recognized by international best practice,*
- c. *is a contravention in the opinion of PKNIC to be a contravention of the latest version of the Pakistan Penal Code Act, 1860 (including offences of defamation & blasphemy)/ Anti-Terrorism Act, 1997/any applicable criminal law,*
- d. *has been declared by a Criminal Court of appropriate jurisdiction to have contravened the latest version of Pakistan Penal Code Act, 1860 (including offences of defamation & blasphemy)/Anti-Terrorism Act, 1997/any applicable criminal law), or*
- e. *in the opinion of PKNIC is not appropriate for registration.*

As per the PKNIC - Internet Domain Registration Policy Aug-07-2007, version 4.2,

*If a party claims that a domain name already registered with PKNIC violates their registered tradename, an obvious derivation of their registered company name, is not bona fide as recognized by international best practice, is a contravention in the opinion of PKNIC to be a contravention of the latest version of the Pakistan Penal Code Act, 1860 (including offences of defamation & blasphemy)/ Anti-Terrorism Act, 1997/any applicable criminal law, PKNIC reserves the right to cancel, or transfer the domain to the claiming party as per the ICANN's Uniform Domain Name Dispute Resolution Policy (with PKNIC amendments) or as per the orders of a court judgment in Pakistan.*

The PKNIC – Internet Domain Registration Policy Aug 07, 2007 version 4.2 para 15 states that :

*The party requesting registration of this name certifies that, to his/her knowledge, the use of this name does not violate trademark or other statutes.*

Furthermore, Para 25, sub-section (iii) and (iv) state that:

- i. *The use or registration of the Domain Name by Applicant does not interfere with or infringe the right of any third party in any jurisdiction in Pakistan, with respect to trademark, service mark, tradename, company name or any other intellectual property right;*
- ii. *Applicant is not seeking to use the Domain Name for any unlawful purpose, including, without limitation, tortious interference with contract or prospective business advantage, unfair competition, injuring the reputation of another, or for the purpose of confusing or misleading a person, whether natural or incorporated.*

Hence, any registration in contravention of paragraph 1 of The PKNIC - Internet Domain Registration Policy Aug-07-2007, version 4.2 would be *ab initio* void and in any case voidable in terms of paragraph 4 of The PKNIC - Internet Domain Registration Policy Aug-07-2007, version 4.2

The legitimate interests of the Complainant in the Trademark/name "BUDGET" has already been recognized and enforced as far back as 2000 in several cases such as *Budget Rent a Car Corporation v. Pat Maloy* (Case No. D2000-0986, dated 23 October 2000); *Budget Rent a Car Corporation v. Cupcake City* (Case No. D2000-1020, dated 19 October 2000), *Budget Rent a Car Corporation v. Budget-Rent-A-Phone and Robert Farkas* (Case No. D2001-0772, dated 11 September 2001); and *Budget Rent a Car Corporation v. Spiros Pettas* (Case No. D2001-1056, dated 29 October 2001).

Moreover, it is clear from the fact that the Complaint has been using and registered not only international trademarks/names but trademarks/names in Pakistan, referred to above as Registered Trade Marks as early as 1994. As such the registration by the Respondent would be contrary to inter alia sections 4 and 40 of the Trade Marks Ordinance 2001, sections 464, 470, 470, 473, 476, 478-485 of the Pakistan Penal Code Act 1860. The applicability of these provisions of law have already been discussed in depth by the decision of *Standard Chartered PLC v. Hosting Campus Domain* (case no. C2007-0001) and do not require detailed analysis here.

It has been established before this Panel that the Trademark and Trade name of the Complainant is well known internationally. Budget has satisfied this Panel of its contention that it has over 300 registrations or applications for registration of the BUDGET Marks in over 100 jurisdictions or countries around the world, including Pakistan.

As such the registration by the Respondent was not only *ab initio* void but is illegal, unlawful and invalid.

As held in *Standard Chartered PLC v. Hosting Campus Domain* (case no. C2007-0001) the satisfaction of simply these criteria would constitute sufficient grounds for rendering a decision against the Respondent for transfer of the domain name to the Complainant.

## **II. Identical or confusing similarity to a trademark or service mark in which the Complainant has rights**

The case of *Standard Chartered PLC v. Hosting Campus Domain* (case no. C2007-0001) has already settled any issue as to the analysis of the identical nature and similarity of domain names with different suffixes i.e. different Top Level Domains. That Panel conclusively came to the conclusion based upon international best practice and inter alia WIPO precedents:

*“...the suffix “.pk” must be disregarded as simply being a necessary component of a country’s Top Level Domain and the Panel is to assess the disputed domain name without the suffix or TLD “.pk”. In comparing the disputed domain name with the Standard Chartered Domain Names, the Panel would again disregard the suffixes such as “.com.pk”, “.org.pk” and “.net.pk”.*

*As such the operative part of the disputed domain name would simply be “standardchartered” which when compared with the Standard Chartered Domain Names and the Standard Chartered Registered Trade Marks and Trade Mark Applications the Domain Name under dispute “<[standardchartered.pk](#)>” is not only confusingly similar but also identical.”*

As such in order to assess the identical nature or similarity of the domain names to any trademark or trade name the Panel will look at the name “Budget”.

It is clear from the Exhibits and a perusal of the Trade names and Trade Marks of the Complainant that their Trademark and Tradename are identical to domain name under dispute. The very fact that the domain name registered by the Respondent is identical to the Complainant’s Registered Trade Marks satisfies this criterion.

It is clear from the discussion already undertaken by the Panel above under the heading “Illegality, unlawfulness or otherwise invalidity of the Application”, under this head and the cases cited herein that in fact the domain name in dispute is not only confusingly similar but is in fact identical to the trade mark and service marks registered as well as applied for by the Complainant. In addition the disputed domain name is not just confusingly similar but identical to the several domain names already in use by the Complainant.

The Complainant have an extensive use of their trade and service mark which is identical to the disputed domain name. The Complainant is a well known and well established car rental service and their trade and service marks have an equally well known and well established goodwill within and outside Pakistan. Hence, the Respondent was at all times aware of the existence, reputation and use by the Complainant of the trade and service marks. The domain name registered by the Complainant is identical to the Registered Trade Marks. The Respondent specifically chose to register with PKNIC. Moreover, the well established reputation associated with the domain name in dispute “<[budget.com.pk](#)>” would constitute the offence of passing off.

As discussed above the registration of the domain name would in addition to confusing reasonable users of web browsers would also confuse users of email who could easily be

confused by sending and receiving emails to and from the Domain Name under dispute “<[budget.com.pk](mailto:budget.com.pk)>”.

As such the Panel finds that paragraph 4(a)(i) of the Policy is established.

### **III. Legitimate interest in Domain Name**

(Para 4(a)(ii) and Para 4(c) of the UDRP Policy read with Para 3(b)(ix)(2) of the Rules for the UDRP)

Paragraph 4(c) of the UDRP (Policy) provides that evidence of one or more of the following shall demonstrate a respondent’s rights or legitimate interests to a domain name:

- a. Before any notice to the respondent of the dispute, the respondent’s use of, or demonstrable preparations to use, the domain name or a name corresponding to the domain name in connection with a bona fide offering of goods or services; or*
- b. The respondent (as an individual, business, or other organization) had been commonly known by the domain name; or*
- c. The respondent is making a legitimate non-commercial or fair use of the domain name, without intent for commercial gain to misleadingly divert consumers or to tarnish the trade mark or service mark at issue.*

None of the criteria can be met by the Respondent since they have failed to respond to the Complaint and as such the finding under this criterion would be against the Respondent for having failed to satisfy any of the 3 criteria mentioned above.

In any case, it may be useful to examine the three heads for the sake of completeness.

As regards criterion (a) the existence of the Budget trademark is a well known fact not only as a result of the various domestic Registered Trade Marks but the trademark is known internationally as Budget has over 300 registrations or applications for registration of the BUDGET Marks in over 100 jurisdictions or countries around the world, including Pakistan. Hence, there was at all times notice to the Respondent of the existence both locally and internationally of the use and legitimate right by the Complainant to the Registered Trade Mark/name as well as several other identical domain name registrations in other Top Level Domains. The use by the Respondent of the identical domain name and trade mark to which they have not legitimate interest to offer identical services over the web speaks to the lack of bona fide and unfair advantage the Respondent has taken by registering the identical domain name by misleading users and also offering identical services as the Complainant under trademark and tradename to which the Respondent has no legitimate interests and giving the misleading impression to users, for commercial gain, that the domain name in dispute is that of the Complainant . This would also affect this Panel’s subsequent finding of Bad Faith registration below. As such the Respondent has in fact used the domain name but done so not for a bona fide offering of services but a bad faith offering of services knowing full well that the Respondent does not have any legitimate interest in the trademark/name and the domain name and is in fact in breach of several provisions of international and domestic law as mentioned above.

As for criterion (b), no evidence has been tendered by the Respondent to show that the Respondent has been commonly known by the domain name. In addition to the fact that the Complainant has locally Registered Trade Marks and international trademark registrations as well, the registrations by the Complainant of the identical domain names much earlier in time in other Top Level Domains speaks to the contrary and tends to show that it is the Complainant and not the Respondent who are commonly known by the domain name.

In relation to criterion (c) the Respondent have not satisfied this criterion. In addition, the evidence of use by the Respondent establishes quite the contrary. As mentioned in discussion of criterion (a), the Respondent are making commercial use of the domain name. The Complainant have established that the use is both unfair and designed to mislead and divert users and consumers by giving the false impression that the domain name is that of or is connected with the Complainant.

As such the Panel finds that the Respondent has no legitimate interest in the Domain Name in dispute.

#### **IV. Registration and use in bad faith**

Based upon the facts and evidence laid before this Panel, the Respondent appear to have chosen a domain name that is confusingly similar to the Complainant trademarks and trade name "BUDGET". The domain name is identical to the Complainant trademarks and tradenames "BUDGET".

On the balance of probabilities there is no reason why the Respondent should choose to register domain name that is so similar to the Complainant names and marks except for the purpose of seeking to take unfair and illegitimate advantage of Internet users who would likely be misled when searching for the Complainant websites.

It appears that by such activity, the Respondent intentionally attempted to attract, for commercial gain, Internet users to its web site by creating a likelihood of confusion with the Complainant' mark as to the source, sponsorship, affiliation, or endorsement of the Respondent's web site. Paragraph 4(b) of the Policy provides that such activity may be taken as evidence of bad faith registration and use.

The findings of this Panel above in the case of Illegality, Unlawfulness and also Legitimate Interest additionally establish and support the contention of the Complainant that the registration of the domain name was ab initio fraught with bad faith on the part of the Respondent since they were fully aware of the use, market share/reputation and registrations of the Complainant. In this regard the Panel agreed with the Complainant arguments and the applicability of the case of *Kraft Foods (Norway) v. Fredrik Wide and Japp Fredrik Wide (Case No. D2000-091 1, dated 23 September 2000)* and *Red Bull GmbH v. Harold Gutch (Case No. D2000-0766, dated 21 September 2000)* to this case. The manner in which the Respondent have used the domain name in particular to offer services identical to that of the Complainant and by using the same trademark/name on its website the Respondent appear to have intentionally attracted customers

and users by giving an impression that the use of the domain name in dispute was authorized or in affiliation with the Complainant.

The Complainant therefore succeed in establishing the third and final element in paragraph 4(a) of the Policy being one of the 4 elements laid down by *Standard Chartered PLC v. Hosting Campus Domain* (case no. C2007-0001).

## **7. Conclusion**

The Panel finds it of utmost help and a source of guidance, in deciding the outcome of this case, to take in consideration, the cases, points and illustrations set forth in the recent decision of the case *Standard Chartered PLC v. Hosting Campus Domain* (case no. C2007-0001), dated 30 Aug 2007 and hence the following decision is based on the findings in this case.

Moreover, the Panel also recognizes and appreciates the efforts of the Complainant in assisting this Panel through a thoroughly professional and comprehensive drafting of the Complaint with adequate supporting evidence allowing this Panel to determine the various issues in this case.

Analyzing the details provided by the Complainant, the Panel perceives that the Budget marks and the Registered Trade Marks are well-recognized and highly acclaimed, both, domestically, and globally, hence the Complainant reserves crucial interest in them. The Respondent's utilising the Budget marks is most likely to endanger the creditability of the Complainant, hence causing its reputation to be adversely affected.

In accordance with all the evidence provided, and taking the aid of all the case law mentioned, the Panel is of the opinion that the Respondent registered the domain name in dispute <budget.com.pk> with mala fide intent, as at the time of the registration of the domain name. The Complainant's reputation and renowned proprietary rights and interest in the domain name were well-known and apparent since the Complainant have been one of the pioneers in establishing global and cross-border car rental services and have well established goodwill in their Trademark/name and domain names, both, domestically and globally. Hence, on a balance of probabilities and based upon the substantial evidence placed before this Panel, it is unlikely that the Respondent were unaware of this fact. Furthermore, the fact that the Respondent have purported to offer the same services as the Complainant by using the domain name in dispute <budget.com.pk>, which is identical to that of the Complainant Registered Trade Marks, has and is likely to cause substantial confusion and diversion of the loyal customers of the Complainant. In view of all contentions stated and discussion above, the Panel finds that the Respondent is in contravention of the provisions of the PKNIC - Internet Domain Registration Policy August 7, 2007 version 4.2, and UDRP, and hence, the Complainant are entitled to transfer of the domain name in dispute <budget.com.pk>.

## **8. Decision**

For the foregoing reasons, the Panel therefore concludes and decides that

1. The Respondent's registration of the domain name in dispute is in violation of the PKNIC - Internet Domain Registration Policy August 7, 2007 version 4.2

2. The Respondent have no legitimate interest in the Complainant' Domain name.
3. The domain names are confusingly similar/identical.
4. The Respondent are making mala fide use of the Complainant' Domain name.

Pursuant to Paragraphs 4 of the PKNIC - Internet Domain Registration Policy August 7, 2007 version 4.2, and Paragraph (i) of the UDRP the Panel therefore recommend to the PKNIC that PKNIC to transfer the registration of the domain name at issue <[www.budget.com.pk](http://www.budget.com.pk)> to the Complainant, as prayed within 48 hours of receipt of this decision by email or its being uploaded on to DNDRC's website [www.dndrc.com/cases\\_resolved/](http://www.dndrc.com/cases_resolved/), whichever is earlier. The Complainant shall also be at liberty to contact PKNIC for implementation of this decision.

Mustafa Syed

14<sup>th</sup> November 2007