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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

Date of Decision: 27th October, 2021

+ **O.M.P. (COMM) 37/2021 with I.A. 1403-04/2021**

DEAN CHANDLER Petitioner

Through: Mr. Rohit Rattu, Advocate.

versus

SAZERAC BRANDS LLC & ANR. Respondents

Through: Mr. Nitin Sharma, Mr. Kanishk Kumar and Mr. Sohrab Singh Mann, Advocates for R-1.
Mr. Devanshu Jain and Mr. R.K. Jain, Advocates for R-2.

**CORAM:
HON'BLE MR. JUSTICE SANJEEV NARULA**

JUDGMENT

[VIA HYBRID MODE]

SANJEEV NARULA, J. (Oral):

1. The Petitioner, who is termed as a sophisticated 'domainer' having registered approx. 7500 domain names, is aggrieved by the award dated 23rd September 2020 passed by a Sole Arbitrator appointed by Respondent No. 2 - National Internet Exchange of India [*hereinafter referred to as 'NIXI'*], under the '.IN Domain Name Dispute Resolution Policy' [*hereinafter referred to as 'INDRP'*] – allowing the complaint filed by Respondent No. 1 - Sazerac Brands LLC [*hereinafter referred to as 'Sazerac'*], and directing the transfer of the domain name <www.fireball.in> [*hereinafter referred to*

as '*impugned domain name*'] which incorporates the registered trademark– '*Fireball*', in favour of Sazerac.

What is the Controversy and what are the directions of the Arbitrator?

2. Controversy surrounds the impugned domain name registered by the Petitioner. Sazerac - a company incorporated in Delaware, United States of America has its registered office in Louisiana, United States of America - manufactures and markets cinnamon whisky under the name and brand of 'FIREBALL', and associated merchandise therewith. It owns the domain name 'fireballwhisky.com' and is also the owner of the registered trade mark 'FIREBALL' under Classes 32 and 33 in India, as well as in more than 70 jurisdictions globally. Sazerac's predecessor was one of America's oldest family-owned and privately-held distilleries. Sazerac itself was founded in 1869 and owns many of America's most venerable distilling companies – including Buffalo Trace Distillery, A. Smith Bowman, Glenmore Distillery and 1792 Barton, *et al.* The trademark 'FIREBALL' is well-known on account of goodwill acquired by the brand over the years and substantial marketing, including through the internet as a ready medium of exposure to consumers apropos their goods and services. Sazerac owns and operates the websites '*www.fireballwhisky.com*' and '*www.sazerac.com*' and has also registered numerous domain names containing the word 'FIREBALL', that include, *inter alia*, '*Fireballmusic.co.uk*', '*Fireballwhiskey.cn*', '*Fireballwhiskey.co.uk*', '*Fireballwhiskey.com*', '*Fireballwhiskeyindia.com*', '*Fireballwhisky.cn*', '*Fireballwhiskybeer.com*'.

3. Noticing the impugned domain name, Sazerac, in accordance with the INDRP Rules of Procedure, filed a complaint with NIXI, on the ground that,

inter alia, the registration is in bad faith, intended for disrupting its business. As per paragraph 5(b) of INDRP, the .IN Registry appointed a Sole Arbitrator, who, after consideration of the complaint and the response, held that: the impugned domain name is confusingly similar to the mark ‘FIREBALL’ – which is proprietary to the Sazerac; Respondent No. 1 has no rights or legitimate interests in respect of the disputed domain name; and, the domain name is registered in bad faith; for which reasons, in accordance with the Policy and Rules, the Petitioner was directed to immediately transfer the impugned domain name to Sazerac. Aggrieved by the above, the Petitioner had filed the present petition under Section 34 of the Arbitration and Conciliation Act, 1994.

What are the Petitioner’s Claims?

4. The Petitioner registered the impugned domain name on 3rd July, 2018. He is a resident of Ontario, Canada and holds a bachelor’s degree in Engineering and Management from McMaster Faculty of Engineering, McMaster University, Hamilton, Ontario, Canada after pursuing a five-year engineering course from 1995-2000. Petitioner asserts that since 1960, all students and alumni of such Faculty of Engineering are referred to as the “FireBall Family”, as the official symbol for McMaster’s Faculty of Engineering is a ‘fireball’. He has been part of McMaster’s ‘Fireball Family’ since 1995, i.e., well before Respondent registered its Trademark in Canada in 1997. Petitioner also emphasises that he, along with a batchmate, had plans for setting up an alumni website for their Class of 2000; they searched for a single-word domain name, but found that <.com> and other Country Code Top-Level Domains (‘ccTLD’s’) such as <.net>, <.org> or even

<.co>, <.ca>, etc. were not available. Thus, they had to register the impugned domain name. He also made no bones about the fact that he is actively involved in investing in domain names as part of his business— including country code <.in> domain names. Additionally, it is contended that the current Dean of the Faculty of Engineering is of Indian origin - Mr Ishwar K. Pun, and therefore, <.in> domain became a preferable choice so that any approval from the University could have helped at a later stage.

The Impugned award

5. The Arbitrator allowed the complaint, holding as follows:

5.1. Identical or confusingly similar trade/service mark: Sazerac has right over the mark 'FIREBALL' – in India as well as overseas. The impugned domain name incorporates Sazerac's mark 'FIREBALL' in its entirety. Thus, impugned domain name is confusingly similar to Sazerac's prior registered trade mark 'FIREBALL'. Sazerac has prior statutory rights over the mark 'FIREBALL'.

5.2. Rights and legitimate interests: Petitioner had not commenced use of the disputed domain name even two years after having registered it. Tribunal thus took the view that Petitioner has been unable to prove that it has been using the mark 'FIREBALL' or the impugned domain name in connection with a *bona fide* offering of goods or services. Sazerac has thus proved that Petitioner has no rights or legitimate interests in the disputed domain name.

5.3. Bad faith: Petitioner has simply parked the impugned domain name. The current status of the webpage corresponding to the impugned domain name is non-operational/inaccessible and the 'WHOIS' records do not indicate the domain being available for sale. Thus, Petitioner has registered

the impugned domain name in bad faith.

5.4. Petitioner has failed to show any use of the disputed domain name with respect to a *bona fide* offering of goods or services. By registering the disputed domain name, Respondent has attempted to attract internet users by creating likelihood of confusion with the Complainant's mark/source of origin. Petitioner has registered the disputed domain name in bad faith to tarnish the trade mark and cause confusion in the minds of the public.

5.5. As no website corresponding to the impugned domain name is functional till date, it is evident that the objective of registering the impugned domain name was aimed at preventing the legitimate owner of the trade mark from reflecting the same in a corresponding domain name.

5.6. Petitioner admitted that he has no connection whatsoever with India and has adopted the '.in' domain merely because India is growing quickly. Petitioner's own admissions, as placed on record by Sazerac, show that Petitioner chooses domain names that are similar to already existing products and/ or services to misdirect consumers and the public to his own parked pages. His practice of buying '.in' domain names in bulk appears to be a business model to augment and garner profits with little or no regard for the trade mark rights of legitimate intellectual property right holders.

PETITIONER'S GROUNDS OF CHALLENGE

6. Mr. Rohit Rattu, counsel for the Petitioner submits as follows:

6.1. The Arbitrator failed to appreciate the fact that word 'fireball' is a generic term – meaning a large, bright meteor that is visible in the sky and is a natural phenomenon. The arbitrator also failed to acknowledge that the Petitioner is fond of astronomy and has been following the happenings in the

sky as a hobby since his university days; he has also been mesmerised by the fireball made by a meteor which is regular in the Canadian sky and occurs many times in a year; such information is publicly available at the website ‘fireball.amsmeteors.org.’

6.2. The Arbitrator has failed to appreciate that as long as the domain name is registered by the Plaintiff owing to his attraction to ‘fireballs’, in its dictionary meaning as a generic words, and not because of its value as a trademark, the same should be upheld as legitimate interests, and lacks the requisite for a ‘bad faith’ registration, as held in *General Machine Products Co. Inc. v. Prime Domains*.¹ Further, in *Fresenius Kabi B.A. v. Domain Manager, EWEB Development, Inc.*,² the Petitioner therein had provided evidence of other ‘nutri-’ related domain names that it had registered in the same year as the disputed domain name, or in the preceding two years. Similarly, in the INDRP matter of *Global Car Group Pte Ltd. and Cars24 Services Pvt Ltd v. Vienna Solutions Pvt. Ltd.*,³ the petitioner therein showed that he also owned *Fly24.in*, *Parties24.in*, *Mobile24.in*, *City24.in*, *Estates24.in*, *Properties24.in* and *Naukri24.in*, and thus, holding similar domain names was seen to be evidence of interest in generic domain names and has no intention to target any brand’s trademark. In the present case, too, this is evident from the fact that Petitioner holds other generic domain names, starting with ‘fire-’ such as *fireprotection.in* (18th July, 2014), *firewood.in* (19th February, 2015), *fireresistantclothing.in* (8th September, 2016), *firesafe.in* (25th May, 2017), *firewall.co.in* (7th October, 2018), *firestarter.in* (3rd February, 2020).

¹ [FA 92531] National Arbitration Forum, January 26, 2000.

² D2018-0491 (WIPO).

³ INDRP/916.

6.3. The Arbitrator failed to appreciate that domain name investment is a legitimate business, as discussed by INDRP in the matter of *Tickets Worldwide LLP v. India Portals*.⁴ In *Aurelon B.V. v. Abdul Basit Makrani*,⁵ wherein it was held that speculating in domain names is a lawful business model, regardless of whether the domain names correspond to other marks, as long as it is established that either: (i) respondents have rights or legitimate interests in the domain name; or (ii) complainants are unable to prove ‘bad faith’ registration and use. A similar position has been adopted under other Country Code Top-Level Domains [‘ccTLD’s’] as well. The same is also laid down in Nominet’s UK Domain Dispute Resolution Service (‘DRS’) Policy for UK domain names, under Rule 8.4. which states that, *‘Trading in domain names for profit, and holding a large portfolio of domain names, are of themselves lawful activities.’*

6.4. The Arbitrator wrongly held that parking the domain name for sale constitutes dishonest conduct, in ‘bad faith’ and cannot be held to have any intention to host an Alumni website. The Arbitrator failed to appreciate various domain dispute precedents in respect of sale of domain names submitted by the Petitioner before it, namely, *‘printfactory.com’*,⁶ *‘digel.om’*,⁷ *‘tickets.in’*,⁸ *et al.* It was very clearly submitted by the Petitioner that the impugned domain name was registered with the plans for ‘Fireball’ Alumni website. This was always in the back of his mind but plans were finalized only in early 2020, and proof of the website under development was also made available along with evidence as to change in name servers,

⁴ INDRP/ 1187, the ‘tickets.in’ matter.

⁵ D-2017-1679 (WIPO), the ‘printfactory.com’ matter.

⁶ D2017-1679 (WIPO).

⁷ D2018-1328 (WIPO).

⁸ INDRP/ 1187.

which could not be set up instantly. However, the Arbitrator seems to have jumped to conclusions.

ANALYSIS AND FINDINGS OF THE COURT

7. The Court has considered the contentions of both parties. It is undisputed that Petitioner registered the impugned domain name in 2018. On the other hand, Sazerac's predecessor has been using the 'FIREBALL' mark since 1989 in the United States of America – the rights of which were then transferred to Sazerac in 2000. Since then, Sazerac has been selling cinnamon whisky under the mark 'FIREBALL' throughout the world. Respondent No. 1 also has a registered trademark 'FIREBALL' in India.

8. INDRP has been adopted by NIXI, incorporated by reference to the Registry Accreditation Agreement, and sets forth the terms and conditions which shall govern any or all disputes in connection with .IN or .Bharat (Available in all Indian Languages) domain name. The dispute before the Arbitrator was not regarding trademark infringement but whether impugned domain name conflicted with Sazerac's legitimate rights or interest under Paragraph 4 of the same, which is reproduced below:

“4. Class of Disputes

Any Person who considers that a registered domain name conflicts with his/her legitimate rights or interests may file a Complaint to the .IN Registry on the following premises:

- (a) the Registrant's domain name is identical and/or confusingly similar to a Name, Trademark or Service Mark etc. in which the Complainant has rights; and*
- (b) the Registrant has no rights or legitimate interests in respect of the domain name; and*
- (c) the Registrant's domain name has been registered or is being used either in bad faith or for illegal/unlawful purpose.”*

9. Thus, the scope of arbitration related to determination of the aforementioned aspects. On the aspect of domain name being in conflict with the

Registered trademark of Sazerac, the Arbitrator has rightly held that Sazerac has registered the trade mark 'FIREBALL' in India, dating back to the year 2013, as well as internationally dating back to the year 1997 in Canada, and is continuously doing/operating business thereunder. He also holds that Petitioner on the other hand registered the impugned domain name much later on July 03, 2018. The impugned domain name incorporates the trademark of Sazerac entirely, and thus, there cannot be any doubt that the impugned domain name is identical and confusing similar to the Sazerac's prior registered trade mark 'FIREBALL'.

10. Nevertheless, as discussed earlier, the dispute before the Arbitrator was to be examined as per INDRP, in terms whereof, the domain name is certainly in conflict with the registered trademark of Sazerac, and the findings of the arbitrator call for no interference.

11. The Arbitrator has considered registrant's rights and legitimate interests in the impugned domain name by referring to paragraph 6 of the INDRP.⁹ On this issue, the Arbitrator noted that Petitioner has not commenced use of the domain name even two years after having registered it. There is no evidence on record to suggest that the disputed domain name is being used by Petitioner in the course of its trade or business, or even that

⁹ **"6. Registrant's Rights and Legitimate Interests in the Domain Name -**

Any of the following circumstances, in particular but without limitation, if found by the Arbitrator to be proved based on its evaluation of all evidences presented before him, shall demonstrate the Registrant's rights to or legitimate interests in the domain name for the purposes of Clause 4(b):

(a) before any notice to the Registrant of the dispute, the Registrant'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;

(b) the Registrant (as an individual, business, or other organization) has been commonly known by the domain name, even if the Registrant has acquired no Trademark or Service Mark rights; or

(c) the Registrant is making a legitimate non-commercial or fair use of the domain name, without the intention of commercial gain by misleadingly or diverting consumers or to tarnish the Trademark or Service Mark at issue."

Petitioner has undertaken demonstrable preparations for the same. The Petitioner has merely averred that he registered the disputed domain name to build an alumni website, yet has failed to demonstrate any tangible preparation for use of the impugned domain name. Regarding Petitioner's assertion/ claim on the slogan 'Fireball Family', the Arbitrator rights observes that the same cannot be proprietary to the McMaster Faculty of Engineering and that Petitioner cannot claim any personal interest therein. In these circumstances, in absence of evidence, the Arbitrator did not find any right or legitimate interest of the Petitioner in respect of the impugned domain name. Furthermore, since the domain name was not in use, the Arbitrator aptly concluded that there cannot be any connection with a *bona fide* offering of goods or services.

12. Lastly, the Arbitrator examined the issue of 'bad faith' and relied upon paragraph 4 of INDRP. On this issue, on the basis of material on record, the Arbitrator took into account the Petitioner's statement that he is one of the largest holders of .IN domain names in the world, cumulatively owning around 7500 .IN domain names, out of which around 900 pertain to three-lettered .IN domain names; around 450 pertain to '.CO.IN' domain names; around 180 pertain to three-numbered .IN domain names and around 300 pertain to four numbered .IN domain names. Keeping this in mind, Arbitrator returned a finding of fact that Petitioner has indulged in a carefully thought-out practice of selectively registering domain names to maximise its business and views. That apart, no connection with India is found, except for the contention that India is gigantic and is growing quickly. The Arbitrator also analysed the legitimacy of Petitioner's plea of the alleged connection with 'Fireball Family' alumni, and finds it strange

that Petitioner did not register domains such as ‘*fireballfamily.com*’, or ‘*fireballalumni.com*’, etc., but chose to register the impugned domain name. Interestingly the Arbitrator finds the intention to use the domain name to be mis-founded, bearing in mind that soon after registration of the impugned domain name, the same was available for sale to third parties. For this reason, the Arbitrator correctly held that the offer to sell the impugned domain name for sale establishes dishonest conduct and bad faith and clearly demonstrates that the Petitioner never intended to make any *bona fide* use of the disputed domain name for any legitimate business interest, let alone an alumni website. Therefore, the inference is obvious – the domain name was registered with the aim to prevent the legitimate owner of its trademark from utilizing a corresponding domain name. The reasons stated by the Petitioner for registering the impugned domain name, though highly creative and ingenious, fail to impress. The findings of the Arbitrator discussed above are based on material produced and evidence placed before him. No ground for interference is made out.

13. Lastly, Petitioner’s claim that ‘*fireball*’ is a generic term and cannot be exclusively attributed to anyone – including Sazerac – is highly improbable and unimpressive. The word ‘fireball’ is merely a portmanteau of the words ‘fire’ and ‘ball’, and has been defined by the popular dictionaries of the day such as Collins and Cambridge, as merely a “ball of fire”. Merriam-Webster gives it a secondary meaning of a meteor. Thus, the use of ‘*fireball*’ in the context of alcoholic beverages, as is being done by Sazerac, is quite arbitrary, and thus, capable of acquiring distinctiveness in order to distinguish the goods or services of one brand from another. In numerous cases, the courts have acknowledged that

descriptive words or common words of a language, when used in reference to a different class of goods, can be registered as a trademark. In any event the mark 'Fireball' is presently registered in India for alcoholic spirits, and there exists a very strong presumption in law as to the validity of the registration of the trade mark in favour of Sazerac.

14. For such reasons, the court does not find any ground to interfere with the Arbitrator's findings. Dismissed. The pending applications also stand disposed of.

OCTOBER 27, 2021

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(corrected and released on 27th November, 2021)

SANJEEV NARULA, J

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