

**CANADIAN INTERNET REGISTRATION AUTHORITY  
DOMAIN NAME DISPUTE RESOLUTION POLICY  
COMPLAINT**

Dispute Number: DCA - 1929 - CIRA  
Domain Names: paylessshoes.ca  
Complainant: Payless ShoeSource Worldwide, Inc.  
Registrant: Dan Cox  
Arbitrator: Melvyn J. Simburg  
Service Provider: British Columbia International Commercial  
Arbitration Centre

**DECISION**

**The Parties**

1. Complainant is Payless ShoeSource Worldwide, Inc., whose principal office is located at 3231 SE Sixth Avenue, Topeka, Kansas 66607, U.S.A. (Complainant).
2. The Registrant is Dan Cox, 310 Royal Elm Road, Calgary, Alberta T3G 5M2, Canada (the Registrant).

**The Disputed Domain Name and Registrar**

3. The Domain Name at issue is paylessshoes.ca (the Disputed Domain Name).
4. The Registrar of record for the Disputed Domain Name is Namespro Solutions, Inc.
5. The Disputed Domain Name was registered on April 2, 2008.

**Procedural History**

6. The British Columbia International Commercial Arbitration Centre, (BCICAC) is a recognized service provider to the Domain Name Dispute Resolution Policy, (the Policy) and the Rules, (the Rules) of the Canadian Internet Registration Authority, (CIRA).
7. Complainant filed a complaint on November 3, 2017, (the Complaint) with the BCICAC seeking an order in accordance with the Policy and the Rules that the Disputed Domain Name be transferred to Complainant.

8. BCICAC confirmed the Complaint to be in administrative compliance with the Rules and forwarded copy of the Complaint to the Registrant in accordance with the Rules to [websol9@hotmail.com](mailto:websol9@hotmail.com).

9. Delivery was confirmed, but the Registrant did not provide a response within the timeframe required by the Rules, namely November 28, 2017. BCICAC sent a second notice to the Registrant. Again delivery was confirmed, but the Registrant did not provide a response.

10. Complainant elected to convert to a single arbitrator as permitted by Rule 6.5 and the BCICAC named Melvyn J. Simburg to act as the Arbitrator to determine the matter.

11. On November 8, 2017, the undersigned signed an Acceptance of Appointment as Arbitrator and Statement of Independence and Impartiality.

12. As there was no Response to the Complaint, the Arbitrator shall, in accordance with Rule 5.8, decide the Proceeding on the basis of the Complaint and the facts set out below are taken from the Complaint and related documents.

### **Canadian Presence Requirements**

13. In order for Complainant to be permitted to apply for registration of, and to hold and maintain the registration of a dot- ca domain name, the Canadian Presence Requirements for Registrants, (the Presence Requirements) require that the applicant meet at least one of the criteria listed as establishing a Canadian presence.

14. Complainant is the owner of the trade-mark PAYLESS SHOES & ACCESSORIES (the "Trade-mark"), registered in the Canadian Intellectual Property Office ("CIPO") under registration number TMA 473,088, as well as PAYLESS (Reg. No. TMA 485,373) and PAYLESS SHOESOURCE (Reg. No. TMA 485,137) (collectively, the "Registrations" or "Complainant's Marks"). Additionally, Complainant is the owner of several other trade-mark registrations in Canada for marks that include or incorporate the element PAYLESS and are registered for use in association with shoes, or the retail sale of shoes.

15. The Complaint relates to a Disputed Domain Name, which includes the whole of exact word components that comprise the dominant parts of Complainant's Marks registered in CIPO, and which Complainant asserts is confusingly similar to the Marks owned by Complainant.

16. Accordingly, Complainant is an Eligible Complainant under paragraph 1.4 of the Policy and the Presence Requirements are satisfied.

## The Position of the Parties

### The Position of Complainant

17. Complainant is a leading retailer of footwear and related accessories. Complainant traces its roots to a company founded in 1956 in Topeka, Kansas, by two cousins who sold shoes in a self-service environment. In 1997, the first PAYLESS SHOESOURCE retail location opened in Canada. There are currently over 200 PAYLESS SHOESOURCE retail locations in Canada, in all ten provinces. Outside of Canada, the Complainant has a network of over 3000 stores in over 30 countries.

18. PAYLESS SHOESOURCE stores in Canada are located in a variety of settings, from urban to rural, including regional malls, shopping centers, central business districts, and free-standing buildings. The footwear sold in PAYLESS SHOESOURCE stores in Canada includes all kinds of footwear, including men's, women's and children's shoes, hosiery, and related personal accessories.

19. The trade-marks PAYLESS and PAYLESS SHOESOURCE are displayed on exterior store signage for all PAYLESS SHOESOURCE retail stores in Canada. Those trade-marks are also displayed on receipts provided to customers when a purchase is made, as well as on bags used by customers to carry their purchases out of the store.

20. Below is a chart that sets out the approximate annual Canadian sales for footwear and related accessories in Canadian PAYLESS SHOESOURCE retail stores between 2008 and 2012 for products sold in association with its' PAYLESS-family of trade-marks. All monetary amounts are in Canadian dollars. The figures are approximate but, in all cases are less than the actual figures.

<u>Year</u>	<u>Total Sales</u>
2008	\$180,000,000.00
2009	\$180,000,000.00
2010	\$180,000,000.00
2011	\$180,000,000.00
2012 (January 1 to July 28)	\$85,000,000.00

The foregoing sales figures represent in excess of twenty-five million (25,000,000) pairs of footwear sold in the aggregate in Canada in association with the trade-marks owned by the Complainant since 2008. By way of example, in each of 2010 and 2011 Complainant sold in excess of six million (6,000,000) units of footwear in Canada, and has sold in excess of three million (3,000,000) units of footwear in Canada to July 28, 2012.

21. In order to maintain the value and distinctiveness of its brand, Complainant devotes significant resources to protect its valuable reputation offline and online

and its trademark rights and goodwill by making significant investments over the years to advertise, promote and protect Complainant's Marks through various forms of media, including the Internet. Complainant is also the owner of the domain name <payless.com>. Internet users from Canada are directed to a Canada-specific website associated with the domain name <canada.payless.com> (the "Payless Canada Site"). The Payless Canada Site provides information about sales and special offers available at PAYLESS SHOESOURCE retail stores in Canada. As well, the Payless Canada Site provides Internet users with information about the location of PAYLESS SHOESOURCE retail stores, customer services, and PAYLESS REWARDS, the Complainant's loyalty program.

22. Complainant is also active on social media and has accounts on Facebook, Twitter, and Instagram, among others. Complainant spends between five and eight million dollars per year in marketing in Canada. In summary, Complainant's brand is well-recognized by Canadian consumers and has a valuable and effective reputation among Complainant's intended market.

23. Complainant submits that the Disputed Domain Name registered on April 2, 2008 is confusingly similar to Complainant's Marks in which Complainant had rights prior to the registration of the Disputed Domain Name and continues to have such rights, and further that the Registrant has no legitimate interest in the Disputed Domain Name and that the Disputed Domain Name was registered in bad faith in accordance with paragraph 3.5 of the Policy.

24. Complainant submits that Registrant registered the Domain Name on April 2, 2008 and thereafter began to operate a corresponding website under the Domain Name. To the knowledge of the Complainant, the Domain Name has always resolved to a "parked" website that displays a number of advertisements and hyperlinks under the heading "Related Links." The hyperlinks on Registrant's Website link to various websites, including to third party providers of credit card services and related products as well as. These third party providers are not affiliated with Complainant. Accordingly, Complainant requests that the Disputed Domain Name be transferred to Complainant.

### **The Position of the Registrant**

25. The Registrant did not file a Response.

### **Analysis and Findings**

26. The purpose of the Policy as stated in paragraph 1.1 is to provide a forum by which cases of bad faith registration of dot-ca domain names can be dealt with relatively inexpensively and quickly. The Policy does not apply to other types of differences between owners of trade-marks and Registrants of Domain names.

*Relevant provisions of the Policy are provided below*

27. Paragraph 4.1 of the Policy provides:

4.1 **Onus.** To succeed in a Proceeding, Complainant must prove, on a balance of probabilities, that:

(a) the Registrant's dot-ca domain name is Confusingly Similar to a Mark in which Complainant had rights prior to the date of registration of the domain name and continues to have such rights; and

(b) the Registrant has registered the domain name in bad faith as described in paragraph 3.5; and Complainant must provide some evidence that:

(c) the Registrant has no legitimate interest in the domain name as described in paragraph 3.4.

Even if Complainant proves (a) and (b) and provides some evidence of (c), the Registrant will succeed in the Proceeding if the Registrant proves, on a balance of probabilities, that the Registrant has a legitimate interest in the domain name as described in paragraph 3.4 of the Policy.

28. Paragraph 3.2 of the Policy provides in part:

**3.2 Mark. A "Mark" is**

(a) a trade-mark, including the word elements of a design mark, or a tradename that has been used in Canada by a person, or the person's predecessor in title, for the purpose of distinguishing the wares, services or business of that person or predecessor or a licensor of that person or predecessor from the wares, services or business of another person;

(b) a certification mark, including the word elements of a design mark that has been used in Canada by a person or that person's predecessor in title, for the purpose of distinguishing the wares or services that are of a defined standard;

(c) a trade-mark, including the word elements of a design mark, that is registered in CIPO; or

(d) the alphanumeric and punctuation elements of any badge, crest, emblem or mark in respect of which the Registrar of Trade-marks has given public notice of adoption and use pursuant to paragraph 9(1)(n) of the *Trade-marks Act* (Canada).

29. Paragraph 3.3 provides:

**3.3 Confusingly Similar:** In determining whether a domain name is "Confusingly Similar" to a Mark, the Arbitrator shall only consider whether the domain name so nearly resembles the Mark in appearance, sound or the ideas suggested by the Mark as to be likely to be mistaken for the Mark. In assessing whether a domain name is "Confusingly Similar," the Panel shall consider only the appearance, sound, or idea suggested and not have regard to other factors. According to paragraph 1.2 of the Policy, the presence of the

country code top-level domain “.CA” does not alleviate the potential confusion between a trademark and domain name. The addition lacks distinctiveness and is not sufficient to give the Domain Name an individual meaning.

30. Paragraph 3.4 provides:

**3.4 Legitimate Interest:** For the purposes of paragraphs 3.1(b) and 4.1(c), any of the following circumstances, in particular but without limitation, if found by the Arbitrator to be proved based on its evaluation of all the evidence presented, shall demonstrate that the Registrant has a legitimate interest in the domain name:

(a) the domain name was a Mark, the Registrant used the Mark in good faith and the Registrant had Rights in the Mark;

(b) the Registrant registered the domain name in Canada in good faith in association with wares, services or business and the domain name was clearly descriptive in Canada in the English or French language of: (i) the character or quality of the wares, services or business; (ii) the conditions of, or the persons employed in, production of the wares, performance of the services or operation of the business; or (iii) the place of origin of the wares, services or business;

(c) the Registrant registered the domain name in Canada in good faith in association with any wares, services or business and the domain name was understood in Canada to be the generic name thereof in any language;

(d) the Registrant used the domain name in Canada in good faith in association with a non-commercial activity including, without limitation, criticism, review or news reporting;

(e) the domain name comprised the legal name of the Registrant or was a name, surname or other reference by which the Registrant was commonly identified; or

(f) the domain name was the geographical name of the location of the Registrant’s non-commercial activity or place of business.

In paragraph 3.4(d) “use” by the Registrant includes, but is not limited to, use to identify a website.

31. Paragraph 3.5 provides:

**3.5 Registration in Bad Faith.** For the purposes of paragraph 3.1(c) and 4.1(b), any of the following circumstances, in particular but without limitation, if found by the Arbitrator to be present, shall be evidence that a Registrant has registered a domain name in bad faith:

(a) the Registrant registered the domain name, or acquired the Registration, primarily for the purpose of selling, renting, licensing or otherwise transferring the Registration to Complainant, or Complainant’s licensor or licensee of the Mark, or to a competitor of Complainant, or the licensor or licensee for valuable consideration in excess of the Registrant’s actual costs in registering the domain name or acquiring the Registration;

(b) the Registrant registered the domain name or acquired the Registration in order to prevent Complainant, or Complainant’s licensor or

licensee of the Mark, from registering the Mark as a domain name, provided that the Registrant, alone in concert with one or more additional persons has engaged in a pattern of registering domain names in order to prevent persons who have Rights in Marks from registering the Marks as domain names;

(c) the Registrant registered the domain name or acquired the Registration primarily for the purpose of disrupting the business of Complainant, or Complainant's licensor or licensee of the Mark, who is a competitor of the Registrant; or

(d) the Registrant has intentionally attempted to attract, for commercial gain, internet users to the Registrant's website or other location, by creating a likelihood of confusion with Complainant's Mark as to the source, sponsorship, affiliation, or endorsement of the Registrant's website or location or of a product or service on the Registrant's website or location.

32. In summary, to succeed in a proceeding, Complainant must prove on a balance of probabilities that:

1. The dot-ca domain name is confusingly similar to a Mark in which Complainant had Rights prior to the registration of the Disputed Domain Name and continues to have such Rights;
2. The Registrant has registered the Disputed Domain Name in bad faith; and
3. Complainant must provide some evidence that the Registrant has no legitimate interest in the Disputed Domain Name.
4. Notwithstanding the evidence presented that the Registrant has no legitimate interest in the Disputed Domain Name, the Registrant will succeed if the Registrant proves on a balance of probabilities that he has a legitimate interest in the Disputed Domain Name.

### *Confusingly Similar to a Mark*

33. Evidence shows that Complainant is the owner of Complainant's Marks, and Complainant's Marks were registered in CIPO as Nos TMA485137, TMA485373, and TMA473088, well before the Disputed Domain Name.

34. In accordance with paragraph 3.3 of the Policy, a domain name is confusingly similar to a Mark if the domain name so nearly resembles the Mark in appearance, sound or the ideas suggested by the Mark as to be likely mistaken for the Mark. In assessing the domain name, the dot-ca suffix is ignored. It is the narrow resemblance that is applied.

35. The Disputed Domain Name incorporates by combination the entire words of the dominant features of Complainant's Marks.

36. In the case of *Great Pacific Industries v. Ghalib Dhala*, 00009 (CIRA Apr. 21, 2003), the Panel stated that the test of confusing similarity is whether the average Internet user, with an imperfect recollection of the Mark who wishes to access a website operated by Complainant, either by entering a domain name including the

Mark into the address bar of an Internet browser or by entering the key terms of the domain name into an Internet search engine, would likely be confused as a matter of first impression.

37. Complainant contends that Internet users who wish to access a website operated by the Complainant, either by entering a domain name including the Trade-mark into the address bar of the Internet browser, or by entering the key term of the Domain Name into an Internet search engine, would likely be confused, and misled, by the Domain Name as a matter of first impression.

38. The Arbitrator agrees with the conclusions above and with Complainant's contention that the likelihood of confusion stems from Respondent's misappropriation of Complainant's Marks in their dominant parts, which drives an obvious association of the Disputed Domain Name with Complainant and its Marks. Thus there is a considerable risk that the public will perceive the Disputed Domain Name as associated with Complainant. Internet users seeing the Disputed Domain Name, even without being aware of the content, are likely to think that the Disputed Domain Name is in some way connected to Complainant, creating an "initial interest confusion."

39. Accordingly for the reasons stated above, the Disputed Domain Name is confusingly similar to Complainant's Mark.

***Rights in the Mark prior to the Disputed Domain Name registration and continuing Rights***

40. The Disputed Domain Name was registered on April 2, 2008.

41. Complainant's Marks were registered in Canada in CIPO on October 31, 1997 for PAYLESS SHOE SOURCE (TMA 485,137), November 6, 1997 for PAYLESS (TMA 485,373), and March 19, 1997 for PAYLESS SHOES & ACCESSORIES (TMA 473,088).

42. The Arbitrator is satisfied that Complainant's Marks were registered well before the registration of the Disputed Domain Name and accordingly had Rights in Complainant's Marks well before the registration of the Disputed Domain Name and as the evidence shows that Complainant's rights are active, Complainant continues to have such Rights.

***Was the Disputed Domain Name registered in bad faith?***

43. Complainant relies on paragraph (d) of 3.5 of the Policy in support of bad faith registration of the Disputed Domain Name by the Registrant. The Arbitrator notes that the Policy provides that "if any of the circumstances, in particular but without limitation, if found by the Arbitrator to be present, shall be evidence that a Registrant has registered a domain name in bad faith."



44. Complainant submits that Registrant selected the Domain Name to increase its chances of traffic to its website through confusion with Complainant's trade-mark. Without any legitimate business purpose and activity, it would appear that the Registrant's primary interest in the Domain Name was for the financial benefits potentially gained in using a mark, namely the Trade-mark, that has already acquired significant goodwill in Canada (and elsewhere). Complainant submits that the Domain Name was registered and used to mislead Internet users into believing that Registrant's business associated with the Domain Name is a business of the Complainant, or is at least endorsed, sponsored or approved by Complainant, which is not the case. Therefore, the Domain Name was not registered in good faith.

45. Further, Complainant submits that based on Complainant's publicly well-known brand and reputation in Canada and the online presence of Complainant's Marks, the Registrant could not plausibly assert that Complainant's Marks were unknown to the Registrant when the Registrant registered the Disputed Domain Name.

46. Evidence shows that at the time of registration of the Disputed Domain Name, the Respondent knew, or should have known, of the existence of the Complainant's Marks.

47. Complainant further submits that the Disputed Domain Name is not being used in association with a non-commercial activity, but rather that it is used in connection with a website for which the only purpose is to advertise goods and services of others and generate revenue as a result. Complainant submits that the Registrant has used and registered the Domain Name in bad faith, because it registered the Domain Name to exploit the goodwill of, and cause confusion with, the Trade-mark, and to disrupt the business of the Complainant. Registrant's use of the Complainant's Mark in the Domain Name to attract users to Registrant's website through consumer confusion with the Trade-mark, thereby creating traffic to Registrant's own website and obtaining advertising revenue from third parties, is evidence of bad faith use and registration.

48. Evidence further shows that the Registrant has failed to respond to Complainant's cease and desist letters. A Respondent's failure to respond to cease and desist letters may properly be considered a factor and strong support for finding bad faith registration and use of a domain name.

49. Based on all the circumstances demonstrated in the material and all the evidence provided by Complainant, the Arbitrator is satisfied that Complainant has proven bad faith registration of the Disputed Domain Name as required by the Policy.

### *Legitimate Interest of the Registrant*

50. Paragraph 3.4 of the Policy sets out a non-exhaustive list of criteria upon which the Arbitrator may find, based on all the evidence, that the Registrant has a legitimate interest in the Disputed Domain Name. Paragraph 4.1 of the Policy places the onus on Complainant to provide “some evidence” that the Registrant did not have a legitimate interest in the Disputed Domain Name. Although “some evidence” is not defined, it imposes, in the Arbitrator’s view, a lower threshold than on a balance of probabilities. The onus on Complainant is to provide “some evidence” of a negative.

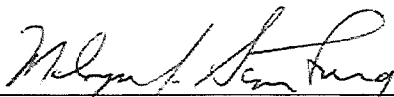
51. Complainant has provided evidence in respect of the non-exhaustive list contained in paragraph 3.4 of the Policy that the Registrant has no legitimate interest in the Disputed Domain Name and in fact that the Registrant’s interest was for an improper use. Registrant did not provide a Response and accordingly Complainant’s evidence is not refuted.

52. Based on the evidence provided, which has not been refuted by Registrant, the Arbitrator is satisfied that the Registrant has no legitimate interest in the Disputed Domain Name.

### **Decision**

53. For the reasons set out herein, the Arbitrator decides in favor of Complainant and orders the transfer forthwith of the Disputed Domain Name to Complainant.

Dated December 19, 2017



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Melvyn J. Simburg, Arbitrator