

**IN THE MATTER OF A COMPLAINT PURSUANT
TO THE CANADIAN INTERNET REGISTRATION AUTHORITY (“CIRA”)
DOMAIN NAME DISPUTE RESOLUTION POLICY (“the POLICY”)**

Dispute Number: DCA-1919-CIRA
Complainant: Rheem Manufacturing Company
Registrant: Marc_
Disputed Domain Names: rheem.ca
Registrar: eNom Canada Corp.
Arbitrator: Mr. Claude Freeman
Service Provider: British Columbia International Commercial Arbitration Centre (the “BCICAC”)

BCICAC FILE NUMBER: DCA-1919-CIRA

On October 18, 2017, the Complainant filed a complaint via electronic transmission against the Registrant, with the BCICAC, seeking that the Registrant’s registration of <rheem.ca> be transferred to the Complainant.

In a letter dated October 19, 2017, the BCICAC confirmed that the Complainant was found to be in administrative compliance with the Policy and Rules. In accordance with the provisions of Rule 4.3, the BCICAC, as dispute resolution service provider, so advised the parties and forwarded a copy of the complaint to the Registrant via electronic transmission for their response. Given that the Complaint and related attachments were filed exclusively online, the BCICAC delivered the Complaint to the Registrant only via email. The Registrant has provided no response whatsoever to the BCICAC, with respect to the Registrant’s to the issue of the Registrant’s legitimate interest (or lack thereof) in the disputed domain name as permitted by section 11.1 of the CIRA Domain Name Dispute Resolution Rules Version 1.4 (August 22, 2011).

Accordingly, in the absence of a response by the Registrant, the Registrant is not in administrative compliance in the following areas:

- 1) failure to nominate candidates from the providers list – per paragraph 5.2(c) of CDRP rules;
- 2) failure to provide a summary of and references to the relevant Canadian Law – per paragraph 5.2(f) of CDRP rules;
- 3) failure to provide a summary of and references to prior CIRA decisions that would be persuasive, and which apply to domain names registered under any other top-level domain – per paragraph 5.2(g) of CDRP rules; and
- 4) failure to conclude with the certification of the Registrant in form set out in Appendix “B”, followed by the signature of the Registrant or its authorized representative – per paragraph 5.2 (j) of CDRP rules.

As provided for by paragraph 5.6 of CDRP rules, the Registrant is permitted 10 days notice in order to remedy all instances of non-compliance.

As permitted under Rule 6.5, the Complainant elected to convert from a panel of three arbitrators to a single arbitrator, to render a decision in this matter. On November 15th, 2017, the BCICAC provided the appointment of the herein arbitration to the sole arbitrator, who accepted same on November 15, 2017.

Background/Facts

The Complainant (RHEEM MANUFACTURING COMPANY – hereafter “Rheem”), traces its’ history back to 1925, when two brothers founded the company in Emeryville, California. Today, it is headquartered in Atlanta, Georgia, and is reportedly the largest manufacturer of residential and commercial water heating, cooling, pool/spa heating and refrigeration products in North America. The Complainant produces and markets its products in a number of markets across the world (with a reported presence in 14 countries), including Canada. The first Canadian Rheem Manufacturing Company office opened in Hamilton, Ontario in 1947. The Complainant is the owner of the trade-mark RHEEM registered in the Canadian Intellectual Property Office (“CIPO”) under registration number TMA 425,391 and RHEEM (Reg. No. UCA 31,810), collectively the “Registrations”, and whose dates of first use claimed in Canada date back to 1993 and 1939 respectively. The Rheem trade-mark is prominently displayed on all of their products sold in Canada, including on HVAC systems, water heaters and pool heaters. The Rheem trade-mark is also displayed on their print advertising, press releases, website, newsletters, trade show advertising paraphernalia, billboards, and other forms of advertising and merchandising materials. The Complainant reports HVAC sales to date in 2017 of approximately \$50,000,000, and aggregate HVAC sales in Canada since 2011, in excess of \$150,000,000 (all in Canadian dollars).

The Complainant is the owner of the domain name <rheem.com>, from which internet users in Canada are able to view <rheem.com> or a Canadian specific website at <canada.rheem.com>. The Rheem Canada Site provides information about Rheem products available in Canada, such as Canadian tax energy savings credits, product, installation, and warranty information relating to both residential and commercial products. The Complainant also issues frequent press releases with regard to their products, and has been featured on television renovation shows such as *Love it or List it*, and *Mike Holmes*.

The Complainant is also active on social media such as Facebook, Twitter, LinkedIn, Instagram, among others.

The Registrant registered the Domain Name on April 5, 2017, and thereafter began operating a corresponding website under the Domain Name. To the knowledge of the Complainant, the Domain Name has always redirected users to the domain <chauffeeuengros.com>, which appears to be the homepage for “Chauffe-Eau en Gros”, a Quebec-based wholesaler of hot water heater and related products, including, but not limited to, the Complainant’s products.

The Complainant submits not being affiliated with “Chauffe-Eau en Gros”, who provides goods which compete with those of the Complainant.

The Complainant has made significant investments over the years to advertise and promote the Complainant’s Marks through various forms of media, including the internet.

A Canadian Intellectual Property Office (CIPO) listing provided confirms that the Complainant’s Trade-mark is the subject of three (3) Canadian Registrations, each of which pre-dates the date of the registration of the Domain Name. The Complainant has regularly updated their trade-mark

registration information such that they continue to properly safeguard their brand/logo trademark. None of the registrations have been abandoned, cancelled or revoked.

Similar trade-mark filings in the United States have been made and updated, and maintained for many decades as well.

The Complainant has done what is prudently and legally necessary to register and protect their brand in the jurisdictions in which they operate – as not do so, would be tantamount to corporate suicide with regard to brand identification and marketability, and corporate survival.

The Complainant submits the prior, long, and dated history of trademark registrations not only in Canada but in the United States, and that its' trademark registrations pre-date any registration by the Registrant. The Complainant submits that their Trade-mark is a Mark as defined in paragraph 3.2(c) of the Policy, and it has been used in Canada for the purpose of distinguishing its Products from the goods, services or business from that of others for a long period of time which far pre-dates the date of registration of the Domain Name. They add further that this unto itself is sufficient to establish "rights" within the meaning of the Policy.

Accordingly, and based on their submissions, the Complainant submits that the registration and use of the domain name falls squarely within the scope of the Policy, and that paragraph 3.1 of the Policy, provides the Jurisdiction requiring the Registrant to submit to a proceeding, covering the tests that the domain name is: a) confusingly similar, b) that the Complainant has a legitimate interest, and c) that the domain name was registered in bad faith.

The submission is made by the Complainant that the Registrant is currently using the Disputed Domain Name to resolve to a site which is in apparent, commercial use, where the Respondent is presumably profiting from the sales of products competing with the Complainant.

Past panels and arbitrators have held that there does not have to be any positive act on the part of the Respondent in order to not be held in "bad faith". The simple act of diverting web traffic to another site that would legitimately belong to another domain owner can be construed as simple hi-jacking of that legitimate trade-mark/domain.

The submissions provided by the Complainant therefore allege that the Registrant is not only in violation of its trademark but is also using this violation in bad faith against the Complainant with its products/services.

As mentioned earlier, the Complainant has submitted copies of their prior trade-mark registrations, all in support of their position on prior registration authority. One can also draw a conclusion (or very rational assumption), that a certain amount or percentage of the Complainant's sales income has been devoted (invested) to advertising, promotional and other business development enhancements of their corporate image, and that these financial resources have been carefully measured so as to maximize their return on investment for their advertising and public relations activities (including, but not limited to their website image). These advertising investments are a direct part of the Complainant's corporate growth strategy. Sites/domain names blatantly infringing on or closely navigating near or to, previously and properly registered, highly visible and well-known domain names, trade-marks (which are clearly owned by those with a demonstrated, and prior, legitimate interest) do not enhance the credibility (for all the tests of legitimate interest/confusingly similar and bad faith) of those Registrants who feel they have some right or licence to freely infringe or compete at will.

Attempt(s) by the service provider to notify the Registrant the Complaint was leading/proceeding to arbitration, were met with no response whatsoever.

The Complainant submits that the use of ("rheem.ca") is, and can only be attributed to the Complainant, by virtue of its trade name, trade-mark, and other history attesting to its use, related strictly to its corporate name, and services. Further, anything to the contrary defies the rational, reasoning and legal basis for filing for trade-marks and trade names in the first place. Anything else would, and will be confusing and distracting – with the results being that internet users, and existing/potential customers, will or could be confused with this having a damaging effect to the public image of the Complainant.

In short, the Complainant submits that the disputed domain name is:

- 1) Confusingly similar
- 2) Registrant has no right or legitimate interest in the domain name, and
- 3) The domain name was registered and used in bad faith.

Reasons

As noted earlier, the Registrant was not only found administratively non-compliant, but has not put forth submissions of any kind to be reviewed in any detail. Accordingly, as per paragraph 4.1 of the CDRP policy, the onus is on the Complainant to prove on a balance of probabilities that the disputed domain names as registered by the Registrant are confusingly similar to that of the Complainant, and that they have been registered in bad faith. In addition, the Complainant is required under this paragraph to provide "some evidence" that the Registrant has no legitimate interest in the disputed domain name(s).

1. Confusingly Similar

The first test is whether a Disputed Domain Name is confusingly similar to a Complainant's domain name.

The evidence before us shows that in Canada, the Complainant has been using the Rheem Trade-mark in Canada since at least as early as 1948.

In order to address the issue of confusion with the standard legal test prevailing in Canada, one can find that in determining whether or not there exists a reasonable likelihood of confusion between the trademarks at issue, the Registrant must have a regard to all the surrounding circumstances, including non-exhaustingly, those specifically enumerated in Subsection 6 (5) of the Canadian Trademarks Act.

- a) inherent distinctiveness of the trademarks, and the extent to which they have become known;
- b) length of time the trademarks have been in use;
- c) nature of wares, services or business;
- d) nature of the trade; and
- e) degree of resemblance between the trademarks in appearance or sound in the ideas suggested by them.

A generally accepted principle when applying the test of confusion is looking at the trademarks from the point of the unwary consumer – comparing similarities as opposed to differences. Can the internet user be easily misled by error or otherwise – and perhaps not even know? Could this confusion also impact not only on any and all other potential commercial relationships being sought with the Complainant? If this would impact on the commercial relationship sought with the Complainant by the internet users, then by logical corollary, this confusion would impact (or possibly sabotage) the commercial relationships the Complainant has or is seeking with its' existing client base as well.

The Registrant's dot.ca domain is Confusingly Similar with a Mark in which the Complainant had Rights prior to the date of registration of the domain name and continues to have such Rights. Simply put, this assertion was held in *Veuve Clicquot Ponsardin v. Boutiques Clicquot Ltée*. 2006 SCC 23, [2006] 1 SCR 824 (2 June 2006). Confusion under the *Trade-marks Act* occurs if the use over the trade-marks is likely to lead to the inference that the wares and services associated with the trade-marks are manufactured, sold or performed by the same person. Also see *LEGO Juris A/S v. James Carswell*, CIRA CASE No. 00150 (2010). That being said, even if the Registrant is not marketing/selling, manufacturing products or services of the like the Complainant provides, this can create an intellectual extrapolation. Hijacking some of the Complainant's web traffic away can be cause for the unwary user of the web to be misled and think that the Registrant really is the Complainant – thus creating a false, competitive "climate". The fact that the Registrant may be selling same or competitive products as does the Complainant, creates a very confusing, commercial picture for internet users, thus impacting directly on the Complainant.

As well, as per paragraph 1.2 of the Policy, and per BCICAC Case No. 00014 (*Coca-Cola Ltd. v. Amos B. Hernan*), the domain name is defined as follows: "domain name" means the domain name excluding the "dot-ca" suffix and suffixes associated with all third and fourth level domain names accepted by CIRA. Further, a Registrant cannot avoid confusion by appropriating another's entire mark in a domain name, as per *RGIS Inventory Specialists v. AccuTrak Inventory*, BCICAC Case No. 00053, and *Glaxo Group Limited v. Defining Presence Marketing Group Inc.* (Manitoba), BCICAC Case No. 00020.

To this arbitrator, the domain name "rheem.ca" is clearly a part of, (and similar in appearance, sound and in the ideas) with the "Rheem" Trade-mark. There appears therefore, not only confusion with, but also misappropriation of the domain name, by the Registrant, regardless of whether we know or not of the Registrants' motives or modus operandi.

This Arbitrator concludes on this issue that the Complainant has met the onus of demonstrating that the disputed domain name is "confusingly similar" – as also supported in part by the "tests" applied by Subsection 6 (5) of the Canadian Trademarks Act ("a" to "e" above).

2. Legitimate Interest

A sufficient and initial proof brought on by the Complainant and pertaining to the Registrant's lack of legitimate interest forces the Registrant to rebut, explain or otherwise plead this issue, for which the Registrant has not done so. Failing to do so permits the Arbitrator to make a negative inference.

As described above, the Complainant must provide “some evidence” that the Registrant has no legitimate interest in the domain name(s), as described in Policy paragraph 4.1(c). If the Complainant satisfies this evidentiary burden, the onus shifts to the Registrant to prove on a balance of probabilities that the Registrant has a legitimate interest in the challenged domain name, for which again the Registrant has not done so.

Policy paragraph 3.4 sets forth an exhaustive list of criteria for determining whether a registrant has a legitimate interest in a domain name. It provides as follows:

The Registrant has a legitimate interest in a domain name if, and only if, before the receipt by the Registrant of notice from or on behalf of the Complainant that a complaint was submitted.

- (a) the domain name was a Mark, the Registrant used the Mark in good faith and the Registrant has Rights in the Mark;*
- (b) the Registrant used the domain name in Canada in good faith in association with any 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 used 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 of 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 paragraphs 3.4 (b), (c), and (d) “use” by the Registrant includes, but is not limited to, use to identify a web site.

The legitimate interest criteria set forth in Policy paragraphs 3.4 (a), (b), (c), and (d) are satisfied only if the Registrant’s use was in “good faith”, a term which is not defined by the Policy. This Arbitrator notes that “good faith” as used in Policy paragraph 3.4 is not necessarily the opposite of “Bad Faith” as defined in Policy paragraph 3.5.

This Arbitrator has reviewed submissions by the Complainant and absent any submissions to not only debate the Complainant’s positions, but to provide any historical proof of commercial activities, and fully eliminate confusion between the Registrant and the Complainant, leaves for invalidated support for the Registrant. Furthermore, the history covered by the Complainant’s submissions themselves (registration, market and media notoriety et al), speaks volumes about the Complainant’s right to their legitimate interest.

The domain name in dispute was registered by the Registrant on April 5, 2017, and such, without any prior or existing written contract, or other form of trade-mark use or licence with the Complainant (who has thus far demonstrated historical and prior Trade-mark Registration). There is no known commercial or business relationship of any sort between the parties, permitting the use etc. of any of the Complainant's trade-marks or domain name by the Registrant, which could give rise to any confusion. Absent any rebuttal, this, unto itself demonstrates a clear, historical lack of interest in the disputed domain name by the Registrant.

The Registrant has not provided any justification whatsoever to justify its claim to a legitimate interest in the disputed domain name. The Domain Name is identical to a Mark in which the Complainant has rights, and for which the Registrant has demonstrated no legitimate interest.

3. Registration in Bad Faith

The following facts lead this Arbitrator to conclude that the disputed domain names were registered in bad faith:

- 1) The Registrant has, (after considerable historical and past name and product branding by the Complainant) registered (or acquired) a confusingly similar name and defied cease and desist requests.
- 2) The registration of the disputed domain name competes directly with the Complainant's trade-mark, and services, and appears to redirect traffic away from the Complainant to the Registrant. The disputed domain name is also embedded as a component of the Complainant's trade-mark.
- 3) The disputed name could have a confusingly and negative public image impact/confusion about affiliation or sponsorship with the complainant, not to mention the diversion of commercial activity away from the Complainant. Refer to *Bell Canada v. Archer Enterprises*, BCICAC Case No. 00038, and *Yamaha Corporation and Yamaha Motor Canada Inc. v. Jim Yoon*, BCICAC Case No. 00089.
- 4) The Registrant has made no attempt whatsoever to provide any answers, rebuttals, support or evidence for the registration/acquisition of the disputed domain name.
- 5) Where the Registrant would seemingly have some justification for the registrations, the Registrant has to put forward some form of evidence to support their conduct, but has not done so. See *Musician's Friend Inc. v. Lowcost Domains Inc.*, CIRA Dispute No. 00074, citing in turn *Canadian Broadcasting Corporation/Société Radio-Canada*.

All of the foregoing is irreconcilable, and sustains the conclusion that there appears to be no compelling need (or right) for the Registrant to register and keep the disputed domain name. Had there been a sound business and legal reason to do so, supported by a business and contractual arrangement with the Complainant, it might be logical for the Registrant to counter-argue all of this. This does not in any way suggest that any counter-argument would be successful. Websites (not to mention trade-names) are to be seemingly purchased/registered, designed and maintained for some legitimate purpose, and certainly no sound reasons have been advanced by the Registrant to support their recent acquisition of the Disputed Domain Name. At the very least, any use made valid by any arguments that might be raised by the Registrant would (or might

have been) less confusing at the outset, if they were to register a name which would not be confusing and infringing on the Complainant's Trade-mark. Very importantly, the redirection/resolving of traffic from one web site ("rheem.ca") to other sites competitive with Rheem can only create a clear impression of causing confusion, disruption and hijacking of the Complainant's business. See *Intesa Sanpaolo S.p.A. v. Interex Corporate Registration Services Inc.*, CIRA Case No. 01130 (2013).

Balance of Probabilities

Even if a complainant has met the burdens of proof contained in Paragraph 4.1, a complaint will be dismissed if the registrant is able to prove on a balance of probabilities that the registrant has a legitimate interest in the disputed domain name. Again, such "legitimate interest" must meet one or more of the six tests as set out in Paragraph 3.4 and referred to above.

This balance of probabilities test in Paragraph 4.1 of the Policy deals with the situation where even though a complainant has satisfied all of the burdens of proof contained in Paragraph 4.1, an Arbitrator believes that justice requires the Registrant to succeed. In finding against a Registrant, the Arbitrator is depriving that Registrant of a property interest. Such a decision should not be, and is not taken lightly. Therefore, even if an Arbitrator finds that a complainant has satisfied the rather heavy burdens of proof placed on it by Paragraph 4.1, if the Arbitrator is satisfied that on a balance of probabilities the Registrant has a legitimate interest in the disputed domain name, the Arbitrator must find for the Registrant and dismiss the complaint. The Registrant has manifestly provided no argument of any sort to either refute the allegations made by the Complainant or at the very least, support the registration (and any rights) in the Disputed Domain Name.

In the case at hand, this Arbitrator is satisfied that on a balance of probabilities, based upon the evidence before him, and rules, that the Registrant has no legitimate interest in the Disputed Domain Name ("rheem.ca")

Decision and Order

I find that the Complainant has succeeded in this proceeding, initiated under the Policy. I therefore direct that the registration of ("rheem.ca") be transferred to the Complainant: Rheem Manufacturing Company.

Dated this 5th day of December, 2017



Claude Freeman, LL.M. (ADR), C.Med., C.Arb.