

**IN THE MATTER OF A COMPLAINT PURSUANT TO THE  
CANADIAN INTERNET REGISTRATION AUTHORITY  
DOMAIN NAME DISPUTE RESOLUTION POLICY**

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**Domain Name:** LEEVALLEYTOOLS.CA

**Complainant:** Lee Valley Tools Limited  
**Registrant:** Pifold Ventures Inc.  
**Registrar:** DomainsAtCost Corporation  
**Panellist:** David Lametti  
**Service Provider:** Resolution Canada

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**DECISION**

**A. The Parties**

1. The Complainant is Lee Valley Tools Limited, a business corporation presently incorporated under the laws of Ontario with its registered offices in Ottawa, Ontario. The Complainant is represented by Ms Lillian L. Camilleri of Cassan Maclean, located at Suite 401, 80 Aberdeen Street, Ottawa, Ontario. The Complainant satisfies Canadian Presence requirements under the Policy.

2. The Registrant is Pifold Ventures Inc., whose registered address is 26 Horetzky St, Winnipeg, Manitoba. The contact person for the Registrant is Shaun Pifold.

**B. The Domain Name and Registrar**

3. The domain name at issue is <LEEVALLEYTOOLS.CA>. The domain name is registered with DomainsAtCost Corporation.

**C. Procedural History**

4. The Complainant submitted this Complaint to the Domain Name Dispute Resolution Provider, Resolution Canada. The Provider served notice of the Complaint to the Registrant as required by paragraph 4.3 of the *CIRA Domain Name Dispute Resolution Rules* ["Rules"]. No Response to the Complaint was received from the Registrant. The Complainant elected to have the Complaint heard by a single panellist as permitted under paragraph 6.5 of the Rules. The Provider selected me, David Lametti, as the single panel member for this Complaint.

**D. Panel Member Impartiality and Independence Statement**

5. As required by paragraph 7.1 of the Rules, I, David Lametti, have declared to the Provider that I can act impartially and independently in this matter as there are no circumstances known to me which would prevent me from so acting.

## **E. Basis for Deciding the Complaint**

6. The Registrant has not submitted a Response to the Complaint. However, paragraph 5.8 of the Rules allows the proceeding to be decided strictly on the basis of the Complaint, and as such I shall proceed.

## **F. Factual Background**

7. The facts of this dispute are straightforward. Lee Valley Tools is a supplier of woodworking tools, gardening tools and cabinet hardware. It also sells what it calls “useful household items” and tools, including router bits, kitchen wares, weathervanes and composting equipment. In addition to mail-order and internet sales services, it has eleven retail outlets across five different provinces of Canada.

8. Lee Valley is known in Canada by the LEE VALLEY trademark, and the “Lee Valley” and “Lee Valley Tools” trade names. It has spent \$9.9 million in advertising associated with its mark and trade names in 2003-2004, and \$10.4 million in 2004-2005. It is well-known for its high-quality – in terms of both colour and prose – catalogues, and has received critical acclaim for such. It also has an active e-commerce website that sells its wares at <LEEVALLEY.COM>, and a website at <LEEVALLEYTOOLS.COM> that resolves to the former.

9. Lee Valley has established common law rights to its various marks and names. It had also originally registered trademark rights in LEE VALLEY in 1977 for a narrower range of products, and has initiated a re-application for the mark covering a wider range of products. The mark and trade names have been in prominent and continual use in Lee Valley’s advertising.

10. The disputed domain name <LEEVALLEYTOOLS.CA> was registered by the Registrant on 18 July 2004.

## **G. CIRA Domain Name Dispute Resolution Policy Requirements**

11. The *CIRA Domain Name Dispute Resolution Policy* [“Policy”] sets out at paragraph 4.1 what the Complainant must establish in order to successfully prove the complaint:

To succeed in the Proceeding, the 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 the 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 3.7;

and the Complainant must provide some evidence that:

- (c) the Registrant has no legitimate interest in the domain name as described in paragraph 3.6.

Even if the 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 . . .

## **H. Is the Registrant's Domain Name Confusingly Similar to the Complainant's Mark?**

### **1) The Complainant's Mark and Trade Names**

12. Paragraph 3.2 of the Policy includes the following in the definition of what constitutes a "mark" for the purposes of the Policy:

A "Mark" is:

- (a) a trade-mark . . . or a trade name that has been used in Canada . . . for the purpose of distinguishing the wares, services or business of that person . . . from the wares, services or business of another person; [and]
- (c) a trade-mark . . . that is registered in CIPO . . .

13. The Complainant has shown evidence of its current ownership of the mark <LEEVALLEYTOOLS.CA> through registration with CIPO, as well as a pending re-registration with CIPO for a wider series of wares. The Complainant has also sufficiently demonstrated its common law rights, acquired over a prolonged period of use in distinguishing its wares, in the both the trademark and the trade names as per paragraph 3.2 (a) of the Policy, and the fact that the mark and names have remained in constant and high-profile use.

14. The Complainant has also shown evidence of its current rights in the <LEEVALLEY.COM> and <LEEVALLEYTOOLS.COM> domain names, and their active use in the marketing and sales of the Complainant's wares.

### **2) "Confusingly Similar"**

- a) The scope of "Confusingly Similar"

15. Paragraph 3.4 of the Policy defines "confusingly similar" in the following terms:

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 to be mistaken for the Mark.

16. I once again note that this definition of "confusingly similar" in the Policy is susceptible to a narrow, non-contextual interpretation, based on the similarities of this definition to the definition of Confusingly Similar derived from s. 9(1) of the Trade-Marks Act on "official marks" ["s. 9(1)"] and to only one criterion from the larger confusion test applicable to trademarks and trade names found in s. 6(5)(e) of the Trade-

Marks Act. On this view, the test in the Policy does not incorporate what one might call the full “confusion” standard which has informed Canadian trademark and trade name law, but rather focuses more strictly on similarities in appearance, sound or meaning between the official mark and domain name. [See *I.O.F. v. Norendu Enterprises Canada Inc. (Forester College of Technology)* CIRA Dispute Resolution Case 00017, May 25, 2004 at paras. 18ff.]

17. I note as well that a number of cases under the Policy have interpreted “Confusingly Similar” in a larger fashion, incorporating the classic trademark and trade name law confusion standard, allowing for a contextual analysis that goes beyond mere comparison of the mark and domain name, and including the various other indicia of confusion listed in s. 6(5) of the Trade-Marks Act.

18. It is fair to conclude that the narrower reading of the definition of “confusingly similar” will by and large favour Registrants, while the larger reading will by and large favour Complainants (and thus usually trademark owners).

19. As the Complaint points to facts and makes submissions which rely almost exclusively on the similarity between the domain name and the mark and trade names in question, I may apply the narrower standard without taking a position on the matter. In the end, the use of the narrower standard for interpretation will have no bearing on the outcome in this case.

b) “Confusingly Similar”

20. As inferred above, under the narrower, s. 9(1) approach to confusingly similar, the focus must, in the first instance, be exclusively on the appearance, sound and ideas suggested by the Complainant’s mark.

21. In this instance, discounting as one should the .ca portion of the domain name and the spacing between words, the LEE VALLEY mark and the Lee Valley trade name are quite similar in appearance, sound and idea suggested to the disputed domain name <LEEVALLEYTOOLS.CA>. Moreover, the disputed domain name <LEEVALLEYTOOLS.CA> is identical the trade name Lee Valley Tools. There is no question that the appearance, sound and ideas associated with the domain name are virtually identical or identical to the those of the mark and trade names. This is a clear-cut case of “confusingly similar” under the Policy and I have no trouble finding that the Complainant has met the most stringent standard set out in the Policy.

22. Finally, I note that the disputed domain name <LEEVALLEYTOOLS.CA> is substantially similar to the Complainant’s registered domain name <LEEVALLEY.COM> and virtually identical to the Complainant’s registered domain name <LEEVALLEYTOOLS.COM> .

23. A contextual approach would not save the Registrant. The grouping of Lee Valley marks have acquired since 1977 such strength through acquired reputation, marketing and distinctiveness that it is impossible to conclude otherwise.

c) Conclusion on Confusingly Similar

24. Using either interpretation of “confusingly similar” under the Policy, the Panel finds that the Registrant’s domain name <LEEVALLEYTOOLS.CA> is confusingly similar to the Complainant’s mark and trade names.

**I. Was the Registration of the Domain Name Made in Bad Faith?**

25. In order to succeed, the Complainant must show, on the balance of probabilities, that the Registrant registered the domain name in bad faith. Like the ICANN UDRP, the inquiry into bad faith in the Policy requires making findings on what one might consider to be the subjective behaviour of the Registrant. The Policy, however, unlike the UDRP, has expressly and purposely adopted a restricted definition of “bad faith”. Paragraph 3.7 of the Policy states that the Registrant will be considered to have registered the domain name in bad faith, if and only if one of the following three conditions is met:

- (a) the Registrant registered the domain name . . . primarily for the purpose of selling, renting, licensing or otherwise transferring the Registration to the Complainant [or others related to or competing with the Complainant] for valuable consideration in excess of the Registrant’s actual costs in registering the domain name . . . ;
- (b) the Registrant registered the domain name . . . in order to prevent the Complainant [or others related to the Complainant] from registering the Mark as a domain name, provided that the Registrant, alone or 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; or
- (c) the Registrant registered the domain name . . . primarily for the purpose of disrupting the business of the Complainant, or the Complainant’s licensor or licensee of the Mark, who is a competitor of the Registrant.

26. On the facts of and evidence adduced in this dispute two of the three tests are applicable.

27. First, the Registrant is alleged to have violated paragraph 3.7 (b), that is, it has “registered the domain name . . . in order to prevent the Complainant from registering the Mark as a domain name, provided that the Registrant, alone or in concert with one or more additional persons *has engaged in a pattern of registering domain names in order to prevent persons ...* from registering.” (My emphasis.)

28. The Complainant has adduced evidence that the Registrant has in fact engaged in such a pattern of behaviour, as the Registrant has been the subject of two other .ca domain name disputes (*Sleep Country Canada Inc. v. Pilfold Ventures Inc.*, CIRA Dispute Resolution Case 00027, March 14 2005) and *Reitmans Canada Inc. v. Pilfold Ventures Inc.*, CIRA Dispute Resolution Case 00032, May 15, 2005)). The Registrant is also in all likelihood the subject of one other dispute (*ROW Limited Partnership v. Pilford Ventures Inc.*, CIRA Dispute Resolution Case 00024, January 31, 2005)). This is sufficient evidence on the public record to arrive at the conclusion that the Registrant has indeed violated paragraph 3.7 (b) by engaging in a pattern of behaviour that involves registering domain names confusingly similar with known trade marks and trade names in order to prevent legitimate right-holders from so registering.

29. Second, the Registrant is alleged to have violated paragraph 3.7 (c), that is, of having registered the domain name “primarily for the purpose of disrupting the business of the Complainant”. This disruption is not the normal disruption that one associates with the usual dictates of business practice in a competitive market; rather, it is a disruption whose deleterious effects are the primary purpose of the Registrant. While the former might have been caught under paragraph 4(b)(iv) of the ICANN UDRP Policy, this provision was expressly omitted from this Policy.

30. In the Sleep Country Canada case (*Sleep Country Canada Inc. v. Pilfold Ventures Inc.*, CIRA Dispute Resolution Case 00027, March 14, 2005), Panellist Denis N. Magnusson dealt with a virtually identical decision (indeed with the same Registrant) at paras 19 -21 (footnotes omitted):

19. To qualify as bad faith business disruption under part c), the *Registrant* of the domain name must be a competitor of the Complainant. The Panel finds that the Registrant’s use of the domain name in association with a web page that linked to competitors of the Registrant, constituted the Registrant a competitor of the Complainant for the purposes of CIRA Policy para. 3.7(c). Further, the Panel concludes that the effect of the Registrant’s use of the Confusingly Similar domain name with this web page offering products directly competing with the Complainant’s business would disrupt the business of the Complainant.

20. CIRA Policy, para. 3,7(c) requires more than that the *effect* of the Registrant’s registration and use of the domain name disrupt the business of its Complainant competitor. The Panel must be able to find that the *primary purpose* of the Registrant in registering that domain name was to disrupt the business of Complainant competitor.

21. The Complainant submitted that the “a Registrant’s purpose in registering a disputed domain name should be determined by common sense inferences from the Registrant’s conduct and other surrounding circumstances”. The Panel finds that it is reasonable to infer the Registrant’s intention in registering a domain name from the use to which the Registrant puts the domain name after registration. The Registrant used the Confusingly Similar domain name on a web

site that was dominated by links to mattress and bedding retailers who might compete for business with the Complainant. The adverse impact on, or disruption of, the Complainant's business from the Registrant so using the Confusingly Similar domain name should have been obvious to the Registrant. I infer that this intention was formed by the Registrant as the domain name was first registered. Further, the dominant use on that web site of links to businesses competing with the Complainant supports the further inference that the Registrant registered the domain name "primarily for the purpose of disrupting the business of the Complainant".

31. I endorse Professor Magnusson's comments in their entirety. All of these considerations can be applied to the Registrant Pilford Ventures in this instance as well. First, the Registrant has in effect made himself a Competitor of the Complainant by appropriating a domain name which is confusingly similar to that of the Complainant, and then pointing internet navigation to the websites of competitors of the Complainant.

32. Second, in this case as with *Sleep Country Canada*, it is reasonable to conclude that the primary purpose or intent of the Registrant was to illegitimately disrupt the business of the Complainant. The disputed domain name, confusingly similar to the Complainant's well-known mark and names, resolved to a site in which only competitors of Complainant were listed and linked. As held in both the *Sleep Country Canada* and *Reitmans* cases, such behaviour would have the result of leading internet users wishing to deal with the Complainant to competitors' sites. It is fair to infer that the Registrant not only knew this diversion to be the disruptive effect of the registration and subsequent website, but had also intended it to be so. As such, the logical and reasonable inference is that the Registrant was acting in bad faith as defined in the paragraph 3.7 (c) of the Policy.

33. The Panel therefore concludes that the Respondent did register the domain name <LEEVALLEYTOOLS.CA> in bad faith under paragraphs 3.7 (b) and (c) of the Policy.

#### **J. Does the Registrant Have a "Legitimate Interest" In the Domain Name?**

34. The final element of the test set out in the Policy is to determine whether or not the Registrant has a legitimate interest in the domain name. This inquiry tries to find some more or less objective or ascertainable link between the Registrant and the domain name in question, aside from mere registration, and further is a link that is legitimate. Paragraph 3.6 of the Policy states:

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 had 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 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.

35. Once again, this definition is restrictive – only the interests listed in subparagraphs (a) through (f) below can be considered legitimate interests. In terms of procedure the Complainant must provide some evidence that none of these interests applied to the Registrant. The burden would then shift to the Registrant to show that it has, on the balance of probabilities, any one of these legitimate interests as defined under these subparagraphs.

36. The Complainant has introduced ample evidence of the Registrant having no legitimate interest. First, the Complainant has adduced evidence that the Registrant has no rights in any mark, let alone any mark close to the disputed domain name or any mark used in good faith. Second, the Complainant has shown that the disputed domain name is not descriptive of the Registrant's wares or products. Third, the Complainant has shown that the disputed domain name is not a generic name of any wares or products associated with the Registrant. Fourth, the Complainant has shown that the Registrant's website did not have a legitimate, non-commercial purpose such as criticism or consumer information. Fifth, the Complainant has shown that the Registrant has never been known by the domain name, and, sixth, the Complainant has shown that the substantive element of the domain name, "Lee Valley", is not the registered location of the Registrant's (non-existent) business activity.

37. The Complainant thus meets its burden under the Policy of showing "some evidence" of no legitimate interest on the part of the Registrant, shifting the onus to the Registrant to show otherwise.



38. The Registrant has not replied to the Complaint, and has thus failed to meet the burden of showing some legitimate interest in the domain name according to the criteria set out in the Policy.

39. The Panel therefore concludes that the Registrant did not have a legitimate interest in the domain name <LEEVALLEYTOOLS.CA> under paragraph 3.6 of the Policy.

#### **K. Conclusion and Decision**

40. The Complainant has established on the balance of probabilities that the Registrant's domain name <LEEVALLEYTOOLS.CA> is confusingly similar to the Complainant's mark and trade names under any interpretation of "Confusingly Similar" in the CIRA Dispute Resolution cases decided to date.

41. The Complainant has established on the balance of probabilities that the Registrant had registered the domain name <LEEVALLEYTOOLS.CA> in bad faith, as defined in the Policy.

42. The Complainant has given ample evidence on the balance of probabilities that the Registrant has no legitimate interest, as defined in the Policy, in the domain name <LEEVALLEYTOOLS.CA>.

43. The Registrant has not shown a legitimate interest in the domain name <LEEVALLEYTOOLS.CA>.

44. For these reasons, the complaint regarding the domain name <LEEVALLEYTOOLS.CA> is successful. The Panel orders that the domain name <LEEVALLEYTOOLS.CA> be transferred to the Complainant as requested.

David Lametti  
Sole Panel Member

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David Lametti  
2 September 2005