

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

Domain Name: thermos.ca

Complainant: Canadian Thermos Products Inc., represented by Ridout & Maybee LLP

Registrant: Michael Fagundes, represented by Pitblado LLP

Registrar: Aloak, Inc.

Panelists: Bradley J. Freedman, Barry C. Effler, and John Rogers

Service Provider: British Columbia International Commercial Arbitration Centre

DECISION

The Parties

1. The Complainant is Canadian Thermos Products Inc., a corporation incorporated under the laws of the Province of Ontario, Canada, with a place of business in Toronto, Ontario, Canada.
2. The Registrant is Michael Fagundes, a resident of Manitoba, Canada.

The Domain Name and Registrar

3. The domain name that is the subject of this proceeding is <thermos.ca> (the "Domain Name").
4. The Registrar of the Domain Name is Aloak, Inc.

Procedural History

5. This is an administrative proceeding pursuant to the CIRA Domain Name Dispute Resolution Policy, version 1.1 (the "Policy") and the CIRA Domain Name Dispute Resolution Rules, version 1.2 (the "Rules"), both adopted by the Canadian Internet Registration Authority.
6. By registering the Domain Name with the Registrar, the Registrant agreed to the resolution of certain disputes pursuant to the Policy and Rules.

7. According to the information provided by the dispute resolution service provider, British Columbia International Commercial Arbitration Centre ("BCICAC"), the history of this proceeding is as follows:

- (a) On November 21, 2005, the Complainant filed a complaint regarding the Domain Name with BCICAC.
- (b) On November 22, 2005, having determined that the complaint was in administrative compliance with the requirements of the Policy and the Rules, BCICAC delivered a copy of the complaint to the Registrant.
- (c) On December 13, 2005, the Registrant delivered its response to BCICAC.
- (d) Both the complaint and the response were filed in English, which is the language of this proceeding in accordance with Rules paragraph 10.1.
- (e) On December 14, 2005, in accordance with Rules paragraph 6 and considering the nominees of the parties, BCICAC appointed a three-person Panel comprised of Messrs. Bradley Freedman, Barry C. Effler, and John Rogers. Mr. Freedman was named as Chair of the Panel.
- (f) Each of Messrs. Freedman, Effler, and Rogers delivered to BCICAC the required Statement of Impartiality and Independence, as required by Rules paragraph 7.
- (g) Absent exceptional circumstances, the Panel was required to deliver its decision on January 9, 2005.

8. The Panel finds that it was properly constituted and appointed in accordance with the Policy and the Rules.

9. Based upon the information provided by BCICAC, the Panel finds that all technical requirements for the prosecution of this proceeding were met.

Factual Background

10. The Panel proceeds on the basis of the following facts, which are established by the evidence submitted by the parties:

- (a) The Complainant and its predecessors have been in the business of designing, manufacturing, advertising, marketing, and selling vacuum bottles, insulated food and beverage containers and other related wares since as early as 1907.
- (b) The Complainant is the owner of the Canadian registered trademarks THERMOS (Registration Nos. 012,223; 000264; 118,050, 231,174; 325,695; and 592,864) and THERMOS & DESIGN (Registration Nos. 201,340; 201,341; 201,344; 368,993; and 476,851) for use in association with its various wares. The earliest trademark registration is dated September 12, 1907.
- (c) There are no other THERMOS trademarks registered in Canada except the marks registered by the Complainant or its predecessors. None of the Complainant's competitors use marks that incorporate the word THERMOS.

- (d) The Complainant has spent in excess of \$3,000,000 on advertising in Canada in the past five years, and during that period has had sales of Canadian THERMOS wares in excess of \$100,000,000.
- (e) The Complainant's THERMOS trademark is very well known to Canadian consumers. The Complainant emphasizes that its THERMOS trademark is "famous".
- (f) The Registrant acquired the nickname "Thermo" in 1999, as a result of his university studies regarding thermodynamics and his master's degree in the field of thermo fluids. Commencing in March 2001, the Registrant operated a website and graphic design services business known as "Thermo's Design Group" or simply "Thermo's".
- (g) The Registrant registered the Domain Name on April 3, 2001.
- (h) The Registrant could not register the domain names <thermo.com> or <thermo.ca>, because they were not available at the time. Instead, the Registrant registered the Domain Name, which reflects his THERMO'S business name and mark without the apostrophe, because an apostrophe cannot be included in a domain name.
- (i) The Registrant uses the Domain Name for his email address - mike@thermos.ca.
- (j) The Registrant also uses subdirectories of the Domain Name (i.e. www.thermos.ca/LSI-x) to post mock-ups of his client's websites for their review and approval.
- (k) Except to provide access to website mock-ups, the Registrant has never used the Domain Name for an active website. For a period, the Domain Name resolved to a web page that displayed the Registrant's "Thermo" logo - a cartoon head with a flaming baseball cap - and a "coming soon" notice. Currently, using the Domain Name to access a website results in the following message: "404 Not Found".
- (l) On December 10, 2003 the Complainant's legal counsel wrote to the Registrant objecting to his registration of the Domain Name as a "direct and flagrant breach" of the Policy and an infringement of the Complainant's registered trademark rights, and demanding a transfer of the Domain Name.
- (m) On December 16, 2003, the Registrant sent a letter to the Complainant's lawyer explaining the reasons for his registration of the Domain Name, describing the use of the Domain Name for his business, and refusing to transfer the Domain Name to the Complainant because, among other things, it would disrupt the Registrant's business.
- (n) On February 16, 2004, the Complainant commenced legal proceedings in the Federal Court of Canada against the Registrant and his company for, among other things, trademark infringement. The Registrant retained counsel and filed a statement of defence. Affidavits of documents were exchanged. Without prejudice settlement discussions occurred, but did not result in the resolution of the dispute.

- (o) In April 2005, the Federal Court issued a Notice of Status Review (because more than 360 days had elapsed since the statement of claim was filed without a pre-trial conference), requiring the Complainant to explain by no later than May 16, 2005 why the lawsuit should not be dismissed for delay. On May 10, 2005, the Complainant unilaterally discontinued the Federal Court lawsuit. The Complainant says that it did so because it was undergoing internal restructuring and completing its Canadian website development, and it wanted to initiate proceedings under the Policy.
- (p) The Registrant says that the Complainant's prosecution of the Federal Court lawsuit and the complaint have been a financial burden and have had a "chilling effect" on his business.

Parties' Contentions

11. The Complainant contends as follows:

- (a) The Complainant is the owner of the famous registered THERMOS trademark, and the Domain Name is identical, and therefore confusingly similar to, the THERMOS trademark.
- (b) The Registrant has no legitimate interest in the Domain Name because the use of the Domain Name infringes the Complainant's trademark rights, and the Registrant has never used, in good faith or otherwise, the Domain Name for an active website or in association with any business, wares or services.
- (c) The Registrant registered and is using the Domain Name in bad faith because: (i) the Registrant must have known of the Complainant's famous THERMOS trademark when the Registrant registered the Domain Name; (ii) the Registrant registered the Domain Name to prevent the Complainant from registering its THERMOS trademark in a corresponding domain name; (iii) the Registrant registered the Domain Name primarily for the purpose of disrupting the business of the Complainant by passing off his website as and for the Complainant's website; and (iv) without prejudice settlement discussions between the parties' counsel in relation to the Federal Court lawsuit demonstrate that the Registrant registered the domain name for the purpose of selling it for an exorbitant profit to the Complainant.

12. The Registrant contends as follows:

- (a) The Domain Name is not confusingly similar to the THERMOS trademark, having regard to the circumstances outlined in section 6 of the *Trade-marks Act*, and in particular the significant differences in the wares and services of the Complainant and the Registrant.
- (b) The Complainant has not established that the Registrant registered the Domain Name in bad faith within the meaning of Policy paragraph 3.7, because: (i) there is no admissible evidence that the Registrant's primary purpose was to sell the domain name to the Complainant; (ii) there is no evidence of a pattern of bad

faith blocking domain name registration by the Registrant; and (iii) the Complainant is not a competitor of the Registrant.

- (c) The Registrant has a legitimate interest in the Domain Name because: (i) the Registrant used the Domain Name for an email address; and (ii) the Domain Name comprises the Registrant's nickname (Thermo) and business names (Thermo's and Thermo's Design Group) without the prohibited punctuation.
- (d) The complaint was brought in bad faith, and is an attempt to cancel or obtain a transfer of the Domain Name unfairly and without colour of right, as part of a course of harassment of the Registrant and an attempt to force the Registrant to transfer the Domain Name by exhausting the Registrant's economic and other resources. The Registrant notes, in particular, the Complainant's unilateral discontinuance of the Federal Court lawsuit; attempt to adduce in this proceeding evidence of without prejudice settlement discussions between counsel; and alleged "inaccurate and misleading" characterization of those without prejudice communications.

Discussion and Findings

(a) The Policy

13. The Policy applies only to disputes involving alleged bad faith registration of domain names in the dot-ca country code top level domain – conduct commonly known as "cybersquatting" or "cyberpiracy". The Policy does not apply to other kinds of disputes between trademark owners and domain name registrants. The narrow scope of the Policy reflects its stated purpose as a forum in which cases of bad faith registration of dot-ca domain names can be dealt with relatively inexpensively and quickly.¹

14. The application of the Policy is limited to situations in which a complainant asserts the following:

- (a) the registrant's dot-ca domain name is "Confusingly Similar" (as defined in Policy paragraph 3.4) to a "Mark" (as defined in Policy paragraph 3.2) in which the complainant had "Rights" (as defined in Policy paragraph 3.3) prior to the date of registration of the domain name and continues to have such "Rights";
- (b) the registrant has no "legitimate interest" in the domain name, as defined in Policy paragraph 3.6; and
- (c) the registrant has registered the domain name in "bad faith", as defined in Policy paragraph 3.7.²

If a dispute does not fall within this narrow framework, it is beyond the scope of the Policy.

¹ Policy paragraph 1.1.

² Policy paragraph 3.1.

15. Policy paragraph 4.1 sets forth the onus regarding the three elements a complainant is required to establish. The onus is on a complainant to 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 that term is defined in Policy paragraph 3.7. A complainant must also provide some evidence that (c) the registrant has no legitimate interest in the domain name as described in Policy paragraph 3.6. Policy paragraph 4.1 further provides that even if a 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 that term is defined in Policy paragraph 3.6.

(b) Applicable Law

16. The Complainant stated a preference for the dispute to be determined according to the laws of Ontario. The Registrant disagreed, noting that he is a resident of Manitoba. In those circumstances, Rules paragraph 12.1 requires the Panel to render its decision in accordance with the Policy, the Rules and any rules and principles of the laws of Ontario and the laws of Canada applicable therein.

(c) The Complainant's Status

1. The Complainant has standing to bring this proceeding pursuant to Policy paragraph 1.4, because: (a) the Complainant is a corporation under the laws of Ontario, and accordingly satisfies the Canadian Presence Requirements For Registrants, version 1.3, paragraph 2(d); and (b) the complaint relates to a trademark registered in the Canadian Intellectual Property Office and the Complainant is the owner of the trademark.

(d) The Complainant's Mark

17. The Complainant must prove, on a balance of probabilities, that the 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".

18. Policy paragraph 3.1 provides that the date of registration of a domain name is the date on which the domain name was first registered in the dot-ca registry or the predecessor registry operated by the University of British Columbia. Based upon the evidence provided by the parties, the Panel finds that the Domain Name was registered by the Registrant on April 3, 2001.

19. Policy paragraph 3.2(c) defines the term "Mark" as including "a trade-mark, including the word elements of a design mark, that is registered in CIPO".

20. Policy paragraph 3.3(b) provides that a person has "Rights" in a Mark if "in the case of paragraph 3.2(c), the Mark is registered in CIPO in the name of that person, that

person's predecessor in title or a licensor of that person". It is important to note that if a complainant's "Mark" is a trademark registered in the Canadian Intellectual Property Office before the domain name registration date, the complainant is not required to establish distinctiveness or use of the trademark - the mere registration of the trademark is sufficient to establish "Rights" in the "Mark" within the meaning of the Policy.³ Accordingly, where a complainant relies upon a registered trademark, the Policy does not require or permit a panel to go behind the Canadian Trade-marks Register to determine whether the mark is valid or invalid based upon lack of distinctiveness or non-use. Those kinds of challenges to registered trademarks are beyond the scope of the Policy and the jurisdiction of the Panel, and must be the subject of court or other proceedings.

21. The Complainant relies upon a number of THERMOS and THERMOS & DESIGN trademarks registered in the Canadian Intellectual Property Office before April 3, 2001, the date when the Registrant registered the Domain Name. For the reasons set forth above, the Policy does not require or permit the Panel to go behind the Canadian Trade-marks Register to consider whether the Complainant's THERMOS trademarks are distinctive of the Complainant's wares.

22. Accordingly, the Panel finds as follows:

- (a) pursuant to Policy paragraph 3.2(c), the Complainant's THERMOS and THERMOS & DESIGN trademarks are "Marks" within the meaning of the Policy; and
- (b) pursuant to Policy paragraph 3.3(b), the Complainant had "Rights" in those Marks within the meaning of the Policy before the date of registration of the Domain Name and continues to have such "Rights".

(e) Confusing Similarity

23. The Complainant contends that the Domain Name is "Confusingly Similar" to the Complainant's THERMOS and THERMOS & DESIGN Marks. The Registrant disputes that the Domain Name is "Confusingly Similar" to the Complainant's THERMOS and THERMOS & DESIGN Marks.

24. Policy paragraph 3.4 provides a definition of "Confusingly Similar" as follows:

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.

³ Policy paragraphs 3.2(c) and 3.3(c). In contrast, under Policy paragraphs 3.2(a) and (b), 3.3(a) and 3.5, if a complainant's "Mark" is an unregistered trade-mark or certification mark, or a trademark registered in the Canadian Intellectual Property Office after the domain name registration date, the complainant must establish that the trade-mark was used in Canada by the complainant or its predecessor for the purpose of distinguishing the wares, services or business of the complainant or its predecessor prior to the domain name registration date.

25. In applying this definition, it is important to note that Policy paragraph 1.2 provides as follows:

For the purposes of this Policy, “domain name” means the domain name excluding the “dot-ca” suffix and the suffixes associated with all third and fourth level domain names accepted for registration by CIRA.

26. The test for “Confusingly Similar” under Policy paragraph 3.4 is a test of resemblance based upon first impression and imperfect recollection, rather than a test of source confusion as applied in cases of trademark infringement under the Canadian *Trade-marks Act* or passing off at Canadian common law. This approach, which has been applied in a clear majority of decisions under the Policy,⁴ is supported by the following considerations:

- (a) The Policy’s definition of “Confusingly Similar” is similar to the wording of Canadian *Trade-marks Act* section 9(1), which prohibits the adoption of any mark “consisting of, or so nearly resembling as to be likely to be mistaken for”, certain official marks and other prohibited marks. The test under *Trade-marks Act* section 9(1) is a test of resemblance based upon imperfect recollection, rather than a test of source confusion. In particular, the test is whether a person, on a first impression, knowing the official mark only and having an imperfect recollection of it, would likely mistake the challenged mark for the official mark. The section 9(1) test does not include consideration of marketplace factors that are an important part of a source confusion analysis.⁵
- (b) The Policy’s definition of “Confusingly Similar” is also similar to the wording of Canadian *Trade-marks Act* sections 6(5)(e). Section 6(5)(e) sets forth one of the circumstances a court is required to consider in determining whether trademarks or trade names are confusing, namely “the degree of resemblance between the trademarks or trade names in appearance or sound or in the ideas suggested by them”. Significantly, the definition of “Confusingly Similar” does not include any of the other criteria set forth in *Trade-marks Act* sections 6(5)(a) – (d), namely, the inherent distinctiveness of the trademarks or trade names and the extent to which they have become known, the length of time the trademarks or trade names have been in use, the nature of the wares, services or business, and the nature of the trade.
- (c) A “Mark” within the meaning of the Policy may be a duly advertised official mark. Applying a confusion test to official marks is not consistent with Canadian trademark law. An official mark advertised under *Trade-marks Act* section 9(1)(n) may be relied upon to prevent the adoption and use of similar marks even though there is no likelihood of confusion.

⁴ See for example, *Canadian Broadcasting Corporation v. Quon* (April 8, 2003), *Government of Canada v. Bedford* (May 27, 2003), *Acrobat Construction v. 1550507 Ontario Inc.* (June 16, 2003), *Coca-Cola Ltd. v. Hennan* (October 28, 2003) and *Glaxo Group Limited v. Defining Presence Marketing Group Inc.* (August 2004).

⁵ See *Canadian Olympic Assn. v. Olymel* [2000] F.C.J. No. 842 (Fed. T.D.); *Techniquip Ltd. v. Canadian Olympic Assn.* [1999] F.C.J. No. 1787 (F.C.A.), affirming [1998] F.C.J. No. 280 (F.C.T.D.); and *Canadian Olympic Assn. v. Logo-Motifs Ltd.* [1999] F.C.J. No. 1847 (F.C.T.D.).

- (d) A comparison of domain names and trademarks without considering marketplace criteria is consistent with the way in which domain names are used on the Internet. Internet users often use domain names without knowing the nature and content of the website to which the domain name resolves and other marketplace criteria that are important considerations in a conventional trademark confusion analysis.
- (e) The procedure contemplated by the Policy is not well suited to the kinds of factual determinations involved in a conventional confusion analysis applied in trademark infringement disputes. In particular, the Policy is intended to be a relatively quick and inexpensive process, panels must make factual determinations based upon written submissions and documentary evidence, complainants have no right of reply without the panel's permission, and parties are often not represented by counsel.

27. In some decisions under the Policy, panels have held that the test for "Confusingly Similar" is one of "confusion", either as that term is used in conventional trademark infringement and passing off disputes or with slight modification.⁶ For the reasons set forth above, the Panel disagrees with that interpretation of the Policy.

28. Accordingly, the Complainant must prove on a balance of probabilities that a person, on a first impression of the Domain Name (without the .ca suffix) and having an imperfect recollection of the Complainant's THERMOS and THERMOS & DESIGN Marks, would likely mistake the Domain Name (without the .ca suffix) for the Complainant's Marks based upon the appearance, sound or the ideas suggested by the THERMOS and THERMOS & DESIGN Marks.

29. The Domain Name (without the .ca suffix) is identical to the Complainant's THERMOS Marks and substantially similar to the Complainant's THERMOS & DESIGN Marks.

30. The Registrant argues that it is using the Domain Name for services that are substantially different from the wares for which the Complainant uses its Marks. Those circumstances are not relevant to a determination of whether the Domain Name is "Confusingly Similar" to the Complainant's THERMOS and THERMOS & DESIGN Marks.

31. The Registrant also argues that the Domain Name is not "Confusingly Similar" because the Complainant's THERMOS Marks are not distinctive, relying upon various "thermos" domain names registered by persons other than the Complainant. Distinctiveness may be an appropriate consideration in determining whether a complainant has "Rights" in an unregistered "Mark" within the meaning of the Policy.⁷ Distinctiveness may also be an appropriate consideration in determining whether a registrant registered the domain name in bad faith or had a legitimate interest in the domain name. However, distinctiveness of a complainant's Mark is not an appropriate

⁶ For example, see *Browne & Co. Ltd. v. Bluebird Industries* (October 2002) and *Air Products Canada Ltd. v. Index Quebec Inc.* (April 2003).

⁷ For the reasons set forth above, distinctiveness of a complainant's mark is relevant if a complainant relies upon an unregistered trade-mark or certification mark, but is not relevant if the complainant relies upon a trademark registered in the Canadian Intellectual Property Office before the domain name registration date or an official mark duly advertised before the domain name registration date.

consideration in determining whether a challenged domain name is “Confusingly Similar” to the complainant’s Mark. The Panel’s view in this regard is consistent with the fact that a complainant may rely upon an official mark advertised pursuant to paragraph 9(1)(n) of the *Trade-marks Act*. Official marks do not have to be distinctive in order to be advertised under the *Trade-marks Act* or afforded significant protection under the *Trade-marks Act*.

32. Applying the test of resemblance based upon first impression and imperfect recollection, the Panel finds, on a balance of probabilities, that a person, on a first impression of the Domain Name (without the .ca suffix) and having an imperfect recollection of the Complainant’s THERMOS marks, would likely mistake the Domain Name (without the .ca suffix) for the Complainant’s THERMOS marks based upon the appearance, sound or the ideas suggested by those marks. Accordingly, the Panel finds that the Domain Name is “Confusingly Similar” to the Complainant’s THERMOS marks within the meaning of Policy paragraph 3.4.

(f) Bad Faith

33. Policy paragraph 4.1 requires the Complainant to prove, on a balance of probabilities, that the Registrant registered the Domain Name in “bad faith”, as described in Policy paragraph 3.7.

34. “Bad faith” within the meaning of the Policy is narrowly defined, and is not intended to apply to distasteful conduct that might constitute bad faith in the ordinary sense of the term.

35. Policy paragraph 3.7 sets forth an exhaustive list of criteria for determining whether a registrant registered a domain name in “bad faith”. It reads as follows:

For the purposes of paragraph 3.1(c), a Registrant will be considered to have registered a domain name in bad faith if, and only if:

- (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 the Complainant, or the Complainant's licensor or licensee of the Mark, or to a competitor of the Complainant or the licensee or licensor 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 the Complainant, or the Complainant's licensor or licensee of the Mark, 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 or acquired the Registration 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.*

36. Only in rare cases will there be direct evidence of the registrant's bad faith. Accordingly, in most cases a panel's findings regarding the registrant's purposes in registering a domain name will be based upon common sense inferences from the registrant's conduct and other surrounding circumstances.

37. The Complainant relies upon all three grounds of bad faith. The Panel will consider each separately.

(i) Sale of Domain Name for Profit – Policy Paragraph 3.7(a)

38. The Complainant contends that the Registrant registered the Domain Name primarily for the purpose of selling, renting, licensing or otherwise transferring the Registration to the Complainant or to a competitor of the Complainant for valuable consideration in excess of the Registrant's actual costs in registering the Domain Name. The Complainant relies upon "without prejudice" settlement discussions between counsel in connection with the Federal Court lawsuit, which the Complainant asserts included a "without prejudice" offer made by the Registrant's counsel to sell the Domain Name to the Complainant for what the Complainant describes as "a grossly exorbitant amount of money". The Complainant did not specify the amount of the offer. The Complainant provided copies of without prejudice letters from the Registrant's counsel, but the details of the settlement offers were redacted. The Complainant asserts that the Registrant made the offer through his legal counsel in an attempt to circumvent Policy paragraph 3.7.

39. The Registrant responds as follows: (a) evidence of the without prejudice communications between counsel for the purpose of settling the Federal Court lawsuit are not admissible; (b) the Federal Court Rules, R. 257, required the parties' solicitors to discuss settlement within 60 days after pleadings are closed; (c) the settlement offer made by Registrant's counsel related to all of the matters in the Federal Court lawsuit; (d) the Complainant's characterisation of the Registrant's settlement offer is inaccurate and misleading; (e) the Registrant's use of the domain name for his business purposes for more than two and one-half years before the Complainant contacted the Registrant demonstrates that there was no intent, let alone a "primary intent", to sell the domain name for a profit to the Complainant.

40. Based upon the evidence, the Panel is satisfied that the impugned offer by the Registrant to sell the Domain Name was made as part of bona fide, without prejudice settlement discussions between the parties' solicitors in connection with related legal proceedings in the Federal Court, as required by the Federal Court Rules. In those circumstances, the Panel rules that evidence of the settlement discussions is not admissible. This evidentiary ruling is confined to the particular circumstances of this case. In other circumstances, evidence of without prejudice offers to sell a domain name for a profit might be admissible in proceedings under the Policy.

41. Further, even were evidence of the Registrant's settlement offer admissible, the Panel holds that the Complainant has not proven, on a balance of probabilities, that the Registrant registered the Domain Name for the "primary purpose" of selling it at a profit to the Complainant or relevant other persons. The Panel notes as follows:

- (a) The Registrant used the Domain Name in connection with his business, as an email address and otherwise, for over two years before being contacted by the Complainant's lawyers.
- (b) The Registrant did not contact the Complainant or make any offer to sell the Domain Name until the parties' solicitors engaged in without prejudice settlement discussions in connection with the related Federal Court lawsuit.
- (c) The Panel does not know the amount of the Registrant's offer, and has no evidentiary basis upon which to assess whether or not the Complainant's characterization of the Registrant's offer as requiring payment of "a grossly exorbitant amount of money" is accurate or not.

42. For those reasons, the Panel finds that the Complainant has not proven that the Registrant registered the Domain Name in bad faith under Policy paragraph 3.7(a).

(ii) Blocking Registration and Pattern of Conduct – Policy Paragraph 3.7(b)

43. The Complainant also contends that the Registrant registered the Domain Name to prevent the Complainant from registering its THERMOS Marks as a dot-ca domain name. However, the Complainant does not contend that the Registrant has engaged in a pattern of similar conduct as required by Policy paragraph 3.7(b).

44. There is no allegation, and no evidence, that the Registrant has engaged in a pattern of registering domain names to prevent persons who have rights in marks from registering those marks as dot-ca domain names. Without that requisite pattern of conduct, the Complainant cannot prove that the Registrant registered the Domain Name in bad faith under Policy paragraph 3.7(b).

(iii) Disrupting Business of Competitor – Policy Paragraph 3.7(c)

45. The Complainant also contends that the Registrant registered the Domain Name primarily for the purpose of disrupting the business of the Complainant by confusing the Complainant's actual and potential customers into believing that the Registrant's website is the Complainant's, thereby causing the Complainant to lose sales and business opportunities. The Complainant does not expressly contend that the Complainant is a competitor of the Registrant.

46. The Registrant disputes that the Complainant has proven the two elements required by Policy paragraph 3.7(c): (a) disrupting the Complainant's business was the Registrant's "primary purpose" in registering the Domain Name; and (b) the Complainant is a "competitor" of the Registrant. The Panel will address each of those issues.

(a) Primary Purpose to Disrupt Business of Complainant

47. The Complainant's THERMOS Marks are very well known in Canada, and the Registrant should have foreseen that his registration of the Domain Name would be objectionable to the Complainant and could cause some confusion on the part of the Complainant's actual or potential customers and resulting business disruption to the Complainant. Significantly, this has not been denied by the Registrant. Nevertheless, there are various other circumstances that indicate that the Registrant's good faith use of the Domain Name in connection with his business was the Registrant's primary purpose for registering the Domain Name. Those circumstances include the following:

- (a) The Domain Name reflects the Registrant's nickname ("Thermo") and business names ("Thermo's Design Group" or simply "Thermo's").
- (b) When the Registrant registered the Domain Name in April 2001, the Registrant could not register the domain names <thermo.com> or <thermo.ca> (because they were not available) or domain names that included an apostrophe (because the domain name system does not recognize punctuation marks).
- (c) The Registrant used the Domain Name in connection with his business, as an email address and otherwise, for over two years before being contacted by the Complainant's lawyers.
- (d) The Registrant did not use the Domain Name in any way that referenced the Complainant or its business, products or services, or advertised or otherwise promoted the Complainant's business competitors or wares or services that compete with the Complainant's wares and services.
- (e) There are no circumstances to suggest the Registrant has any antipathy toward the Complainant or any other motive to disrupt the Complainant's business or otherwise harm to the Complainant.

48. After careful consideration, the Panel finds that that the Complainant has failed to prove, on a balance of probabilities, that the Registrant registered the Domain Name "primarily for the purpose of disrupting the business of the Complainant" or a related person, as required by Policy paragraph 3.7(c).

(b) Complainant is a Competitor of Registrant

49. This requirement of Policy paragraph 3.7(c) has been given different interpretations in previous decisions under the Policy. Some panels have adopted a broad interpretation, holding that a complainant is a competitor of a registrant if they have websites that compete for the attention of Internet users.⁸ Other panels have adopted a narrower interpretation, holding that there must be some form of direct or indirect business competition between the complainant and registrant, which may include the registrant directing Internet users to websites of the complainant's business competitors or advertising wares or services that compete with the complainant's wares

⁸ For example, see *Internet Movie Database Inc. v. 384128 Canada Inc.* (December 2005).

and services,⁹ and that competition for the attention of Internet users is not sufficient to make the complainant a “competitor” of the registrant within the meaning of Policy paragraph 3.7(c). These differing interpretations are reflected in divergent views of the members of the Panel on this issue.

50. Panel member John Rogers prefers a broad interpretation of the word “competitor” as including competition for the attention of Internet users. He believes that Policy paragraph 3.7(c) is speaking to situations where the registrant, in using the domain name in issue, can be shown by the complainant to be trading off goodwill owned by the complainant for the primary purpose of disrupting the business of the complainant. This broader interpretation of Policy paragraph 3.7(c) does not require the registrant and the complainant to be business competitors in the conventional sense as used before the advent of the Internet. Rather, it covers situations where the registrant does not have a business other than that of generating revenue from Internet users mistakenly coming to the registrant’s website while thinking they were going to the website of the complainant. Applying this broad interpretation of the word “competitor”, Mr. Rogers finds that the Complainant could be said to be a competitor of the Registrant.

51. Panel member Barry Effler prefers an interpretation of the word “competitor” as including competition for the attention of Internet users, provided that the usage of the domain name is for the purpose of economic or other benefit to the registrant. Applying this interpretation, Mr. Effler finds that Complainant is not a competitor of the Registrant since the Registrant is not obtaining any economic gain from the attention of Internet users who attend to the Registrant’s site. Mr. Effler’s analysis of “competitor” is as follows:

- (a) “Competitor” needs to be given a meaning in context with the concept of bad faith registration as required by the provisions of Policy paragraph 1.1.
- (b) To be a competitor, the registrant must be gaining an economic or other benefit from the traffic the registrant is drawing away from the complainant. The registrant does not need to be in the same business as the complainant. Further, selling the traffic the registrant receives on a click through basis, especially to a true real world competitor of the complainant, is being a competitor and disrupting the business of the complainant as required in Policy paragraph 3.7(c).¹⁰
- (c) In the case at hand, the Registrant is not gaining any economic benefit from any redirected traffic and is clearly not a competitor.

⁹ For example, see *Acrobat Construction v. 1550507 Ontario Inc.* (June 2003), *Trans Union LLC v. 1491070 Ontario Inc.* (April 2003), *Microsoft Corporation v. Microscience Corporation* (July 2005); *The Toro Company v. Hannon* (August 2005).

¹⁰ For example, see *Canada Drugs.com Partnership v. NC Britton Holdings Ltd. o/a Minit Drugs* (April 2005).

- (d) When a registrant is gaining an economic benefit from the traffic that is being redirected and lacks any color of right, then Mr. Effler is willing to infer this was the registrant's primary purpose in registering the domain name.¹¹
- (e) Where a complainant and a registrant are actual direct competitors, then the registrant is a competitor within the meaning of Policy paragraph 3.7(c). This is so even where the registrant's registration of a domain name using a trademark of the complainant is just to direct traffic away from the complainant and no other direct benefit is obtained by the registrant by making business use of the traffic.

52. Panel Chair Bradley Freedman prefers a narrower interpretation of the word "competitor" as meaning direct or indirect economic competition in which the registrant provides or promotes wares or services that are at least imperfect substitutes for the complainant's wares or services. This interpretation would include registrants that use a challenged domain name for a website that advertises or otherwise promotes the complainant's business competitors or wares or services that are at least imperfect substitutes for the complainant's wares and services. Mr. Freedman prefers this interpretation for the following reasons:

- (a) Economic competition between complainant and registrant is consistent with the other requirement of Policy paragraph 3.7(c) - disrupting the business of the complainant or its licensor/licensee – which indicates that the focus of this kind of "bad faith" is on causing harm to the complainant's business interests rather than simply attracting Internet traffic without more.
- (b) It is difficult to imagine a situation in which use of a domain name that is "Confusingly Similar" to a complainant's mark will not result in competition for the attention of Internet users, in the sense that Internet users seeking the complainant's website will access the registrant's website through the confusingly similar domain name. Consequently, interpreting the term "competitor" to mean simply that the complainant and the registrant both seek Internet traffic runs the risk of rendering this element of Policy paragraph 3.7(c) superfluous. In contrast, an interpretation which requires direct or indirect economic competition between the complainant and the registrant or its licensor/licensee apart from their general seeking of Internet traffic preserves an independent function for this aspect of Policy paragraph 3.7(c).
- (c) Even though the term "bad faith" is narrowly defined under the Policy, findings of "bad faith" under Policy paragraph 3.7(c) should not be made lightly. Interpreting the term "competitor" narrowly, in a manner that is consistent with its ordinary and natural meaning and the apparent purpose of Policy paragraph 3.7(c), ensures that findings of "bad faith" are made only where appropriate.
- (d) Policy paragraph 3.7(a) also refers to the complainant's "competitor", which word should have the same meaning as in Policy paragraph 3.7(c). It is difficult to conceive that the "competitor" referenced in paragraph 3.7(a) could be simply any person that competes with the complainant for the attention of Internet users or otherwise acts in opposition to the complainant.

¹¹ For example, see *Fresh Intellectual Properties Inc. v. Sweets and Treats* (June 2005).

- (e) A broad interpretation of the “competitor” requirement in Policy paragraph 3.7(c), so that a complainant will be a “competitor” of the registrant if they are competing for the attention of Internet users for economic or commercial gain, would make Policy paragraph 3.7(c) similar in scope and effect to paragraph 4(b)(iv) of the ICANN *Uniform Domain Name Dispute Resolution Policy*, which provides for a finding of bad faith where the complainant has intentionally used a confusingly similar domain name to attempt to attract the attention of Internet users for commercial gain.¹² The Policy was drafted after the UDRP. The language of Policy paragraph 3.7(c) suggests that the drafters intended it to apply in much narrower circumstances than those captured by UDRP paragraph 4(b)(iv).

53. Applying this narrower, economic competition interpretation, Mr. Freedman finds that the Registrant is not a competitor of the Complainant because: (a) the parties’ wares and services are sufficiently different that it could not be contended that the Registrant and Complainant are engaged in any economic or business competition whatsoever; and (b) the Registrant has not used the Domain Name to advertise or otherwise promote the Complainant’s business competitors or wares or services that are at least imperfect substitutes for the Complainant’s wares and services.

54. Notwithstanding this disagreement among the Panel members, they unanimously agree that the Complainant has failed to prove, on a balance of probabilities, that the Registrant registered the Domain Name “primarily for the purpose of disrupting the business of the Complainant” or a related person, as required by Policy paragraph 3.7(c). Accordingly, the Panel unanimously agrees that the Complainant has not proven that the Registrant registered the Domain Name in bad faith under Policy paragraph 3.7(c).

(g) No Legitimate Interest

55. Policy paragraph 4.1 clearly provides that to succeed a complainant must prove all three required elements: (a) confusing similarity between the domain name and the complainant’s marks, (b) bad faith registration; and (c) no legitimate interest in the domain name.

56. In light of the Panel’s conclusion regarding the “bad faith” element of the Policy, it is neither necessary nor appropriate for the Panel to consider the “no legitimate interest” requirement of the Policy.

¹² UDRP paragraph 4(b) provides in relevant part as follows:

For the purposes of Paragraph 4(a)(iii), the following circumstances, in particular but without limitation, if found by the Panel to be present, shall be evidence of the registration and use of a domain name in bad faith: ... (iv) by using the domain name, you have intentionally attempted to attract, for commercial gain, Internet users to your 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 your web site or location or of a product or service on your web site or location.

(h) Bad Faith Complaint

57. The Registrant contends that the Complainant brought the complaint in bad faith. Policy paragraph 4.6 provides that if a registrant is successful and proves, on a balance of probabilities, that the complaint was commenced by the complainant for the purpose of attempting, “unfairly and without colour of right”, to cancel or obtain a transfer of any domain name registration that is the subject of the proceeding, then a panel may order the complainant to pay to the provider in trust for the registrant an amount of up to five thousand dollars (\$5,000) to defray the costs incurred by the registrant in preparing for and filing material in the proceeding.

58. The Registrant contends that the Complainant has harassed the Registrant and attempted to force the Registrant to transfer the Domain Name by exhausting the Registrant’s economic and other resources. The Registrant notes, in particular, the Complainant’s unilateral discontinuance of the Federal Court lawsuit; attempt to adduce in this proceeding evidence of without prejudice settlement discussions between counsel; and alleged “inaccurate and misleading” characterization of those without prejudice communications. The Registrant argues that the Federal Court lawsuit was the appropriate forum to adjudicate this dispute.

59. The Registrant’s arguments focus on the alleged unfairness of the Complainant’s conduct, but do not address the other required element – “without colour of right”. The term “colour of right” is not defined in the Policy. Under Canadian law applicable in Ontario, in the criminal law context, the expression “colour of right” means an honest belief in a legal right or in a state of facts which, if it existed, would be a legal justification or excuse.¹³ A similar interpretation of the term “colour of right” in Policy paragraph 4.6 has been adopted in at least one previous decision under the Policy.¹⁴

60. In light of the Complainant’s numerous THERMOS trademarks, and previous decisions under the Policy adopting a broad interpretation of the “bad faith” element of the Policy, the Panel finds that that the Registrant has failed to prove, on a balance of probabilities, that the complaint was brought “without colour of right”. In light of that finding, the Panel need not make any finding regarding the alleged “unfairness” of the Complainant’s conduct.

61. Accordingly, the Panel finds that the Registrant has not proven that the complaint was brought in bad faith within the meaning of Policy paragraph 4.6.

Conclusion and Decision

62. The Complainant has failed to prove, on a balance of probabilities, that the Registrant registered the Domain Name in “bad faith” within the meaning of the Policy.


¹³ For example, see *R. v. Th  roux* (1993) 79 C.C.C. (3d) 448 (S.C.C.); *R. v. Zlatic* (1993) 79 C.C.C. (3d) 466 (S.C.C.); *R. v. Brais* (1972) 7 C.C.C. (2d) 300 (C.A.); *R. v. Jones* (1991) 66 C.C.C. (3d) 512 (S.C.C.); *R. v. Creaghan* (1982) 1 C.C.C. (3d) 449 (Ont. C.A.).

¹⁴ *Microsoft Corporation v. Microscience Corporation* (July 2005). See also *Air Products Canada Ltd. v. Index Quebec Inc.* (April 23, 2003).

Accordingly, the Complainant has not established one of the required elements set forth in Policy paragraph 4.1. For that reason, the Panel dismisses the complaint.

63. The Registrant has failed to prove, on a balance of probabilities, that the complaint was brought in bad faith. For that reason, there will not be any award of costs against the Complainant.

Bradley J. Freedman, Barry C. Effler, and John Rogers

A handwritten signature in black ink, appearing to be 'Bradley J. Freedman', written over a horizontal line.

Bradley J. Freedman
Chair

Date: January 18, 2006