

**In the Matter of a Complaint
Pursuant to the Canadian Internet Registration Authority
Domain Name Dispute Resolution Policy**

Domain Name: candystand.ca
Complainant: Wrigley Canada Inc., represented by Lillian L. Camilleri of Cassan Maclean
Registrant: Brain Wave Holdings Inc., represented by Helen Yu of Beairsto Sabey
Registrar: 10 Dollar Domain Names Inc.
Panelists: David G Allsebrook, Robert A Fashler, Denis Magnusson (Chair)

The Parties

The Complainant is Wrigley Canada Inc., a corporation incorporated under the Canadian federal incorporation statute in 1979. The Registrant is Brain Wave Holdings Inc. of Kelowna B.C. The administrative contact for the Registrant is Shaun Pilfold.

Domain Name and Registrar

The disputed domain name is **candystand.ca**. The Registrar is 10 Dollar Domain Names Inc., Registrar Number 1064689.

Procedural History

The Complainant filed this Complaint with the Provider, Resolution Canada, on July 27, 2006. The Provider approved the Complaint as to form and forwarded it to the Registrant. The Registrant filed a Response. Under the procedure in the CIRA Domain Name Dispute Resolution Rules the Provider appointed David Allsebrook, Robert Fashler and Denis Magnusson (Chair) as the Panel for this dispute.

The Policy Requirements for Complaint to Succeed

Onus on the Complainant

To succeed the Complainant¹

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 must provide some evidence that:

“(c) the Registrant has no Legitimate Interest in the domain name as described in paragraph 3.6.”

Registrant Legitimate Interest Defence

“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

¹ CIRA Policy, para. 4.1,

probabilities, that the Registrant has a legitimate interest in the domain name as described in paragraph 3.6.”²

Requirement #1: Domain Name Confusingly Similar to a Mark in which the Complainant had Rights

The Complainant’s Mark

The Complainant’s Mark is the word “Candystand”, which the Complainant submitted is a Mark under Policy para. 3(2)(a) as an unregistered trademark that has been used in Canada.

The Complainant points to the use of “Candystand” as incorporated in the domain name Candystand.com and the appearance of the word “Candystand” on the web pages of the site located at the Candystand.com domain name for evidence that the Mark was used in Canada as an unregistered trademark.

The Candystand.com domain name was first registered in 1996 by a predecessor in title to the Complainant’s licensor. In 1997 that predecessor in title began using Candystand.com in association with a web site. In 1998 that predecessor in title registered the word “Candystand” as a trademark in the United States for the services of “providing a web site containing articles, puzzles, games and activities of an educational nature intended for adults and children”, with the date of first use of the trademark in association with these services of March 26, 1997. The web site located by the Candystand.com domain name has featured articles, puzzles, games and activities of an educational nature intended for adults and children. The Complaint further stated that “the Mark Candystand.com is heavily featured on most of the web pages consisting the Candystand.com web site” and that “the header included on most of the associated web pages includes the Mark CANDYSTAND, which is accompanied by the “TM” notation.

The Policy para 3.2(a) provides that a trademark is used with respect to services if the mark is “displayed in the performance or advertising of those services”. This use requirement has three express and implicit requirements, all of which must be met for there to be a use as required by this section.

First, there must be a *physical juxtaposition* of the mark and the services such that the consumer is made aware of a connection between the mark and the services. The appearance of Candystand.com as a domain name and the appearance of the word Candystand prominently on the web site as received by Canadian users of the web site clearly satisfy this aspect of the use requirement. Second, the mark must be used in connection with the services *as a trademark*, that is, with the purpose or effect of communicating to consumers a trademark message, that is, to distinguish services performed by the user of the trademark from services performed by others.³ The use of “Candystand” on the candystand.com web site satisfies this requirement. Third, there must be services actually performed and not the mere advertisement of services which are not

² CIRA Policy, para. 4.1. See *British Petroleum Co. Ltd. v. Bombardier Ltd.*, (1971) 4 CPR (2d) 204 (FCTD) on use as a trademark under the *Trade-marks Act*.

³ *Trade-marks Act*, s. 2 “trade-mark”, part (a).

actually performed.⁴ The actual making available of games and educational activities and their actual use by visitors to the web site satisfies this aspect of the use requirement.

The further express requirement in Policy, para. 3.2(a), is that such use of the trademark occur *in Canada*. This language is very like that in the *Trade-marks Act*, s. 16(1) which provides as a basis for registering a trademark, that the trademark has been used in Canada in association with services. In interpreting this requirement, the courts have ruled that there must be services actually performed in Canada as well as the advertising of the trademark in Canada. In particular, “the mere advertising of the trade mark in Canada coupled with performance of the services elsewhere” does not constitute use of the trademark in association with such services in Canada.⁵ The Complaint does not expressly state where the computers are located on which the Candystand.com web site is mounted and operated. However, it would be reasonable to infer from the Complaint that such computers are located in the United States, or at least not in Canada. Nevertheless, when a Canadian user of that web site accesses the web site through the Internet, the images and processes involved in the puzzles, games and activities made available to users on the web site would appear on the computer monitor screen of the user located in Canada. This constitutes the performance of services in Canada for the purposes of the definition in Policy para. 3.2(a).

The Complainant has submitted evidence of the very great numbers of individual users of the web site located at the Candystand.com domain name the web pages of which feature the word Candystand with the TM indication.⁶ This web site would have been readily accessible by Canadian Internet users. The Panel believes that it is a reasonable inference that at least a few of these very many Internet users were based in Canada.⁷

Thus, the Panel concludes that the Complainant has shown that the Mark was used in Canada as an unregistered trademark for the services offered on the web site.

The Complainant’s Rights in the Mark

To succeed, the Complainant must show that it had Rights in the Mark prior to the date of the registration of the disputed domain name.

The disputed domain name Candystand.ca was registered in July, 2002. The web site located at the domain name Candystand.com on which the trademark Candystand appeared prominently was launched in November, 1997 and has been operated continuously since then. There was clearly a Mark, in which Rights could be acquired, in use well prior to the date of the registration of the domain name.

The domain name Candystand.com was registered originally in 1997 by Nabisco Brands Company. The trademark Candystand was registered in the US in 1998, for the services of

⁴ *Marineland Inc. v. Marine Wonderland and Animal Park Ltd.* [1974] 2 F.C. 558; *Porter v. Don the Beachcomber* [1966] Ex.C.R. 982.

⁵ *Porter v. Don the Beachcomber* [1966] Ex.C.R. 982 at 988.

⁶ See below at footnote 14.

⁷ Policy 3.3(a) in providing that a person has Rights in a Mark if that Mark has been used in Canada sets no quantitative minimum to qualify as such use.

operating a web site as described above, also by Nabisco Brands Company. In 2001 title to the Candystand.com domain name and to the US Candystand trademark registrations were assigned by Nabisco Brands Company to Kraft Food Holdings Inc. In June, 2005 Kraft Food Holdings Inc assigned title to the Candystand.com domain name and to the US Candystand trademark registrations to the Wm Wrigley Jr. Company.

The Wm. Wrigley Jr. Company [“Wrigley US”] is a United States incorporated company which is the parent company of the Complainant, Wrigley Canada Inc. Wrigley US licensed the Complainant to use its unregistered trademark Candystand for web services and for candy wares in Canada.

Policy para. 3.3(a) provides that a person has Rights in a Mark if the Mark has been used in Canada by a licensor of that person. Wrigley US has used the unregistered trademark Candystand in Canada for the above-described web site services from the time of the assignment to it of the Candystand.com domain name and related US trademark registrations in June, 2005. Of course, that date is after the critical date of the registration of the disputed dot-ca domain name, July 2002. Nevertheless, the Mark, Candystand, had been used in Canada, through the operation of the web site at Candystand.com, by predecessors in title to Wrigley US, prior to the critical date of the registration of the dot-ca domain name.

Policy para. 3.3(a) does expressly recognize Rights in a Mark which stem from the use of the Mark in Canada by a predecessor in title to a present claimant of such Rights. Thus, for example, if Wrigley US were claiming Rights in the Mark, under para. 3.3(a), Wrigley US would be expressly entitled to rely on the use of the Mark Candystand in Canada by Wrigley US’s predecessors in title, Nabisco Brands Company and Kraft Food Holdings.⁸ However, in this dispute the Complainant is Wrigley Canada Inc. and not Wrigley US. While the Complainant Wrigley Canada Inc. has been a licensee of the Mark from the licensor Wrigley US since as early as June, 2005, that does not constitute Rights acquired prior to the critical date of the registration of the disputed dot-ca domain name, July, 2002. For the Complainant-licensee Wrigley Canada Inc. to show Rights in the Mark prior to July, 2002, Wrigley Canada Inc. would have to rely on the Rights of its licensor’s (Wrigley US) predecessors in title. In effect this would mean reading Policy para. 3.3(a) as if it said:

the Mark has been used in Canada by that person, that person’s predecessor in title, a licensor of that person or predecessor; or the predecessor in title of that person’s licensor [the underlined portion is the notional insertion]

The application to this case of the notional insertion of language would be:
or the predecessor in title [Nabisco & Kraft] of that person’s [Wrigley Canada Inc.]
licensor [Wrigley US]

The Panel concludes that extending the recognition of a claim of Rights in a Mark to a claim founded on the claim of a predecessor in title to the Complainant’s licensor is a necessary reading of para. 3.3(a) in order to give effect to the policy and purposes evident in reading para. 3.3 as a whole. The Panel concludes that this reading is clearly implicit in Policy para. 3.3(a),

⁸ However, Wrigley US might not qualify as a Complainant under the Policy as Wrigley US might not be able to satisfy the Canadian Presence requirements for such Complainants. See CIRA Policy, para. 1.4.

Thus, the Complainant has established that it had Rights in the Mark prior to the date of the Registrant's registration of the domain name, and that it continues to have such Rights.

Confusingly Similar

Policy para. 3.4 provides that

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.

For the purposes of assessing confusing similarity between the Mark, "Candystand" and the domain name "Candystand.ca" the Policy directs that we ignore the dot-ca suffix.⁹ Thus, in assessing confusing similarity we are comparing the Mark with an identical domain name. Under the prevailing interpretation of "confusingly similar" under the Policy, in all circumstances in which a Mark and the domain name are identical the domain name will be found to be confusingly similar to the Mark.¹⁰

Thus, the Complainant has shown that the disputed domain name is confusingly similar to the Mark.

Requirement #2: Registrant's Bad Faith

To succeed, the Complainant must prove on the balance of probabilities that the Registrant registered the disputed domain name in bad faith "as described in [Policy] paragraph 3.7"¹¹.

Policy para. 3.7 states that a Registrant will be considered to have registered the domain name in bad faith "if and only if" the Registrant registered the domain name with at least one of the three purposes set out in subparas. 3.7(a),(b) and (c).

Policy subpara. 3.7(b) states that the Registrant will be considered to have registered the domain name in bad faith if:

the Registrant registered the domain name . . . 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 . . . 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

The Complainant submitted a list of dot-ca domain names registered by

" . . . first, the Registrant Brain Wave Holdings Inc., second, by Shaun Pilfold (a.k.a. Shaun Pilfold), the administrative contact for the Registrant, and third, for Pilfold Ventures (a.k.a. Pilfold Ventures) which is another domain name registrant also administered by Shaun Pilfold."

⁹ Policy para. 1.2: "For the purposes of this Policy, "**domain name**" means the domain name excluding the "dot-ca" suffix. . ."

¹⁰ This interpretation is derived from a reading of s. 9(1) of the *Trade-marks Act* which features similar language. See CIRA decision no.00011 *Government of Canada v. Bedford*.

¹¹ Policy, para. 4.1(b).

Complainant indicated domain names on that list that appear to conflict with trademarks or trade names owned by others. Further, the Complainant referred to four previous CIRA Dispute Policy decisions in which Pilfold Ventures(a.k.a. Pilford Ventures) and Shaun Pilfold (a.k.a. Shaun Pilford) were Registrants found to have made bad faith registrations of domain names confusingly similar to Complainants' Marks. The Complainant also submitted the results of a search for "S. Pilfold" on canada411.com which accessed all Canadian telephone listings, which search revealed only one "Shaun Pilfold" listed, who resided in British Columbia, the same province of residence as the Shaun Pilfold who is the administrative contact for the Registrant, Brain Wave Holdings Inc.

The Complainant in conclusion submitted:

"In the view of all the foregoing . . . the Registrant either as itself, or in various guises through its administrative contact Shaun Pilfold, has engaged in a pattern of registering domain names to prevent . . . persons . . . who have Rights in Marks from registering the Marks as domain names."

The Panel agrees with this submission and finds that the Registrant has engaged in such a pattern of domain name registrations. Thus, the second of the two requirements in subpara. 3.7(b) necessary to establish the Registrant's bad faith has been satisfied.

That leaves the first of the two requirements in subpara. 3.7(b) for the Complainant to succeed in showing the Registrant registered the domain name in bad faith. This requirement is that the Complainant establish on the balance of probabilities that the Registrant registered the domain name with the intent of preventing the Complainant or Complainant's licensor from registering the Mark as a dot-ca domain name.¹² Under subpara. 3.7(b) this purpose need not be shown to be the Registrant's sole purpose, or even the Registrant's chief purpose among other purposes in registering the domain name.¹³

The Registrant's registration of the Candystand.ca domain name had the effect of preventing the Complainant Wrigley Canada Inc. or the Complainant's licensor from registering the Mark Candystand as a dot-ca domain name. We have no reliable direct evidence of the Registrant's actual intent at the time it registered the domain name. In all the circumstances, we have to treat the Registrant's denial, in itself, as unreliable self-serving testimony. Thus, to conclude that the Registrant had the necessary intent we have to be able to infer the necessary intent from the evidence that is available. As this branch of the bad faith test is about blocking the Complainant from registering its Mark as a domain name, we have to infer that at the time the Registrant registered the domain name, he knew that a Mark existed in that form and he should have reasonably anticipated that the owner of that Mark might want to register it as a domain name.

Can we reasonably infer that the Registrant knew that the domain name was a Mark at time he registered the domain name? The Complainant included evidence that the Candystand.com

¹² In para. 3.7(b) the words "in order to" connote purpose or intent.

¹³ In paras. 3.7(a) and (b), which each define other bad faith purposes in the Registrant's registering the domain name use the express words "*primarily* for the purpose" [emphasis added]. These words do not appear in subpara. 3.7(b).

Internet site, “is one of the most popular and heavily trafficked entertainment destinations on the Web, visited by more than 4 million unique consumers each month” This statement was as to the extent of the reputation of the Candystand site as of May 16, 2006.¹⁴ In the context of other evidence submitted by the Complainant about the development of the site since its establishment in 1997, five years before the disputed domain name was registered, the statement permits us to begin to draw inferences about the extent to which the Candystand site was known at the time the disputed domain name was registered. The Complainant further noted that “Candystand.com has featured some of the most popular sports, arcade, card, puzzle and multiplayer games freely available online since its launch in 1997”.

Thus, we can infer that the Mark Candystand, in the form of the domain name Candystand.com and the appearance of the word Candystand on the pages of the web site, had some notoriety as of the date on which the disputed dot-ca domain name was registered. The fact that the Mark was then incorporated in a domain name and the fact that the Registrant was an experienced trader in domain names lead to a probable inference that the Registrant knew of the existence of the Candystand Mark at the time it registered the disputed dot-ca domain name. The fact that the Candystand mark had already been registered as a dot-com domain name would likely have alerted the Registrant to the probability the owner of the Candystand Mark might well want to register it as a dot-ca domain name in the future.

On the above findings the Panel concludes that it must infer that the Registrant registered the disputed domain name with a purpose of denying the Complainant or the Complainant’s licensor the opportunity to register the Mark as a dot-ca domain name. Thus the Registrant registered the domain name in bad faith as defined in Policy para. 3.7(b).

In its Response, the Registrant pointed to what the Registrant believed was the inherent descriptive potential of the dot-ca domain name. How could such descriptive potential, if present, be relevant to a Policy para. 3.7(b) bad faith claim? Hypothetically, such inherent descriptiveness might be relevant to the bad faith claim in two ways.

First, a Registrant might claim that he conceived the idea of registering the domain name because it was so descriptive, and thus he never adverted to the possibility that someone else might have previously made such a descriptive term a Mark and as a result he was unaware that the Complainant then claimed that term as a Mark. The Panel cannot apply this reasoning to this dispute. The degree of descriptiveness for Internet uses of the domain name Candystand.ca is at least debatable. More importantly, given the Panel’s conclusions about the notoriety of the Candystand.com domain name at the time of the registration of the disputed dot-ca domain name, and given the Panel’s findings about the Registrant’s knowledge as an experienced domain name trader, the Panel cannot infer that the Registrant was so blinded by the domain name’s descriptive potential that it never adverted to the dot-ca domain name then being in conflict with someone else’s Mark.

Second, the Registrant of a disputed domain name incorporating a term with inherent descriptive potential might know that another person was using the descriptive term as a Mark and that other person claimed rights in such Mark. However, the Registrant might believe that because the

¹⁴ Complaint Schedule 11, Wm. Wrigley Jr. Co. Investor Information, May 16, 2006.

Mark was so descriptive of the goods or services with which it was being used by that other person, that other person could not successfully claim any rights in the Mark. On this belief the Registrant could accurately say that in registering the dot-ca domain name which was identical to the claimed Mark, the Registrant did not intend to prevent anyone from registering as a domain name a Mark in which he or she had Rights, as no one had effective Rights in such a descriptive Mark. The Panel cannot apply this analysis to this case. Under this analysis the prior use of the term with alleged inherent descriptive qualities of which the Registrant would be aware would be the use by the predecessors of the Complainant's licensor as the Candystand.com domain name and "Candystand" being used on the associated web site. The Panel has noted that the inherent descriptive qualities of "candystand" for use on the Internet is at least debatable. In fact, the Complainant's licensor and its predecessors in title to the Mark and Candystand.com domain name did not use the Mark in a clearly descriptive context – Candystand does not clearly describe the services or business located at the Candystand.com web site. Thus, the Panel cannot infer that the Registrant was convinced that "candystand" was so inherently descriptive of the services available on the Candystand.com web site that no Rights could then exist in the Candystand Mark.

The Panel concludes that the alleged descriptive qualities of the Mark and the disputed domain name provide no grounds for altering the Panel's conclusion that the Complainant has demonstrated that the Registrant registered the disputed domain name in Bad Faith as defined in Policy para. 3.7(b).

Requirement #3: Show Registrant Has No Legitimate Interest

To succeed the Complainant must provide some evidence that the Registrant has no legitimate interest in the domain name and even if the Complainant provides some such evidence, the Registrant will succeed if the Registrant proves, on a balance of probabilities, that the Registrant has a legitimate interest in the domain name as described in paragraph 3.6.¹⁵

Policy para. 3.6 provides that the Registrant has a Legitimate Interest in a domain name "if and only if" the Registrant can show such an interest within one of the six specific categories of such interest listed in para. 3.6. The only category of potential relevance in this matter is para.3.6(b):
 "the Registrant used the domain name . . .in *good faith* in association with any . . . services or business and the domain name was clearly descriptive in Canada in the English . . .language of . . . the character or quality of [such] . . . services or business; . . ."
 [emphasis added]

" . . . 'use' by the Registrants includes, but is not limited to, use to identify a web site"

This definition of Legitimate Interest requires that the domain name be *clearly* descriptive of the services or business in association with which the Registrant uses the domain name.¹⁶ This

¹⁵ Policy, para 4.1.

¹⁶ "Clearly descriptive" is language apparently adapted from the *Trade-marks Act*, s. 12(1)(b) setting out one barrier to a trademark being registrable. In that context the words have been much interpreted by both the Trade-marks

Registrant uses the domain name in association with a web site which only features links to other sites on the Internet. At some, but not all of those linked sites it may be possible to buy candy for delivery to the Internet user. In considering whether the domain name is clearly descriptive of the services or business at the Registrant's web site, issues arise as to whether the word "stand" can be clearly descriptive of any web site and whether the word "candystand" can only be clearly applicable to a place at which candy is actually for sale.

However, the Panel finds that the express requirements of Policy para. 3.6(b) make it unnecessary for it to make a final determination with respect to whether the domain name as used by the Registrant satisfies the test of being "clearly descriptive". Policy para. 3.6(b) permits a Registrant successfully to claim this form of Legitimate Interest only if the Registrant has used the domain name "in good faith".¹⁷ The Panel has already found that the Registrant has registered the domain name in bad faith, presumably in anticipation of its using that domain name in some fashion. In the light of that finding, in order for the Registrant successfully to claim the benefit of the good faith use Legitimate Interest defence in para. 3.6(b), the Registrant must advance persuasive evidence of good faith use. The ambiguities about whether the Registrant's use of the domain name is clearly descriptive mean that the evidence advanced by the Registrant does not meet this standard.

The Panel finds that the Complainant has provided some evidence that the Registrant has no Legitimate Interest in the disputed domain name and that the Registrant has failed to show on the balance of probabilities that it has a Legitimate Interest as defined in the Policy para. 3.6.

Conclusion

The Panel finds that the disputed domain name Candystand.ca is Confusingly Similar to a Mark in which the Complainant had Rights at the time of the registration of the domain name and in which the Complainant still has Rights. The Panel also finds that the Registrant registered the domain name in Bad Faith as defined in the Policy. The Panel further finds that the Complainant has provided some evidence that the Registrant has no Legitimate Interest in the domain name, and that the Registrant has failed to establish that it has such Legitimate Interest as defined in the Policy.

The Complainant is successful in this Complaint and the Panel directs that the registration of the disputed domain name be transferred to the Complainant.

October 5, 2006

By the Panel

Office and the courts. See Canadian Intellectual Property Office, *Trade-marks Examination Manual*, part IV.4 and cases cited there at http://strategis.ic.gc.ca/sc_mrksv/cipo/tm/tm_exam_man-e.html.

¹⁷ The importance of the express "good faith" use requirement is stressed by the fact that only four of the six specific categories of Legitimate Interest set out in para. 3.6 contain such express good faith requirement. Clearly, in drafting the policy careful consideration has been given to the circumstance in which good faith is made mandatory. Interpreters of the Policy must give adequate weight to the good faith requirement when it appears.

(signed)

David G. Allsebrook

Robert A. Fashler

Denis N. Magnusson (Chair)