

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

Dispute Number: DCA-931-CIRA  
Domain Name: [www.honesteds.ca](http://www.honesteds.ca)  
Complainant: Honest Ed's Limited  
Registrant: Mr. Ernesto Imbrogno  
Registrar: Netfirms, Inc.  
Panelists: Harold Margles, Kenneth Gamble, John Lee  
Service Provider: British Columbia International Commercial Arbitration  
Centre

**DECISION**

**PARTIES**

The **Complainant** is a limited company that was incorporated as Mirvish Enterprises Limited on December 28, 1953. It has been operating a 160,000 square foot department discount store under the name Honest Ed's since 1948 in downtown Toronto. The company changed its name to Honest Ed's Limited on August 22, 1967 by Supplementary Letters Patent.

The **Complainant** registered the trade mark Honest Ed's on July 15, 1960 and has used it continuously in association with its retail services and wares. It also operates a website at [www.honesteds.sites.toronto.com](http://www.honesteds.sites.toronto.com) providing information about its department store and specials.

The **Registrant** is an individual residing in the Town of Markham, a suburb of Toronto. He registered the Domain Name [www.honesteds.ca](http://www.honesteds.ca) on March 15, 2006. There is no evidence filed by the **Registrant** to establish that he carries on any business or that his Domain Name is in use.

**PROCEDURAL HISTORY**

On August 8, 2006 the Complaint was filed with respect to the Domain Name with The British Columbia International Commercial Arbitration Centre, hereinafter referred to as the Centre. The Complaint was reviewed by the Centre and found to be in administrative compliance with the requirements under Rule 42 of the CIRA Domain Name Dispute Resolution Rules, hereinafter referred to as the CIRA rules. By letter and e-mail on

August 8, 2006, the Centre advised the parties that the Complaint had been reviewed and found to be compliant. A copy of the Complaint was forwarded to the **Registrant**. Delivery of a hard copy of the Complaint to the **Registrant** was confirmed. The **Registrant** has not provided a response. The **Complainant** has elected under Rules 6.5 not to convert from a panel of 3 to a single arbitrator and, accordingly, the Centre appointed a 3-person panel with Harold Margles as Chair.

The panel has reviewed the documentary evidence provided by the **Complainant**, none having been filed by the **Registrant**. The panel agrees with the Centre's assessment that the Complaint complies with the formal requirements of the CIRA Policy and its Rules.

The Panel believes that it was constituted in compliance with the CIRA rules. Each of the panelists has completed an Acceptance of Appointment as Arbitrator and Statement of Independence and Impartiality.

The Panel has received no further submissions from either party since its formation. The Panel is obliged to make its decision on or before October 12, 2006 in the English language and is unaware of any other proceedings which may have been undertaken by the parties or others in the present matter.

## **FACTUAL BACKGROUND**

Inasmuch as all of the evidence has been submitted by the **Complainant**, the Panel accepts such evidence subject to its relevance, the weight to be attached thereto, and the inferences to be drawn therefrom. As the **Registrant** has chosen not to submit any evidence to refute the allegations and evidence asserted against it by the **Complainant**, the Panel, accordingly, will draw such inferences as common sense and the **Complainant's** unchallenged evidence mandate.

The **Complainant's** trademark, Honest Ed's, has become very well known over the past 60 years. This trademark was distinctive at the time of its registration. It has become well known, in part because of the extensive advertising in Toronto and national newspapers for the merchandise in the 160,000 square foot store; in part because of the character of the discount department store created both by the flamboyance in its appearance, promotion and advertising; and in part by the respect and affection that its founder, "Honest Ed" Mirvish has engendered, by the publicity he has attracted as a consequence of his prominence in revitalizing Toronto theatre, his very public birthday celebrations and community involvement. The public response has been very favourable and enhances the reputation of the department store and the trademark.

The **Complainant's** website, [honestedsites.toronto.com](http://honestedsites.toronto.com), promotes the department store and its merchandise. It sets out Honest Ed's history and quotes from newspaper articles about the store, its founder and the events concerning each. The website is hosted on the popular website "toronto.com." which provides information about Toronto. It is reasonable to expect that the many customers of the **Complainant** would look to its website for the specials or outstanding bargains available in the short term. It is a reasonable inference that the **Registrant** was familiar with the **Complainant's** website prior to his application for his domain name.

The **Registrant** advised counsel for the **Complainant** that he was aware of the **Complainant's** trade mark. The **Registrant** registered the Domain Name "honesteds.ca" in March of 2006. It does not relate to any specific or even general wares or services. The website says: "Welcome to the home page of the future website for honesteds.ca" and provides directions from the **Registrant's** Registrar to the Administrator of the website as to how to begin building the website status. There are many WebPages on the internet that display this default page and are thus nearly identical to the webpage of the **Registrant**.

On July 4, 2006, Counsel for the **Complainant** wrote by registered letter to the **Registrant** advising of the **Complainant's** recent knowledge of the **Registrant's** registration of the Domain Name, asserting that such registration was an infringement of the **Complainant's** trademark, that the registration was a bad faith registration under the CIRA Domain Name Policy and that the domain name was being used by the **Registrant** to disrupt the business of the **Complainant**.

On July 6, 2006, the **Registrant** telephoned the counsel for the **Complainant** expressing familiarity and affection for the **Complainant**. He stated that his website was being developed and that he had incurred expenses for which he wanted to be reimbursed if he was to transfer the Domain Name to the **Complainant**. He could not quantify those expenses. He would speak to his accountant and get back to her. Counsel for the **Complainant** advised him that the **Complainant** would reimburse him for his costs in registering the Domain Name. The **Complainant's** counsel confirmed this conversation by letter to the **Registrant**. The **Registrant** did not take issue with the allegations in the July 4 letter. It is reasonable to infer that the **Registrant** agreed with them.

By letter of July 20, 2006, Counsel for the **Complainant** advised the **Registrant** that if there was no reply to the letter of July 6 by July 28, the **Complainant** would commence its Complaint under the CIRA Domain Dispute Resolution Policy.

On July 21, the **Registrant** advised Counsel for the **Complainant** by e-mail that he was "finalizing a reimbursement price". She responded by e-mail with the July 28 deadline, failing which, she would proceed with the present **Complaint**.

On July 27, 2006 the **Registrant** telephoned the **Complainant's** counsel advising her that he was no longer prepared to provide particulars of his expenses, but rather would like the **Complainant** to make an offer for his domain name and that "any offer would have to be lucrative". She advised him that she understood that such offer would have to be substantially in excess of the costs incurred by the **Registrant** to register his Domain Name. She further advised him that such registration was an infringement of her client's trademark, was a bad faith registration under the Policy and that her client would not be willing to provide a lucrative sum of money. She sent the **Registrant** an e-mail confirming this conversation.

The **Registrant** did not reply or otherwise take issue with any of the allegations made by counsel for the **Complainant**. He has not voluntarily withdrawn his registration or provided counsel with his statement of expenses for the registration.

## ISSUES

**Is the domain name “honesteds.ca.” confusingly similar to the Complainant’s registered trade mark: HONEST ED’S: TMA 118811?**

Paragraph 4.1 of the Policy obligates the **Complainant** to prove, on the balance of probabilities that the **Registrant’s** Domain Name is confusingly similar to the **Complainant’s** Mark. The **Complainant** has clearly proven that it has a right to the Mark by both its registration and unchallenged use thereof for over 40 years.

The Domain Name and Mark nearly resemble each other in appearance, sound and the idea suggested. They are identical except that the Domain Name omits a space between the words HONEST and ED’S and omits an apostrophe, both of which are precluded by the technical requirements of the Internet from being part of a Domain Name.

### *CIRA General Registration Rules S3*

The absence of spaces and punctuation marks is irrelevant to the comparison for the purpose of determining confusing similarity.

### *Canadian Broadcasting Corporation v William Quon CIRA Dispute 00006 pages 11-12*

The **Complainant** has satisfied the burden of proof under Paragraph 3.4 and 4.1 of the Policy. The Domain Name is confusingly similar to the trade mark of the **Complainant**.

**Does the Registrant have a legitimate interest in the Domain Name “honesteds.ca.”?**

Paragraph 4.1 of the Policy requires the **Complainant** *must provide some evidence* that the **Registrant** does not have a legitimate interest in the Domain Name.

The **Complainant** has provided that evidence by establishing that the **Registrant** knew of the **Complainant’s** trade name and business. It can be reasonably inferred that he also knew of the **Complainant’s** website before he registered his domain name.

The Complaint provided a printout of the **Registrant’s** website page which demonstrates no real use of the Domain Name. The display is a default page providing directions from the **Registrant’s** Registrar as to how to begin a new website. It refers to some undefined future use. The directions are common to other websites and do not seek to distinguish the **Registrant** as a provider of any specific wares or services. We find that it confuses users of the internet who are seeking to connect to the **Complainant’s** website to get information on the **Complainant’s** wares

The **Complainant** has provided some evidence to establish that the **Registrant** has no legitimate use of the Domain Name. The burden of proof now shifts to the **Registrant** under Paragraph 3.6 of the Policy, to demonstrate use of the Domain Name under one of the alternative conditions set forth in paragraphs 3.6 (b) (c) (d) (e) or (f).

"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....."

The **Registrant** has adduced no evidence to meet any of the alternative "**if, and only if**" burden of proof criteria.

Therefore, we find that the **Registrant** has no legitimate use in the Domain Name: "honesteds.ca".

### **Has the Registrant registered the Domain Name "honesteds.ca" in bad faith?**

Paragraph 4.1 of the Policy requires that "the **Complainant** must prove, on the balance of probabilities that:

after the **Complainant** has established that the Domain Name is confusingly similar to its Mark.

(b) the **Registrant** has registered the Domain Name in bad faith as described in Paragraph 3.7"

Paragraph 3.7 provides that "...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** ..... for valuable consideration **in excess of the Registrant's actual costs in registering the domain name** or acquiring the Registration." (emphasis added)

(b) The **Registrant** registered the domain name or acquired the Registration in order to prevent the **Complainant**.....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: or

(c) The **Registrant** registered the Domain Name or acquired the Registration **primarily for the purpose of disrupting the business of the Complainant**..... ( emphasis added)

The policy and the rules permit evidence to be provided by either party in any manner, by any one. The evidence is not under oath. There is no discovery process or right to cross-examine an opposing party in order to either test the credibility of the evidence or to ascertain additional or contradictory evidence which may assist the examining party. This limitation on the ability of either party to bolster it's own case or impeach the opponent's case by means of discovery or cross-examination were intended to simplify

the procedure, reduce costs and enable decisions to be made expeditiously. In the result, however, the **Complainant** is almost never able to determine the **primary intent** of the **Registrant** as mandated by the word "primarily" combined with the exclusive intent of the **Registrant**" mandated by the words "if and only if" in paragraph 3.7 of the Policy.

In *Canadian Broadcasting Corporation and William Quon* *supra* at page 13, the Panel held:

"However, it is quite difficult usually, if not impossible, to show bad faith with concrete evidence. **The Panel is therefore of the opinion that it can take into consideration surrounding circumstances and draw inferences to determine whether or not the Registrant's actions are captured by paragraph 3.7.** For example, the Panel may consider surrounding circumstances to decide whether or not the **Registrant** has registered the domain name primarily for the purpose of selling it to the **Complainant** or a competitor. **To require the Complainant to provide direct evidence of the Registrant's bad faith intentions would allow a Registrant with a certain level of skill to easily evade the application of the CIRA policy, hence rendering its application moot or irrelevant.** This reasoning is consistent with the recent CIRA decision - *Biogen, Inc v Xcalibur Communication Dispute number 00003*, wherein the Panel considered the surrounding circumstances of the case to conclude bad faith.

**Therefore, once the Complainant has presented sufficient evidence to establish one of the situations in 3.7, it is incumbent on the Registrant to either respond or explain why its conduct should not be considered bad faith. The Panel's understanding of the Policy is that, although the initial burden to prove (on a balance of probabilities) the Registrant's bad faith in the registration of the disputed Domain Name lies squarely on the shoulders of the Complainant, such obligation need not be more than to make out a *prima facie* case, akin to a number of decisions rendered under the ICANN Policy, and once it has done so, the Panel may find in certain circumstances, that there is a shift of onus and it is then incumbent upon the Respondent to either justify or explain its conduct, if not to demonstrate the contrary."** (emphasis added)

The **Complainant** has established that the **Registrant** wanted an offer from the **Complainant** to purchase the **Registrant's** Domain Name for more than the costs the **Registrant** incurred in its registration thereof. His promise to provide particulars of his expenses was a sham promise, intended to induce the **Complainant** to negotiate. Indeed, the **Registrant** was seeking a "lucrative" payment, which amount was never specified. The **Registrant** did not dispute the allegations made against him in the correspondence e-mailed to him confirming his telephone conversations with counsel for the **Complainant**.

The website employing the Domain Name has no legitimate purpose. We find that it was either intended to disrupt the business of the **Complainant** by drawing the **Complainant's** customers into purchasing goods or services from the **Registrant** or those to whom he would direct such customers for a fee, or to induce the **Complainant** to purchase the **Registrant's** Domain Name at a lucrative price. His failure or refusal to refute the allegations of **Complainant's** Counsel or to provide evidence of honest belief and legitimate use for the Domain Name leads the Panel to conclude that the

**Registrant** registered the Domain Name honesteds.ca. primarily for the purpose of selling the Registration to the **Complainant** and, indeed, that this was his only reason for registering the Domain Name.

The Panel finds that such registration was in bad faith under paragraph 3.7 (a) of the Policy.

While the Panel has found that the **Registrant** registered the Domain Name for the purpose of disrupting the business of the **Complainant**, such intention was secondary to the purpose of inducing the **Complainant** to purchase the Domain Name from the **Registrant**.

## DECISION

For the foregoing reasons, the Panel decides:

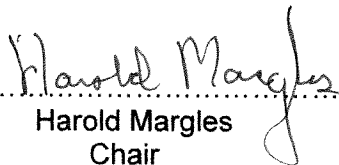
1. The Domain Name **honesteds.ca** registered by the **Registrant** is confusingly similar to the trademark **HONEST ED'S** in which the **Complainant** has rights.
2. The **Registrant** has no legitimate interest in respect of the Domain Name honesteds.ca.
3. The Domain Name has been registered by the **Registrant** in bad faith.

Accordingly, pursuant to paragraph 4.3 of the CIRA Policy, the Panel **Orders** that the registration of the Domain Name:

**"honesteds.ca."**

be forthwith transferred to the **Complainant** by the Registrar, **Netfirms, Inc.**

Harold Margles, Kenneth Gamble and John F. Lee

  
.....  
Harold Margles  
Chair

Dated: October 6, 2006