

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

Dispute Number: DCA-965-CIRA
Complainant: Musician's Friend Inc.
Registrant: Rob Piperni
Disputed Domain Name: www.musiciansfriend.ca
Registrar: Low Cost Domains Inc.

Panellists: Hon. Roger P. Kerans
James E. Redmond
Claude Freeman (Chair)

Service Provider: British Columbia International Commercial Arbitration
Centre (the "BCICAC")

BCICAC FILE NUMBER: DCA-965-CIRA

On December 13, 2006, the Complainant filed a complaint against the Registrant with the BCICAC, seeking that the Registrant's registration of <musiciansfriend.ca> be transferred to the Complainant.

The complaint filed by the Complainant was reviewed by the BCICAC and found to be in administrative compliance with the Policy and Rules in accordance with the provisions of Rule 4.2. By letter and by mail dated December 13, 2006, the BCICAC, as dispute resolution service provider, so advised the parties and forwarded by Express Post and email a copy of the complaint to the Registrant for his response.

The Registrant responded to the complaint on January 22, 2007 by email to the BCICAC (and a copy to the Complainant's counsel).

By way of a response by the BCICAC on January 2, 2007 (per Rule 5.4 of BCICAC rules), the time for filing a response by the Registrant was extended to January 22, 2007.

On February 1, 2007, counsel for the Complainant brought to the attention of the BCICAC that the Canadian sales figure should be in US \$, not US \$ millions. This was reported as a 'typo' error and accepted by the Panel simply as an error.

On February 5, 2007, the full complaint as submitted by the Complainant, and the response as submitted, were delivered by way of courier to the panel members.

The Panel convened on February 13, 2007, reviewed the matter submitted and submits its decision as follows:

Facts

Complainant is known in connection with the online and mail order catalogue sales of musical instruments and supplies, as well as retail outlets featuring musical instruments and supplies. Some 36,000 products are available by way of online and mail-order sales. The company was founded in 1983 and its last full fiscal year world-wide sales volume for the year 2005 was reported at \$435.9 mm in US \$. Further, its online sales and catalogue volume for Canada for the full fiscal year of 2005 was reported at close to \$400 K US \$ - representing 1,472 orders with reported data estimating steady growth of orders. Sales figures by Musician's Friend by way of online and catalogue mail-order in Canada were submitted and date back to 1996.

The Complainant has further provided estimates of Web site visits from Canada at about 200,000 per annum.

The Complainant submits that the 'Mark' "Musician's Friend" has been in active use in Canada since 1996 – and not only is it ongoing, the Complainant has submitted sales volume and order numbers, which would attest to active nurturing of the sales volume as it relates to the 'Mark'. Considerable catalogue product information was submitted by the Complainant which supports the ongoing efforts and investments in the nurturing of its sales growth.

The Complainant submits that it is the owner of the trade-mark Musician's Friend – registered on pending with the Canadian Intellectual Property Office (CIPO) as follows:

<u>Registration/application</u>	<u>Date</u>
TMA 592,327	October 15, 2001
1,140,231	May 9, 2002
1,256-396	July 19, 2002

The Complainant alleges that its past and ongoing conduct of business under the name of Musician's Friend is impinged upon by the Respondent's use of musiciansfriend.ca, which differs from its Mark only by the space and apostrophe in Musician's Friend. The Complainant relies on Canadian Broadcasting Corporation, V. William Quon, CIRA #00006, pages 11-12 in support of an argument that the absence of spaces and punctuation marks is irrelevant for the purpose of solely determining confusing similarity.

An allegation of bad faith is made by the Complainant submitting that it has registered and continuously used the Musician's Friend Mark in the use of the furtherance of its business objective, yet claiming that the Respondent has registered musiciansfriend.ca in an effort to prevent or hinder the Complainant's business objectives, and that any action or registration by the Respondent pre-dates any registration and ongoing business activity by the Complainant.

In his response (and also as outlined) in his affidavit, the Registrant acknowledges that as early as March 2002, LA Music has operated an online retail web site by which musical instruments and related products may be purchased and that the Registrant was assisting his parents with the operation of LA Music. He adds that the website in question had no relationship to that business, but was intended to be a chat room for musicians, with no intention to draw business from the Complainant to his parents' business or to trade in domain names. He says it is not remarkable that he has yet to develop that website for that purpose. He also correctly says that his domain

name was registered before the Complainant's Canadian Trade Mark, and suggest this mean he has a prior right to its use in Canada. He also contends that the Complainant failed to show use in Canada of its business name before registration of the challenged domain name, and that it is not distinctive.

Reasons

Paragraph 4.1 of the Policy places the onus on the Complainant to prove on a balance of probabilities that the Disputed Domain Name is confusingly similar to the Musician's Friend Marks and that the Registrant has registered the Disputed Domain Name in bad faith. In addition, the Complainant is required under this paragraph to provide "some evidence" that the Registrant has no legitimate interest in the Disputed Domain Name.

1. Confusingly Similar

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

The evidence before us shows that the Complainant has been using the Musician's Friend marks both corporately from 1996 and by way of CIPO registration since 2002.

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

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

A generally accepted principle when applying the test of confusion is looking at the trademarks from the point of the unwary consumer – comparing similarities as opposed to differences. Can the consumer be easily misled by error or otherwise – and perhaps not even know?

The Panel concludes on this issue that the Complainant has met the onus of demonstrating that the disputed domain name is "confusingly similar".

2. Legitimate Interest

A sufficient and initial proof brought on by the Complainant and pertaining to the Registrant's lack of legitimate interest forces the Registrant to rebut, explain or otherwise plead this issue. Failing to do so permits the panel to make a negative inference.

As described above, the Complainant must provide “some evidence” that the Registrant has no legitimate interest in the domain name, as described in Policy paragraph 3.6. If the Complainant satisfies this evidentiary burden, the onus shifts to the Registrant to prove on a balance of probabilities that the Registrant has a legitimate interest in the challenged domain name.

Policy paragraph 3.6 sets forth an exhaustive list of criteria for determining whether a registrant has a legitimate interest in a domain name. It provides as follows:

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

- (a) the domain name was a Mark, the Registrant used the Mark in good faith and the Registrant has Rights in the Mark;*
- (b) the Registrant used the domain name in Canada in good faith in association with any wares, services or business and the domain name was clearly descriptive in Canada in the English or French language of: (i) the character or quality of the wares, services or business; (ii) the conditions of, or the persons employed in, production of the wares, performance of the services or operation of the business; or (iii) the place of origin of the wares, services or business;*
- (c) the Registrant used the domain name in Canada in good faith in association with any wares, services or business and the domain name was understood in Canada to be the generic name thereof in any language;*
- (d) the Registrant used the domain name in Canada in good faith in association with a non-commercial activity including, without limitation, criticism, review of news reporting;*
- (e) the domain name comprised the legal name of the Registrant or was a name, surname or other reference by which the Registrant was commonly identified; or*
- (f) the domain name was the geographical name of the location of the Registrant’s non-commercial activity or place of business.*

In paragraphs 3.6 (b), (c), and (d) “use” by the Registrant includes, but is not limited to, use to identify a web site.

The legitimate interest criteria set forth in Policy paragraphs 3.6 (a), (b), (c), and (d) are satisfied only if the Registrant’s use was in “good faith”, a term which is not defined by the Policy. The Panel notes that “good faith” as used in Policy paragraph 3.6 is not necessarily the opposite of “Bad Faith” as defined in Policy paragraph 3.7.

The Panel has reviewed submissions by the Registrant, and certainly, he either directly or indirectly appears to be closely connected with LA Music, and by inference, one can conclude he has a degree of knowledge of the Complainant’s business, which because it was and is a large firm with a Canadian sales component, must be well-known to all its competitors. The Respondent argues he had a legitimate interest in establishing a musicians’ chat room, but offers no legitimate interest for employing for that chat-room a name that he must have known was closely associated with the Complainant.

The Registrant has failed to justify its claim to a legitimate interest in the disputed web site.

3. Registration in Bad Faith

The following facts lead the Panel to conclude that the disputed domain name was registered in bad faith:

- 1) The Registrant has himself and in concert with others (LA Music) engaged in a pattern of registering domain names using the names of well-known or “branded” companies in the music business – with the reasonable inference to this Panel that this was done to prevent persons who have Rights in Marks from registering domain names.
- 2) The Registrant’s failure to use the domain name for over 4 years – with the reasonable inference to this Panel that it was registered to disrupt the business of the Complainant – to the benefit of a competitor (LA Music), to whom Registrant is closely connected.
- 3) The domain name has no connection to Registrant, who has given no plausible explanation for an alleged purpose: proposed future “chat room”, and accordingly, has no need or right to use the name “Musician’s Friend” in breach of the Complainant’s trade-mark.

Balance of Probabilities

Even if a complainant has met the burdens of proof contained in Paragraph 4.1, a complaint will be dismissed if the Registrant is able to prove on a balance of probabilities that the Registrant has a legitimate interest in the disputed domain name. Again, such “legitimate interest” must meet one or more of the six tests set out in Paragraph 3.6 of the Policy and referred to above.

This balance of probabilities test in Paragraph 4.1 of the Policy deals with the situation where even though a complainant has satisfied all of the burdens of proof contained in Paragraph 4.1, a Panel believes that justice requires the Registrant to succeed. In finding against a registrant, the Panel is depriving that registrant of a property interest. Such a decision should not be taken lightly. Therefore, even if a Panel finds that a complainant has satisfied the rather heavy burdens of proof placed on it by Paragraph 4.1, if the Panel is satisfied that on a balance of probabilities the registrant has a legitimate interest in the disputed domain name, the Panel must find for the registrant and dismiss the complaint.

In the case at hand, the Panel is satisfied that on a balance of probabilities, based upon the evidence before it that the Registrant has no legitimate interest in the Disputed Domain name.

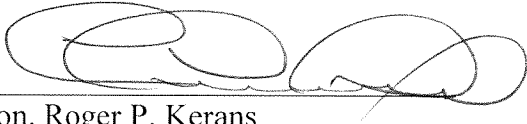
Lastly, in his submission, the Registrant argued under a section entitled “Equitable Considerations” that, because the Complainant did not register its trade mark in Canada until after the domain name was registered, and did not bring this complaint until more than 4 years after the domain name was registered. This may have been of interest if the Registrant could have shown that it had relied in any way to its detriment on the delayed trade mark registration or the lack of a complaint. But it manifestly did not, as nothing was done with the domain name by the Registrant in all that time, and, as has been found, at the time of registration the Registrant knew about the business activities and name of the Complainant.

Decision and Order

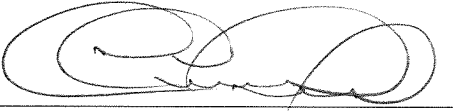
We find that the Complainant has succeeded in this proceeding initiated under the Policy.

We therefore direct that the registration of <musiciansfriend.ca> be transferred to the Complainant's Musician's Friend Inc.

Dated this 26th day of February 2007.



PER: Hon. Roger P. Kerans



PER: James E. Redmond



Claude Freeman, Chair