CANADIAN INTERNET REGISTRATION AUTHORITY DOMAIN NAME DISPUTE RESOLUTION POLICY

COMPLAINT

Dispute Number: DCA-1005-CIRA Domain Name: omerdeserres.ca Complainant: Omer DeSerres Inc.

Registrant: Erik Maddeaux

Registrar: 10 Dollar Domain Names Inc.

Panel: Eric Macramalla

Service Provider: British Columbia International Commercial Arbitration Centre

DECISION

A. THE PARTIES

- 1. The Complainant is Omer DeSerres Inc. (the "Complainant"), a Canadian corporation having a place of business at 254, rue Sainte-Catherine Est, Montreal, Quebec, H2X 1L4, Canada. The Complainant is represented by Miller Thomson Pouliot LLP in these proceedings.
- 2. The Registrant is Erik Maddeaux (the "Registrant") who, according to the CIRA Whois information, is located at 1498 Indian Grove, Mississauga, Ontario, L5H 2S6, Canada.

B. <u>DISPUTED DOMAIN NAME & REGISTRAR</u>

3. The disputed domain name is omerdeserres.ca (the "Domain Name"). The Registrar is 10 Dollar Domain Names Inc.

C. PROCEDURAL HISTORY

- 4. This is a dispute resolution proceeding initiated pursuant to the CIRA Domain Name Dispute Resolution Policy (the "Policy") and the CIRA Policies, Rules, and Procedures CIRA Domain Name Dispute Resolution Rules (the "Rules"). By registration of the Domain Name with the Registrar, the Registrant agreed to the resolution of this dispute pursuant to the Policy and the Rules.
- 5. The Complainant filed its complaint (the "Complaint") on July 6, 2007. By way of letter dated July 10, 2007, British Columbia International Commercial Arbitration Centre (the "Provider") found the Complaint to be in compliance with the Policy and Rules.
- 6. Delivery of the Complaint to the Registrant by email and courier was successful.
- 7. The Registrant did not file a response.

- 8. In light of the Registrant's failure to file a response, the Complainant, as per paragraph 6.5 of the Rules, elected to convert the Panel from three members to a single member.
- 9. On September 21, 2007, the Panel was appointed. As prescribed by paragraph 7.1 of the Policy, the Panel has declared to the Provider that it can act impartially and independently in connection with this matter, and that there are no circumstances known to the Panel which would prevent it from so acting.

D. BASIS FOR DECIDING THE COMPLAINT

10. Since the Registrant has not submitted a response to the Complaint, the Panel shall decide the Proceeding on the basis of the Complaint, as provided by paragraph 5.8 of the Rules.

E. CANADIAN PRESENCE REQUIREMENTS: ELIGIBILITY OF THE COMPLAINANT

11. The Complainant is a corporation incorporated under the laws of Canada. Pursuant to paragraph 1.4 of the Policy, and paragraph 2.1(d) of the CIRA Policies, Procedures and Guidelines: Canadian Presence Requirements For Registrants, the Panel is satisfied that the Complainant is eligible to initiate this proceeding.

F. THE POSITIONS OF THE PARTIES

The Complainant's Position

- 12. The Complainant is retailer of arts and crafts supplies.
- 13. The Complainant is the owner of the Canadian trade-mark registrations OMER DESERRES, registration No. TMA 420,053 and OMER DESERRES & Design, registration No. TMA 566,939 (collectively, the "OMER DESERRES Trade-marks").
- 14. Registration Nos. TMA 420,053 and TMA 566,939 matured to registration on November 26, 1993 and September 5, 2002, respectively.
- 15. The OMER DESERRES trade-mark has been used in Canada by the Complainant, and/or its predecessor(s)-in-title, since at least as early as 1921.
- 16. The omerdeserres.ca domain name was registered on January 9, 2007. The disputed domain name was made to resolve to a pay-per-click website hosted by TrafficClub.com and displayed customized links to competitors of the Complainant.
- 17. The Complainant issued a cease and desist letter dated March 7, 2007. The Registrant did not respond to the Complainant's letter.

- 18. The Domain Name is confusingly similar with the OMER DESERRES Trade-marks in which the Complainant had rights prior to the registration date of the Domain Name, and continues to have such rights.
- 19. The Registrant has no legitimate interest in the disputed domain name.
- 20. The Registrant registered the Domain Name in bad faith in that it registered the Domain Name primarily for the purpose of disrupting the business of the Complainant, a competitor.
- 21. The Registrant did not file a response.

G. <u>Discussion & Reasons</u>

- 22. In accordance with paragraph 4.1 of the Policy, to succeed in this proceeding, the Complainant must prove, on a balance of probabilities, that:
 - (a) the Registrant's 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 Rights¹; and
 - (b) the Registrant has registered the Domain Name in bad faith as described in paragraph 3.7 of the Policy;

and the Complainant must provide some evidence that:

(c) the Registrant has no legitimate interest in the Domain Name as described in paragraph 3.6 of the Policy.

Even if the Complainant proves (a) and (b) and provides some evidence of (c), the Registrant will succeed in the Proceeding if the Registrant proves, on a balance of probabilities, that the Registrant has a legitimate interest in the Domain Name as described in paragraph 3.6.

CONFUSINGLY SIMILAR - PARAGRAPH 3.4

23. In order to satisfy this branch of the test, the Complainant must demonstrate (i) that it has rights in a mark, (ii) that the rights in its mark predate the registration date of the Domain Name, and (iii) that the Domain Name is confusingly similar with the disputed domain name.

¹ The terms "Rights", "Mark" and "Confusingly Similar" are defined terms under the Policy.

Rights in a Mark

24. The Complainant is the owner of the OMER DESERRES Trade-marks. Accordingly, as per paragraph 3.2(c) of the Policy, the Complainant has rights in these marks.

Prior Rights

- 25. The Domain Name was registered on January 9, 2007.
- 26. OMER DESERRES, registration No. TMA 420,053 and OMER DESERRES & Design, registration No. TMA 566,939 matured to registration on November 26, 1993 and September 5, 2002, respectively.
- 27. Where a complainant relies upon a trade-mark registered prior to the domain name registration date, the Policy does not require or permit a Panel to go behind the registration to determine whether the mark is valid or invalid based upon lack of distinctiveness or non-use.
- 28. The Panel concludes that the Complainant's rights in its marks predate the registration date of the Domain Name. Therefore, the Complainant has to the satisfaction of the Panel established rights that precede the domain name registration date.

Confusingly Similar

- 29. As per paragraph 3.4 of the Policy, a domain name will be found to be confusingly similar with a mark if the domain name so nearly resembles the mark in appearance, sound or in the ideas suggested by the mark so as to be likely to be mistaken for the mark.
- 30. Pursuant to paragraph 1.2 of the Policy, a domain name is defined as the second level domain (the portion that immediately precedes the dot-ca suffix).
- 31. The test to be applied when considering "confusingly similar" is one of first impression and imperfect recollection. The Complainant must prove, on a balance of probabilities, that a person, as a matter of first impression, knowing the Complainant's corresponding marks only, and having an imperfect recollection of the marks, would likely confuse the Domain Name for the Complainant's marks based upon the appearance, sound or the ideas suggested by the mark (*Government of Canada, on behalf of Her Majesty the Queen in Right of Canada v. David Bedford*, BCICAC Case No. 00011).
- 32. It should be noted that the test for confusion under the Policy is not the same test for confusion set out under the Canadian *Trade-marks Act*. Under the Section 6(5) of the *Trade-mark Act*, when assessing the likelihood of confusion between marks, the factors to consider are as follows: (a) the inherent distinctiveness of the marks and the extent to which they have become known; (b) the length of time the marks have been in use; (c) the nature of the

- wares, services, or businesses; (d) the nature of the trade; (e) the degree of resemblance between the marks in appearance or sound or in the ideas suggested by them; and (f) the surrounding circumstances.
- 33. In contrast, the Policy provides that confusion is established if a domain name so nearly resembles a mark in appearance, sound or in the ideas suggested. This is similar to the test set out under Section 6(5)(e) of the *Trade-marks Act*. However, the remaining factors as set out under the *Trade-marks Act* do not apply to the assessment of confusion under the Policy. The Policy's summary proceedings are ill-suited for the in-depth and traditional confusion analysis contemplated by the *Trade-marks Act*.
- 34. The domain name omerdeserres.ca is identical to OMER DESERRES, registration No, TMA TMA 420,053 as the second level domain is comprised exclusively of this mark.
- 35. Further, the disputed domain name incorporates the whole of the word element of the trademark OMER DESERRES & Design. The fact that the design element is not reproduced in the Domain Name is of no practical significance to the confusion analysis.
- 36. The Panel therefore concludes that the Domain Name is confusingly similar with the Complainant's marks, given that omerdeserres.ca so nearly resembles the OMER DESERRES Trade-marks in appearance, sound and in the ideas suggested so as to be likely to be mistaken for these marks.

<u>Conclusion - Confusion</u>

37. The Panel finds that the Domain Name is confusingly similar with the OMER DESERRES Trade-marks in which the Complainant had rights prior to the registration date of omerdeserres.ca, and continues to have such rights.

BAD FAITH REGISTRATION - PARAGRAPH 3.7(C) - DISRUPT A COMPETITOR

- 38. The Complainant has alleged that the Domain Name was registered in bad faith pursuant to paragraph 3.7(c) of the Policy.
- 39. As per paragraph 3.7(c) of the Policy, the Complainant must establish the following:
 - 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.
- 40. Accordingly, the Complainant must establish (i) that the Registrant and the Complainant are competitors, and (ii) that the Registrant's use of the Domain Name is disrupting the Complainant.

The Registrant's Website

- 41. The Registrant has pointed the Domain Name to a customized Internet portal or a pay-perclick website displaying various sponsored (or advertised) links that resolve to websites that compete with the Complainant. This website is operated by TrafficClub.com, a business that is involved in the monetization of domain names. The Registrant is paid a fee by TrafficClub.com each time an end user clicks on an advertisement appearing on the site.
- 42. The website displays the banner "Omerdeserres.ca", as well as links such as "Watercolor Brush" and "Printable Canvas". A number of these links redirect the end user to a list of sponsored links that themselves resolve to websites promoting various wares and services that overlap or compete with the wares and services offered by the Complainant. The website also provides a means by which an end user may conduct its own searches and access links to competitors of the Complainant.
- 43. It has become an increasingly popular practice among registrants to park their domain names with websites that operate revenue programs whereby domain name holders who redirect Internet users to these websites are eligible for a referral fee. Registrants only see an upside to doing so, as in many cases, the alternative would be to park the domain names at inactive sites, which is a less attractive proposition as it does not generate revenue for registrants.
- 44. The Panel in *PepsiCo, Inc. v. LaPorte Holdings, Inc. and Pepsiemployment.com a/k/a Henry Chan*, WIPO Case No. D2005-0087, commented on this practice:

The websites associated with the Domain Names – consisting solely of links "for monetization of parked domain names," according to a webpage from DomainSponsor provided as an exhibit by Complainant – represent a crude but increasingly popular scheme for cybersquatters to earn money from their activities. See *PepsiCo, Inc. v. Henry Chan*, WIPO Case No. D2004-0033 ("using the domain names to divert web traffic to search engines and linking portals… diverted web traffic used for a financial benefit").

45. Resolving a disputed domain name to a customized Internet portal, such as those hosted by TrafficClub.com or DomainSponsor.com, with a view to reaping a commercial advantage by attempting to capitalize on consumer confusion constitutes *prima facie* evidence of bad faith as per paragraph 3.7(c) of the Policy (*The Standard Life Assurance Company of Canada v. Hank Morin*, Resolution Canada Case No. 00046; *Sleep Country Canada Inc. v. Pilfold Ventures Inc.*, BCICAC Case No. 00027; *Lee Valleys Tools Limited v. Pilfold Ventures Inc.*, Resolution Canada Case No. 00040; *Reitmans Canada Limited/Reitmans Canada Limitee v. Pilfold Ventures Inc.*, BCICAC Case No. 00032; *The Men's Warehouse Inc. v. Wade Traversy*, Resolution Canada Case No. 00023; *Fresh Intellectual Properties Inc. v. Sweets and Treats*, BCICAC Case No. 00033; *Canada Post Corporation v. Marco Ferro*, BCICAC Case No. 00042).

- 46. In such cases, the Registrant will be found to be a "competitor" of the complainant, as it has offered a means by which end users may access links to businesses that compete with the complainant, while also competing for Internet traffic by trying to capitalize on consumer confusion.
- 47. Such use of a domain name is also "disruptive" to a complainant, as potential consumers are likely to be confused into believing that the registrant's website is somehow affiliated with, or sponsored by, the complainant. As well, the mere misdirection of end users to the registrant's website, and to websites operated by competitors of the complainant, constitutes a disruption to the complainant.
- 48. The Panel in *Sleep Country Canada Inc. v. Pilfold Ventures Inc.*, *supra*, held that use of a domain name in these circumstances may qualify as bad faith pursuant to paragraph 3.7(c):

The Panel finds that the Registrant's use of the domain name in association with a web page that linked to competitors of the Registrant, constituted the Registrant a competitor of the Complainant for the purposes of CIRA Policy para. 3.7(c). Further, the Panel concludes that the effect of the Registrant's use of the Confusingly Similar domain name with this web page offering products directly competing with the Complainant's business would disrupt the business of the Complainant.

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

Application to the Instant Case

49. Resolving omerdeserres.ca to the TrafficClub.com website qualifies the Registrant as a "competitor" of the Complainant, as the website provides end users with access to links of competitors of the Complainant, and also competes for Internet traffic by attempting to capitalize on end user confusion. Further, the use of omerdeserres.ca is disruptive to the

Complainant, as potential consumers are likely to be confused into believing that the Domain Name and website are somehow affiliated with, or sponsored by, the Complainant. As well, the mere potential for the misdirection of end users to the Registrant's website based upon end user initial interest confusion, irrespective of the nature or content of the Registrant's website, constitutes a disruption to the Complainant' business and the goodwill subsisting in its marks. If an end user is confused into believing that there is some association between the Domain Name and the Complainant, but that confusion is immediately dispelled upon visiting the Registrant's website, a disruption to the Complainant has nevertheless occurred.

- 50. The sole purpose behind the registration of the Domain Name was to piggyback on the goodwill associated with the Complainant's marks in an attempt to exploit, for commercial gain, Internet traffic destined for the Complainant. Under the circumstances, it is reasonable to infer that the Registrant not only knew this diversion would be disruptive, but intended it to be so.
- 51. As per paragraph 3.7(c) of the Policy, the Panel finds that the Registrant registered the Domain Name for the purpose of disrupting the business of the Complainant, a competitor.

LEGITIMATE INTEREST - PARAGRAPHS 4.1(C) & 3.6

- 52. The final element of the test set out in the Policy is to determine whether or not the Registrant has a legitimate interest in the Domain Name.
- As per paragraph 4.1 of the Policy, the Complainant must provide "some evidence that the Registrant has no legitimate interest in the domain name as described in paragraph 3.6".
- 54. Once this onus has been discharged by the Complainant, the Registrant may still succeed if it can show, on a balance of probabilities, that it has a legitimate interest in the Domain Name pursuant to paragraph 3.6, which provides as follows:
 - (a) the Domain Name was a Mark, the Registrant used the Mark in good faith and the Registrant had Rights in the Mark;
 - (b) the Registrant used the Domain Name in Canada in good faith in association with any wares, services or business and the domain name was clearly descriptive in Canada in the English or French language of: (i) the character or quality of the wares, services or business; (ii) the conditions of, or the persons employed in, production of the wares, performance of the services or operation of the business; or (iii) the place of origin of the wares, services or business;
 - (c) the Registrant used the Domain Name in Canada in good faith in association with any wares, services or business and the domain name was understood in Canada to be the generic name thereof in any language;

- (d) the Registrant used the Domain Name in Canada in good faith in association with a non-commercial activity including, without limitation, criticism, review or news reporting;
- (e) the Domain Name comprised the legal name of the Registrant or was a name, surname or other reference by which the Registrant was commonly identified; or
- (f) the Domain Name was the geographical name of the location of the Registrant's non-commercial activity or place of business.
- 55. The Panel finds that the Complainant has provided sufficient evidence that the Registrant does not have a legitimate interest in the disputed domain name as prescribed by paragraph 3.6 of the Policy:
 - (i) As per paragraph 3.6(a), the pointing of a disputed domain name to a customized portal or pay-per-click website with a view to reaping a commercial advantage by attempting to capitalize on consumer confusion undermines a claim of good faith and cannot be said to constitute *bona fide* use of the Domain Name. In any event, the Registrant has not used the Domain Name as a Mark as defined by the Policy, namely, "for the purpose of distinguishing the wares, services or business of that person or predecessor or a licensor of that person or predecessor from the wares, services or business of another person". It follows that the Registrant cannot claim Rights in the disputed domain name.
 - (ii) As the Panel finds that the Domain Name has not been used in good faith, the Registrant may not rely on the protection extended by paragraphs 3.6(b), (c) and (d) of the Policy. In any event, the Domain Name itself is not found to be a descriptive or generic term, nor has the Domain Name been used in connection with a non-commercial activity.
 - (iii) The Domain Name is not comprised of the legal name of the Registrant, or was a name, surname or other reference by which the Registrant was commonly identified. As well, the Domain Name is not the geographical name of the location of the Registrant's non-commercial activity or place of business. Accordingly, paragraphs 3.6(e) and (f) do not serve to legitimize the Domain Name.
- 56. As the Registrant has not replied to the Complaint, it has not proven, on a balance of probabilities, that it has a legitimate interest in the Domain Name.
- 57. Accordingly, the Panel finds that the Registrant does not have a legitimate interest in the Domain Name.

Decision & Order

- 58. For the reasons set out herein, the Panel decides this dispute in favour of the Complainant.
- 59. The Panel therefore orders, pursuant to paragraph 4.3 of the Policy, that the domain name omerdeserres.ca be transferred from the Registrant to the Complainant.

Dated at Ottawa, Ontario, Canada, this 19th day of November, 2007.

Eric Macramalla
Sole Panelist