

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

**Dispute Number:** DCA-1105-CIRA  
**Domain Name:** costcowholesale.ca  
**Complainant:** Price Costco International Inc & Costco Wholesale Canada Ltd  
**Registrant:** George H. Campbell, GHC Enterprise  
**Registrar:** DomainsAtCost Corp.  
**Panelist:** Elizabeth Cuddihy, QC, ICA  
**Service Provider:** British Columbia International Commercial Arbitration Centre

**DECISION**

***The Parties***

1. **The Complainants are** Price Costco International Inc & Costco Wholesale Canada Ltd of 999 Lake Drive, Issaquah, Washington 98027, USA and 415 W Hunt Club Rd, Ottawa, Ontario, Canada K2E 1C5 respectively, hereinafter collectively referred to as the “Complainant”.
2. **The Registrant is** George H. Campbell, GHC Enterprise of 6 Gretna Bay, Winnipeg, Manitoba, Canada R2M 4L5.

***The Domain Name and Registrar***

3. The Domain Name at issue (“Disputed Domain Name”) is costcowholesale.ca.
4. The Registrar for the Disputed Domain Names is DomainsAtCost Corp. of 26 Auriga Drive, Ottawa, ON, Canada K2E 8B7, according to its website.
5. The Disputed Domain Name was registered December 5, 2004.

***Procedural History***

6. The British Columbia International Commercial Arbitration Centre (“BCICAC”) is a recognized service provider to the Domain Name Dispute Resolution Policy (“Policy”) of the Canadian Internet Registration Authority (“CIRA”).

7. On September 2, 2008, the Complainant filed a complaint with respect to the Disputed Domain Name (“Complaint”), which Complaint, BCICAC deemed to be in administrative compliance and the Complainant to be eligible.
8. By way of letter dated September 2, 2008, BCICAC so notified the Registrant of commencement of the dispute resolution process in respect of the Complaint by way of electronic mail and hard copy by Fed Ex courier.
9. The Registrant did not file a Response.
10. BCICAC advised the parties that no Response had been received by BCICAC within the timeframe permitted therefor and, as permitted in Rule 6.5 the Complainant elected to convert to a single arbitrator.
11. On September 29, 2008, BCICAC appointed Elizabeth Cuddihy, QC, ICA as sole arbitrator to determine the matter in accordance with the rules.
12. Accordingly, pursuant to Rule 5.8, there being no Response to consider, the sole arbitrator will determine the matter on the basis of the Complaint as filed.

### ***The Complaint and Relief Requested***

13. The Complainant submits that it holds twenty-seven (27) trade-marks, the “Costco Marks” all of which are registered in Canada, owned by Price Costco International Inc.(Costco Wholesale) and licensed to Costco Wholesale Canada Ltd. (Costco Wholesale Canada) under written exclusive license agreement to Costco Wholesale Canada as the duly authorized licensee for Canada.
14. The Complainant first obtained United States and Canada registrations for the trade-mark COSTCO in 1985 and has continued to expand and maintain a large portfolio of Costco Marks registrations in the United States, Canada and in many other countries.
15. The Complainant further asserts that it owns these Costco Marks registrations in a variety of forms, including, COSTCO (in stylized letters), COSTCO WHOLESALE and COSTCO WHOLESALE & DESIGN, for a wide variety of services and for various printed publications and other materials.
16. The Complainant further submits that the Disputed Domain Name is confusingly similar to the Costco Marks in which the Complainant had Rights prior to the date of registration of the Disputed Domain Name, December 5, 2004, that the Respondent has no legitimate interest in the Disputed Domain Name, and that the Disputed Domain Name has been registered by the Registrant in bad faith in accordance with paragraph 3.7 of the Policy and requests that the Disputed Domain Name be transferred to the Complainant, Costco Wholesale Canada.

## ***Eligibility of Complainant***

17. In accordance with 1.4 of the Policy,

“The person initiating a Proceeding ( the “Complainant”) must, at the time of submitting a complaint (the ”Complaint”), satisfy the Canadian Presence Requirements for Registrants (the “CPR”) (currently available at [http://www.cira.ca/en/cat\\_Registration.html](http://www.cira.ca/en/cat_Registration.html)) in respect of the domain name that is the subject of the Proceeding unless the Complaint relates to a trade-mark registered in the Canadian Intellectual Property Office (“CIPO”) and the Complainant is the owner of the trade-mark.”

18. Based on the record, each of the complainants satisfies the Canadian Presence Requirements for Registrants as required by the Policy. The complainant, Costco Wholesale, of 999 Lake Drive, Issaquah, Washington 98027, USA is the owner of several valid and subsisting CIPO registered trade-marks, one of which is “Costco Wholesale” which is the subject of this Domain Name Dispute. The complainant, Costco Wholesale Canada of 415 Hunt Club Rd, Ottawa, Ontario, Canada K2E 1C5 is a federally incorporated company under the laws of Canada and is the Canadian licensee of the relevant trade-marks.

## ***Analysis and Findings***

19. Paragraph 4.1 of the Policy provides:

4.1 **Onus.** To succeed in a proceeding, the Complainant 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 the Complainant must provide some evidence that:

(c) the Registrant has no legitimate interest in the domain name as described in paragraph 3.6

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.

#### **4.1 (a) Confusingly Similar**

20. In applying the confusion analysis, paragraph 1.2 of the Policy provides that

“...’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”

21. Paragraph 3.2 (1) of the Policy further provides that

“a ‘Mark’ is a trade-mark including the word elements of a design mark, or a trade-name that has been used in Canada by a person or the person’s predecessor in title, for the purpose of distinguishing the wares, services or business of that person or predecessor, or a licensor of that person of that person or predecessor from the wares, services or business of another person”

22. The evidence shows that among the twenty-seven (27) trade-marks within the family of Costco Marks are the trade-marks COSTCO and COSTCO WHOLESALE registered in CIPO as number TMA301387, March 29, 1985 and as number TMA534257, October 10, 2000, respectively. The Complainant is the owner of these marks and continues to hold ownership rights in the marks.

23. The Disputed Domain Name was registered December 5, 2004. The date of registration of the Disputed Domain Name is clearly subsequent to the Complainant’s rights associated with the Costco trade- marks.

24. In determining whether there exists a confusing similarity between a Domain Name and a Canadian registered trade-mark, a panel need only consider whether a person, as a matter of first impression, knowing the Complainant’s corresponding mark only and having an imperfect recollection of it, would likely mistake the Domain Name for the Complainant’s corresponding mark based upon the appearance, sound or ideas suggested by the Mark.

25. The evidence shows that the Complainant is a recognized world leader in warehouse club merchandizing and related services. Costco Wholesale and its predecessors have operated membership warehouse stores under the Costco Marks since 1983 in the United States of America. It currently operates over 520 warehouse stores worldwide, including approximately 393 warehouse stores in the United States and Puerto Rico and 75 warehouse stores are currently operating throughout Canada. The first COSTCO Wholesale Canada store opened in 1985 and there are presently in excess of 18,000 customer transactions each week in each warehouse in Canada. In the United States and Canada it is a well known retailer with over US\$ 6.1 billion in sales in the US in fiscal year 2007 and sales in Canada in fiscal 2007 in association with its Costco Marks of over US\$ 8.7 billion. Because of its size and notoriety it has been the subject of

regular news and featured coverage in the media and has become famous for the sale of brand name and high quality private label merchandise at low prices in no-frills warehouse-style stores.

26. Reference is made to *Enterprise Rent-A-Car v. Bedford*, CIRA Dispute No. 00097, March 27, 2008 (2008), 65 C.P.R.(4<sup>th</sup>) 227 where it was concluded that a person knowing of the Complainant's trade-mark "Enterprise" would likely mistake the Domain Names which were composed of the identical element "enterprise" or the Complainant's trade-mark. In that case, the Complainant was a leading vehicle rental business in Canada, and provided vehicle rental, rental reservation and related services all in association with the family of Enterprise trade-marks and the Enterprise trade-name.

27. Based on the foregoing, I find that the Disputed Domain Name is confusingly similar to the Costco Marks. I further find that the Complainant had rights in the Costco Marks prior to the date of registration of Disputed Domain Name and continues to have such rights.

#### **4.1(b) - Bad Faith**

28. To determine this issue, I refer to paragraph 3.7 of the Policy which provides as follows:

"3.7 Registration in Bad Faith. 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 purposes 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"

29. To establish bad faith on the part of the Registrant, the Complainant need prove only one of the above.

30. The evidence shows that the Complainant has not licensed its Costco Marks or any of them to the Registrant, nor does it have any business relationship with the Registrant.

31. The evidence further shows that due to the longstanding notoriety of the Costco Marks, the Registrant must have known of the Costco Marks well before the registration of the Disputed Domain Name on December 5, 2004 which incorporates the well-known Costco Mark.

32. Given that the Disputed Domain Name is entirely comprised of the element, “costcowholesale”, the Complainant’s trade-mark, internet users who encounter the Domain Name could be misled into believing that there is a business or commercial association with the Complainants, which, the evidence shows is not the case.

33. Furthermore, an August 21, 2008 CIRA report to the Complainant’s representative on the results of the CIRA search of Registry in response to his Request for Domain Name Information reveals that the Registrant has registered several other domain names which are identical or confusingly similar to well-known trade-marks such as GOOGLE, M&M MEAT SHOPS, SUPERSTORE TELUS, COACH CANADA, YOUNG DRIVERS OF CANADA and WESTIN.

34. According to the third party Canadian trade-mark registrations provided, the Registrant does not appear to have any affiliation with the owners of those well-known trade-marks.

35. The question is whether 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.

36. The term “pattern” is not defined in the Policy. Cases decided under the Policy do not suggest any steadfast rule as to what constitutes a “pattern”. Rather, examination is had to the surrounding circumstances to determine if a particular domain name registration is part of a pattern of bad faith registration. (see *Canadian Broadcasting Corporation/Societe Radio-Canada v. William Quon*, (2003), 25 C.P.R. (4<sup>th</sup>) 519 CIRA, where the Panel held that as few as two (2) domain names was sufficient to establish “pattern”).

37. The Registrant did not respond to the Complainant’s demand letter delivered to the Registrant on July 23, 2008 through the CIRA Message Delivery Service, nor has he responded to the Complaint. Consequently, he has not refuted any of the claims of the Complainant including the claim that the Registrant has no legitimate interest in the Disputed Domain Name nor in the several domain name registrations containing well-known third party marks.

38. The Registrant’s portfolio of registrations incorporating third party mark satisfies the test of a “pattern” as contemplated by the policy stated above.

39. Based on the evidence, I find that the Registrant has registered the Disputed Domain Name to prevent the Complainant from registering its Costco Marks as a .ca domain name. and the Registrant has engaged in a pattern of registering domain names so as to prevent persons who have Rights in Marks from registering the Marks as .ca domain names.

40. I find that the Registrant has accordingly registered the Disputed Domain Name in bad faith as referred to in the Policy.

#### **4.1 (c) Legitimate Interest of the Registrant**

41. The Complainant must provide some evidence that the Registrant has no legitimate interest in the Disputed Domain Name.

42. In paragraph 3.6 of the Policy, an exhaustive list is applied which provides that a Registrant has a “legitimate interest” in a domain name “if, and only if” before a Complaint is filed, the domain name in question meets one or more of the six criteria set out therein.

43. The evidence shows that none of the criteria specified in paragraph 3.6 of the Policy can be relied upon by the Registrant.

44. Furthermore the Registrant has not provided a Response to the Complaint and has not shown, on a balance of probabilities, that the Registrant has a legitimate interest in the Disputed Domain Name as described in paragraph 3.6 of the Policy.

45. Based on the evidence, I am satisfied on a balance of probabilities that the Registrant has no legitimate interest in the Disputed Domain Name.

#### ***Conclusion***

46. Based on the evidence, I find that the Complainant has satisfied the requirements of Paragraph 4.1 of the Policy and the Registrant has no legitimate interest in the Disputed Domain Name and rule in favor of the Complainant.

#### ***Order***

47. I direct that the registration of the Disputed Domain Name, be transferred to the Complainant, Costco Wholesale Canada.

DATED at Chester, Nova Scotia, this 15th day of October, 2008

(sgd) Elizabeth Cuddihy, QC, ICA  
Sole Arbitrator